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HOUSE OF COMMONS DEBATES

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FIRST SESSION—THIRTY-THIRD PARLIAMENT

35 Elizabeth II

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TO THE EIGHTEENTH DAY OF APRIL, 1986

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HOUSE OF COMMONS

Monday, March 3, 1986

The House met at 11 a.m.

[*English*]

THE LATE PRIME MINISTER PALME

EXPRESSIONS OF SYMPATHY ON DEATH BY VIOLENCE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to mourn the loss of Olof Palme, the Prime Minister of Sweden, whose life was tragically cut short last Friday by an assassin's bullet. Olof Palme was not only a great Prime Minister of Sweden, he was a prince of peace and a champion of justice for all mankind. I had the honour of meeting with him on two occasions. I shall never forget his warmth, his vision and determination. It is thus with a personal sense of loss that I express the shock, the outrage and the grief of all Canadians.

Prime Minister Olof Palme was a rare and precious amalgam of idealism and action. His dreams were never idle. He had a vision of social justice in Sweden. He acted. He worked long and hard to help it come true for his own people. He had visions of international peace and progress, and he acted and worked to help those visions come true for all of the world's people.

[*Translation*]

Prime Minister Palme dedicated his intellect, his talents and his energies to the cause of social justice. He did so in his own country, where his passion for justice translated into a social system that has attracted the attention of many Canadians. He did so on the international scene, especially in the case of Third World countries, whose tenacious advocate he had become.

The economic and social development of these countries is one cause he championed at all international venues. The arms race was to him devoid of logic, because it deprived the Third World of resources that were absolutely essential to the well-being of so many people who were still deprived of social justice.

[*English*]

A peacemaker is dead, felled by an act of evil in a land where, until Friday night, a Prime Minister could walk the streets like any private citizen in freedom and complete safety. But though armed cowards have been able to end the life of this great man, they have not been able, and never will be able, to defeat his cause. The shining memory of Olof Palme and the legacy of his love and work will endure to inspire men and women of peace and goodwill throughout the world.

To his injured widow, to his family and to the people of Sweden, we extend our deepest sympathy. We share their grief. Sweden has lost a great Prime Minister. The world has lost a courageous statesman.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on behalf of the Liberal Party of Canada, I rise to join with the Prime Minister (Mr. Mulroney) and with the Leader of the New Democratic Party (Mr. Broadbent) in offering words of condolence to the family of Olof Palme, to the Swedish Ambassador who is here in the Chamber, and to the people of Sweden for the tragic and yet unexplained shooting of their Prime Minister.

The world recoils in horror and shock that an eloquent voice for peace and human dignity has been so brutally silenced. It is doubly shocking that such an act could take place in one of the most highly civilized, progressive and peaceful nations on the face of the globe.

Mr. Palme, who I knew before and after he became Prime Minister of Sweden, was a dominant force in Swedish politics for the past two decades. He was also a dominant and leading force in that earnest yearning search for world peace. In fact, he shared the world's stage for a number of years with our former Prime Minister, the Right Hon. Pierre Trudeau, who was a close friend of Mr. Palme's, in their joint efforts to encourage the superpowers, the United States and the Soviet Union, to lessen tensions and seek common ground for a real and lasting peace.

I spoke to Mr. Trudeau this morning. He joins with me in sending his condolences to the family of Mr. Palme and to the people of Sweden in their loss. As Mr. Trudeau said, Sweden, under Olof Palme, was a neutral nation. It was non-aligned in the real sense of the word. Mr. Trudeau spoke of Mr. Palme as a "pioneer for peace" and I can only add my heartfelt agreement.

[*Translation*]

Olof Palme vigourously criticized U.S. intervention in Vietnam and had no hesitation in expressing his views on the subject. However, he also strongly denounced interference by the Soviet Union in various regions of the world, especially the invasion of Czechoslovakia and more recently, when the Soviet Union took part in the hostilities in Afghanistan.

[*English*]

Olof Palme was also a champion of the world's poor. Very few world leaders felt as passionately as he did that the plight of poor nations is one of the greatest challenges facing us today. In his own country, he led the fight during the last election in September 1985, to preserve and defend the social

welfare system which is renowned as being the most advanced and most progressive in the world.

The people of Sweden have lost a highly articulate and sometimes controversial spokesman for social justice. The world has lost a man who devoted himself to peace and to the dignity of the human spirit. His death is a great and tragic loss, not only for the people of Sweden but for every human being who believes in what he stood for. We will mourn his passing and in so doing we will celebrate the ideals for which he stood.

Some Hon. Members: Hear hear!

• (1110)

Hon. Edward Broadbent (Oshawa): Mr. Speaker, Olof Palme, Prime Minister of Sweden, distinguished Vice-President of the Socialist International, was cruelly assassinated on Friday in Stockholm as he was walking after having seen a movie with his wife—so typical of both the man and the nation which he happened to have led. It was so typical that he was simply out walking, that he had just viewed a recently produced Swedish film and that he was unprotected. All of these facts say a lot about the man.

I have known Olof Palme for more than 10 years. I profoundly regret his passing, both as a colleague and as a friend. He was a marvellous, energetic and imaginative citizen of the world.

Olof Palme devoted himself to improving the human condition, not simply in his beloved Sweden but throughout the globe. He came to his social democratic philosophy not by birth but by conviction. Born into the Swedish aristocracy, born affluent, he thought with depth and passion about the future of his nation and about the future of the world. He became a dedicated and imaginative social democrat.

I would like to say something very briefly about his goals because I think they are instructive for us all. He was determined, first, to improve his own society by means of achieving a better distribution of power and income at home. He never ceased saying that a true democracy must extend the same principles of liberty, equality and participation from political institutions to the economy. In my view he was quite correct in seeing this and not state ownership as the fundamental principle of democratic socialism. Therefore, it is not accidental that the Swedes probably have more individual rights than any other industrialized democracy in the world. It is not incidental that they probably have the most equitable distribution of income of any advanced society in the world. Finally, it is not accidental that in Sweden, perhaps more than in any other nation, in the past decade under his immensely creative leadership, more progress has been made in involving ordinary men and women in the decisions which actually affect them in their places of work.

[*Translation*]

I also would like to mention his concern regarding the effects of rapid technological change. While accepting technological change in a very positive way, he was at the same time determined to provide a clean and healthy environment for his people and to aim for full employment.

More than any other industrialized country, Sweden has been able to achieve goals that a number of countries have wrongly branded as incompatible.

[*English*]

It is not accidental that one of his most recent acts as Prime Minister was to name the man who has now succeeded him as Minister responsible for the future, a man who would have had responsibilities in his Cabinet for co-ordinating activities of various departments to ensure that future planning would result in the implementation of these goals and philosophies in which he so profoundly believed.

The third aspect of Olof Palme's life which I would like to underline in this world of increasing nationalism—and I speak as a nationalist of one sort, as a man who can see nationalism having very many positive forms—is that he was well aware that much of nationalism, or many types of nationalism, can lead to very unfortunate consequences. He was therefore a determined internationalist.

In this regard he was among world leaders in working incessantly for peace and disarsament. He worked incessantly in the international domain to solve the problems of the Third World and to ensure that those countries, largely in the northern part of the globe, did what they could to redistribute wealth among the people of the globe and, more precisely, to encourage developments in the Third World which would facilitate development in that part of the world to bring about increasing levels of prosperity in the elimination of poverty. To that end Sweden has one of the most distinguished records of all nations in allocating a certain high percentage of its Gross National Product to other poorer countries.

Third, he was determinedly insistent in making his criticisms, as a leader of a small nation, of the two superpowers. He never hesitated to say—and not in a self-righteous way—what was wrong when a decision either by the Soviet Union or by the country to the south of us was taken in a way which violated the rights of others, or potentially threatened the peace of the world.

I will always remember others telling me about Olof's decision many years ago to marry, in a formal way, a young Czechoslovakian girl as an act which would enable that young woman to come to freedom out of her society, which is what she wanted. The marriage was later dissolved. It was not a breach of faith; it was a commitment made in the understanding that that woman would be free in Sweden.

I will always remember that Olof Palme was among the world leaders who condemned the American involvement in Vietnam as totally inappropriate and inconsistent, as he well knew from his American experience, with the best traditions of the United States. He was criticized at the time, but he was right. The same Olof Palme was among the very first to condemn the Soviet Union's brutal invasion of Czechoslovakia. He was a consistent man, consistently believing in freedom and

consistently speaking out against the violation of freedom by any other nation in the world.

Our condolences go to Mrs. Palme, their children and the people of Sweden. Sweden has lost a great Prime Minister. The world has lost a determined champion of freedom, equality and peace.

Some Hon. Members: Hear, hear!

Mr. Speaker: I am sure the House would want to express its memory and its respect in the usual way.

[*Editor's Note: Whereupon the House stood in silence.*]

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it is my duty and honour to present yet another petition signed by 84 residents from my riding, all of whom live in the area of Manor Park, which will be most negatively affected by the possible proposal of the National Capital Commission to build an embassy in the Mile Circle.

● (1120)

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition from the workers of the American Canning Company of Hamilton. These petitioners call upon Parliament to rescind the change to the Unemployment Insurance Act which will see pension income being used as earned income.

I have another petition signed by 50 residents of Nova Scotia and one signed by 100 workers of Sackville, Nova Scotia, again calling upon the Government to rescind the regulation which will see pension income being considered earned income for unemployment insurance purposes.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition signed by a significantly large number of constituents of mine in which they ask the Parliament of Canada to take action to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

SALMON FLY FISHING QUOTAS

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, I have the honour to present a petition from a group of anglers from the Miramichi region which deals with cutbacks in fly salmon fishing in 1985. In the petition, they express concern about the Government's present salmon regulations. They have asked me to convey to the House through this petition their objections to the present quotas. I do so and submit this petition on their behalf.

* * *

MULTICULTURALISM

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties and I think you will find a disposition to have the following motion received by unanimous consent and passed without debate:

That the First Report of the Standing Committee on Multiculturalism, presented in the House on Thursday, February 27, 1986, be concurred in.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce that motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 498 and 509.

[*Text*]

MASSEY FERGUSON

Question No. 498—**Mr. Kaplan:**

Was the guarantee fee which Massey Ferguson agreed to pay the Government for its loan guarantee in the 1985 fiscal year waived and, if so (*a*) for what reason (*b*) what is the revenue loss expected to be?

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): (*a*) Yes, based on a commitment by the previous Government in February, 1983, associated with Massey Ferguson's 1983 refinancing.

(*b*) $312,500 in fees payable less $78,000 in consulting fees incurred by the Government in respect of the refinancing which Massey Ferguson agreed to pay, for a net cost of $234,500.

The Budget—Hon. F. MacDonald

REVENUE FROM FOREIGN PERIODICALS

Question No. 509—**Ms. McDonald:**

1. In the last year, what was the total revenue received from American periodicals mailed in Canada?

2. Are such periodicals charged a lower rate than normal business mail and, if so, what (*a*) was the total subsidy received (*b*) share of the subsidy was paid by each department?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): The Canada Post Corporation informs me as follows:

1. The total revenue earned from second class foreign periodicals mailed in Canada was $18.6 million in 1984/85. It is not known what proportion of this amount is from American publications.

2. No. These publications are currently charged a rate comparable to that of quantity third class commercial mailings.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Thursday, February 27, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006); and the amendment to the amendment of Mr. Riis (p. 11009).

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am pleased to have the opportunity today to speak on the Government's record of job creation and growth, and to address those measures in the Budget that will support this employment growth. Eighteen months ago when this Government was elected, our mandate was very clear. It was to create jobs and we have certainly delivered on that promise.

Some Hon. Members: Hear, hear!

[*Translation*]

Miss MacDonald: But it was also clear that we had to tackle the problems inherited from the previous administration: uncontrolled growth of the deficit, programs that failed to produce results, and employment programs that were only short-term, bandaid solutions.

[*English*]

We were given a mandate; we were called upon to restore fiscal responsibility, to release the creative spirit and entrepreneurship of Canadians and to create real employment opportunities. As the Minister of Finance (Mr. Wilson) said the other day in this Budget speech, "cutting the deficit is not an end in itself. It is the means to an end. It is the means to achieving lower interest rates, higher growth and more jobs." We are reaching those goals.

In our first Budget of May of last year, we committed ourselves to reducing the deficit to $33.8 billion for fiscal 1985-86. We will meet that target. This year, the deficit is projected to drop to $29.8 billion. By the end of the decade, the deficit will have been reduced to $22 billion.

Some Hon. Members: Hear, hear!

Miss MacDonald: The skeptics in the opposition parties said that we could not cut the deficit and produce jobs at one and the same time. Jobs are being created in record numbers and the deficit is coming down.

Since September 1984, 580,000 new jobs have been created. The unemployment rate has fallen below 10 per cent for the first time since 1982. It is important to note that fully 81 per cent of those new jobs are full-time jobs. During the term of the previous administration, only 18 per cent of the new jobs created were full time. What a difference; what a change.

In Canada, we now are creating jobs at twice the rate of the United States. We have created more jobs in the last years than all of the countries of western Europe combined. Across Canada, there is a renewed sense of direction and stability.

Between September 1984 and January 1986, employment has grown in every region of the country. Just look at the results: it has increased by 51,000 new jobs in British Columbia, by 90,000 new jobs in the prairie region, by 239,000 new jobs in Ontario, by 156,000 new jobs in Quebec and by 30,000 new jobs in Atlantic Canada. I would be the first to say that even though we have made progress, that progress is still not enough. While there has been substantial growth—

Mr. Rodriguez: Say it again.

Miss MacDonald: I am pleased to hear that members of the Opposition agree with that. While there has been substantial growth, it is not fully shared all across the country. Clearly more needs to be done in areas like Atlantic Canada and that is why the Minister of Finance and the Minister of Regional Industrial Expansion (Mr. Stevens) have introduced the Atlantic Enterprise Program, to stimulate private-sector job creation through major loan guarantees.

The steps that we have taken so far show that we are moving in the right direction. Since the Government assumed office, 73,000 more young people have been able to find jobs and 292,000 more women have been able to find jobs. The growth

has been stimulated by a number of initiatives outlined in the Economic Statement of the Minister of Finance of November 1984 and in the Budget of May 1985. We have already begun to see the results of the measures outlined in those two economic statements. There is a renewed confidence in the Canadian economy. Investment in manufacturing is up 22 per cent this year over last year. New housing starts are up 37 per cent, to almost 200,000 units. Inflation is at its lowest level in 14 years, and there is a return of consumer spending confidence.

• (1130)

[*Translation*]

Through the Canadian Jobs Strategy, we have made the connection between job training and real labour market requirements.

Mr. Speaker, the allocation of $800 million to the Canadian Jobs Strategy in 1987-88, as announced in the Budget, will give us the longer term financing we need to plan our activities in terms of future labour market requirements.

[*English*]

This is the right strategy, It is the first strategy to deal head on with the real needs of the Canadian labour force, a strategy which addresses the needs of young people trying to break into the working world for the first time; the needs of women wanting to re-enter the labour force; the needs of the long-term unemployed, of older workers and of workers who need retraining to be able to cope with technological change; the needs of workers in communities suffering severe economic decline; and the needs of individual Canadians and entrepreneurs with new ideas which promote and develop economic activity. Just as important, the Canadian Jobs Strategy also recognizes the needs of business and industry. In fact, the strategy is a bridge between job training and the skill requirements of the market-place, bringing them together. We have discontinued old, ineffective programs. We have eliminated slush-fund spending, and we have introduced new innovative and effective programs to stimulate long-term job creation and training.

I am pleased to report that to date, in a period of six months, more than 14,000 projects are under way under the Canadian Jobs Strategy, projects from one coast to another. I personally had the opportunity to visit a number of these projects. In Calgary, I saw disadvantaged young people learning a solid trade in the automotive industry. In Thorold, Ontario, I visited workers learning how to cope with and operate new technology so that they could keep their jobs and keep their plant productive and operating. In Peterborough, I watched young people being trained in the latest techniques of robotics. In Sherbrooke, Quebec, I talked with women who were receiving help in assessing their own skills and getting on-site experience in the labour market. The investment we are making in people through the Canadian Jobs Strategy is a very good example of how to "spend smart".

[*Translation*]

Mr. Speaker, the federal allocation of $100 million for each of the next three years to help social assistance recipients is another example of money well spent. These funds are aimed at enhancing employment opportunities for social assistance recipients through the job development and job entry program that are part of the Canadian Jobs Strategy.

[*English*]

It is very much a part of the Government's program and its determination to find solutions to the economically and socially destructive cycle of welfare dependency and to work with the provinces in designing effective solutions to the problems faced by Canadians. It is smart spending because it starts from the premise that the very best assistance we can help provide is a meaningful job.

Money which would have otherwise been used solely for income support can now also be used to open doors into the workforce for people who were formerly or previously dependent solely upon welfare—doors which can lead, for them, to increased personal dignity. We are already experimenting with this kind of approach. These experiments are showing the benefits of such an approach because they are working. For instance, a good example is a job entry project in Saint John, New Brunswick, where the sponsor has committed 10 of the 30 training positions associated with this project to Canadians who were previously social assistance recipients.

In addition to the $100 million being allocated by the federal Government for programs and projects of this nature—$100 million which by the way is over and above the funding for the Canadian Jobs Strategy—we can also look forward to matching provincial dollars. That could double the potential funding available to assist social assistance recipients. This means that in the next three years up to $600 million could be available for 120,000 new opportunities in jobs and training for those who need it most.

I should also like to mention that our commitment to assisting those in greatest need goes further. Other programs or measures have been undertaken in the Budget. We have annonced new programs to help farmers and to help older workers. For farmers caught in the cycle of low prices and an intolerable debt burden, we are offering commodity-based mortgages, debt restructuring, tax breaks on fuel and other support. In addition, in cases where farmers must leave the farm to find other employment, a rural transition program is being put into effect which will provide farmers with job counselling, with retraining and with interim financial assistance. This is the first time that this group will be able to receive such support and be able to enter retraining programs. It means an additional commitment to farmers of some $50 million over the next two years.

We have also introduced an aditional program to address the problems of displaced older workers. Quite often, as we are all aware, older workers are those who are hardest hit by technological change, by industrial adjustment and by resource depletion. However, the usual training, wage subsidies, mobili-

ty allowances and other programs are not always available for such individuals, so we have announced a four-year $125 million program for older worker adjustment. With the co-operation of the Minister of Labour (Mr. McKnight), the provinces and the private sector, this new initiative will assist older workers who lose their jobs through major lay-offs or plant closures and who have no immediate prospects of re-employment.

It is clear that we are taking steps in a number of areas to improve the prospects of Canadians who need the most. We are doing this through greater training opportunities under the Canadian Jobs Strategy; through increased support for social assistance recipients in the area of job training; through initiatives to help farmers climb out from under a heavy debt load, and through steps to help older workers remain active in the labour market.

• (1140)

Probably the most important sector of our economy in terms of job creation is small business. For this reason, the Government has taken steps as announced in the Budget to strengthen the small business sector. We know that is where the dynamism is and where the new jobs will be created. Tax rates on small business income will be reduced. Rules providing for allowable business investment losses will be broadened. Total Government guaranteed loans under the Small Business Loans Act will be increased by 250 per cent. We are determined, as you can see, Mr. Speaker, that small business will continue to be the engine of growth and new jobs.

I would say, Sir, that jobs are just not created because people want them. It requires a commitment by the Government to take a new look at how we can identify the problems that exist, find new solutions and tackle the problems head on.

New training programs for social assistance recipients is a difficult issue, but we are tackling it. Special programs for farmers is a difficult issue, but we are tackling it. Older worker displacement is a very difficult issue, but we are tackling it.

[*Translation*]

Mr. Speaker, the measures this Government has taken and is taking in this Budget provide a sound basis for sustained growth for the rest of this decade.

[*English*]

Canadians can look forward to the future with confidence, Mr. Speaker, a future built on fiscal responsibility, on co-operation and on individual initiative, a future of continued economic growth and prosperity and, most of all, of jobs.

Some Hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, once again we have had more propaganda from the Minister of Employment and Immigration (Miss MacDonald) with respect to what the Government is doing about unemployment. Sure, 580,000 jobs have been created since September, 1984—

Some Hon. Members: Hear, hear!

Mr. Allmand: —which, by the way, is far from being a record. Over 600,000 jobs were created when the present Leader of the Opposition (Mr. Turner) was Minister of Finance, and between the period 1978 and 1982 more jobs were created, but that is not the issue. The issue is that the Minister is using those figures over and over again to disregard very serious employment problems. I am not the only one who says so.

I do not know whether the Minister is aware of an article, in which she is referred to, in a recent issue of *Maclean's* magazine. The magazine quotes Edward Carmichael, Senior Policy Analysit for the C.D. Howe Institute, who is saying exactly the same thing I have been saying, that those encouraging employment statistics also veil some severe inequalities that could have very grave implications for the older workers, the part-time and temporary workers and the fact that we have four times as many people unemployed for more than one year than we did in 1981 and twice as many as we had in 1983.

In a poll published last week, 55 per cent of Canadians said they had little or no faith in the employment policies of the present Government. I quote from an editorial in the *St. John's Evening Telegram*: "Nothing to cheer about when you still have 1.25 million people unemployed". The Minister is cheering about her job strategy program, but after announcing that program last February in Regina and announcing it again in June, what happened? Because the Minister cannot put the program in place fast enough to do the job, $226 million of her budget has been dropped. She did not even know what she was going to do when she announced the program in June. She has said that it is under way. But let me tell the Minister that 26 projects have been approved in the west end of Montreal and not one is under way at the present time. Not one person is working on a program she announced last June and announced in Regina in February. If the Minister is really serious about unemployment, let us have more than what she has given us.

With respect to part-time work, yes, the trend was recognized under the previous Government. It appointed the Wallace Commission which made recommendations with respect to the problems of part-time work. There is nothing in the Budget and nothing in the Minister's programs to implement the recommendations of the Wallace Commission to provide labour standards for part-time and temporary workers, or to prove *pro rata* benefits for them so they will be protected like all other workers.

The Canadian public, and it can be seen in the polls, does not appreciate the Minister brushing under the rug real unemployment problems by simply boasting about the total number of jobs created without any reference to the quality, the salaries, benefits and wages associated with those jobs. I would ask the Minister to address those underlying problems in the labour market relating to employment which Canadians want her to address and then I will cheer with her.

I cheer the fact that we have had some jobs created, but it is not enough to ignore those problems by repeating statistics. It will not do any good to the 700,000 young people about which

her own Conservative Senator said that something must be done. When she starts giving us answers to those matters, then we will all cheer on all sides of the House.

Miss MacDonald: Mr. Speaker, throughout the discussion that has taken place with regard to job creation and training, there has been no one who has said more consistently than I that it is not enough. Yes, we are pleased with the fact that 580,000 new jobs have been created in the last 16 months, but it is not enough. That is why we have the Canadian Jobs Strategy and why we are announcing new programs in this Budget, programs for the people who need them most, our older workers and those on social assistance. These initiatives are being taken and I would ask the Hon. Member to study them.

I do want to say that of those 580,000 new jobs, 81 per cent are full time. In the last administration, of the number of jobs created in that four-year period, only 18 per cent were full time. That is a tremendous difference. We are moving in the right direction.

The Hon. Member talks about lapses and not being able to put programs into effect in time. I must tell you, Sir, that lapses are part of the normal Government operation. The Member who was a Minister should recognize that. What he should also recognize is that during the height of the recession, when unemployment was higher in Canada than at any time since the Depression, the Liberal Government lapsed $650 million in the Department of Employment and Immigration.

The Hon. Member also mentioned the long-term unemployed and the fact that their number has increased since 1981. Indeed, I agree with him. It has increased since 1981. But all of that increase took place between 1981 and 1983. The numbers are there for the Hon. Member to see.

Since January 1983, the number of Canadians unemployed for one year or more was then 292,000. In January, 1984, the number was 309,000. In January, 1985, the number dropped to 299,000 and in January, 1986, it again dropped to 245,000. The trend is in the right direction, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Mitchell: Mr. Speaker, I want to congratulate the Minister of Employment and Immigration (Miss MacDonald). I think she has been doing a good job.

Some Hon. Members: Hear, hear!

Ms. Mitchell: I hope we are not going to get into a partisan debate back and forth. We all want many more opportunities for Canadians. I would like our target to be full employment. There has been a considerable improvement in the rate of employment, but in my province of British Columbia the situation is still pretty serious.

● (1150)

This is International Women's Week and I know the Minister is very committed to equal opportunity for women. I would like to ask her two or three questions about the Canada Jobs Strategy. I hope she will answer in a way that will help us learn how we can adapt this program considerably more to the needs of women. Figures from the Canadian Congress on Learning Opportunities for Women indicate that the percentage of women enrolled in Government-sponsored training programs has decreased steadily since 1979 during the Liberal regime. In 1984-85 the figure was only 18 per cent, which is still low. Why can we not have a very positive affirmative action program to achieve a 50 per cent rate of women in training programs?

There is concern because the Canadian Jobs Strategy lumps youth and women together in the job entry and re-entry program, although their situations are different. For example, you must have been out of the labour force for three years in order to qualify. That is not adapted to the needs of women who are phased out of federal programs or who are impacted upon by technological changes and need retraining. Why do we not have a separate focus on the special needs of women?

There is also concern that training allowances are at inadequate, low levels which seem to assume that the women have a provider. The levels are simply not adequate for women who are looking for training in their own right and, in many cases, have children to support. I know there has been some increase in subsidies for child care, but there is still concern that the women will not earn enough to live on while supporting kids.

There is also a concern that there is a trend to providing training money for private colleges. The private colleges are really not able to give the same kind of high quality training, and often their tuition rates are higher. Why are we not focussing on beefing up vocational training in public institutions which have been unfairly cut back on?

Those are the questions I have. Why can we not have a 50 per cent target rate for women? Why can we not design the program to better suit women? Why can we not have better training allowances suited to women, particularly those who are heads of families? Why can we not beef up government-subsidized training programs rather than private training institutions?

Miss MacDonald: Mr. Speaker, I thank the Hon. Member for her questions. All of those issues deserve to be very seriously addressed. I will first address the question of whether the ratio of women in job creation and training programs can be 50 per cent.

In the programs under the Canadian Jobs Strategy there is now an emphasis on the inclusion of women and minority groups such as disabled persons, native people, and visible minorities. We are seeing some improvement over the six-month period. Difficulty arises in that we have had a number of programs, particularly training programs, built into the system. They are not part of the Canadian Jobs Strategy, but are part of the on-going community college training through Manpower training programs, and have been primarily dominated by apprenticeship programs.

Only 4 per cent of the people enrolled in the apprenticeship programs are women. It is basic to everything that we begin to

turn that around. In a sense, that is one of the biggest obstacles that must be overcome. I think the figures for the first six months of the Canadian Jobs Strategy program will bear out that we are making progress in that area. However, we have a long way to go in the other areas. I am trying to tackle that and I welcome every bit of support I can get. This often relates to fields in which men have predominantly been given the opportunities, particularly the primary resource industries.

The second question was with regard to job entry and re-entry. These are two quite separate programs. One is for young people and the other is for women coming back into the labour force. I can assure the Hon. Member that we are assessing the Canadian Jobs Strategy as we proceed with it. It may be that those two programs should be separated even more than they are presently, with even more distinct criteria. I do not intend to change that until after the end of the fiscal year. Even now we are going through a reassessment to discover where the weaknesses of the new strategy are. This is not locked into place, carved in stone, or anything of that nature. We know that there will have to be adaptations. Again, I would appreciate suggestions from all Members as to how they think it can be improved.

With regard to the allowances, they have been increased in the last year. We have made it possible for people who are on part-time job creation or training programs to qualify for them. Therefore, we are making improvements. It is again a question of financial resources. We have increased both the training allowances and the dependent care payments, but I know that there is more to be done.

Mr. Deputy Speaker: I regret to interrupt the Minister, but we have exceeded the time allotted for questions and comments. Is there unanimous consent to allow the Minister to conclude her answer?

Some Hon. Members: Agreed.

Miss MacDonald: I would just like to respond to the fourth point which the Hon. Member raised with regard to using private colleges as opposed to public colleges. This issue is now under discussion with the provinces as the time approaches for renewal of the National Training Act agreements which expire at the end of March of this year.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I was very pleased to give the Minister a portion of my time to conclude her remarks because I was hoping to hear something in her remarks that I or other MPs would find useful, or that made some sense. The Minister and the Government claim that they create jobs. In and ad in the evening *Telegram* in Newfoundland last week the provincial government claimed that it created 8,000 jobs in the past year. Now the federal Government is claiming that it created 6,000 jobs in Newfoundland in the past year. The only problem, Mr. Speaker, is that the unemployment rate has gone up. Canadians are asking where these jobs are that are being created. If all these jobs are being created, surely the number of unemployed would go down. Our birth rate cannot be increasing that much. People cannot be returning to Newfoundland at the rate of 8,000 a year to take all the new jobs that the Government is creating. The Minister says 7,000 in Newfoundland. The Newfoundland Government is claiming credit for 8,000. That is 15,000 jobs.

• (1200)

Mr. Rodriguez: I suspect they are the same jobs.

Mr. Baker: No, no, I would not say that. I trust the word of the federal and provincial Governments. They have created 15,000 jobs. However, nobody knows where the jobs are.

Mr. Rodriguez: They are on paper.

Mr. Baker: I guess they are on paper. That is what is wrong with a lot of the remarks just made by the Minister. She reads things on paper and actually believes what she is reading. She says that her great employment program has done such wonderful things. They are training people for jobs which, in most areas of Canada, do not exist. I wonder if the Minister has actually looked at an application form for her Jobs Strategy Program. I am not talking about POWA, RTP, or these other things, I am talking about the job development program. That is where the majority of the funds go in her employment strategy, as she calls it.

When you look at that program, which I suppose replaced LIP and the Canada Works Programs, you do see a change. The sponsor now has to apply for a program in which he is to train people for jobs which need filling. However, what do you apply for if you are in Gander Bay, New World Island, Joe Batt's Arm or Virgin Arm, Newfoundland? You have had two phases of the water system put under ground by the job development program of the previous Government. Now you have to apply for a project under this program which trains people for jobs which exist but cannot be filled from the general workforce in the general area. How do you do that if you are digging ditches? You cannot. So all of those projects go by the wayside. How do you apply for a project to finish off your wharf if everyone in the community knows how to construct a wharf? How do you apply for a project to build a building if you have an excessive number of carpenters out of work? You cannot do it. So that the legacy of this Government in Newfoundland will be, as I am sure it will be in other areas of Canada, that we have two phases of a water system in place but never to be finished as long as this Government is in power. Obviously those people living in the areas concerned will want to get this Government out of office in order to get their water systems finished, construct their wharves or build community buildings.

The Minister should also look at the hiring criteria. In order to get a referral for one of her famed job development projects you must have been unemployed for 24 of the previous 30 weeks. Here we go again. We are going to have an affirmative action program here, there, and somewhere else, and in the process the majority of people are disqualified. You have to be unemployed for 24 of the previous 30 weeks. That means

someone working for seven weeks in the previous seven months cannot go back to work. If someone is coming back into the workforce, they are not allowed to go to work. A student just coming out of school has not been unemployed for 24 of the previous 30 weeks, according to the Minister's definition where you are registered with the manpower office and actively seeking work. A student is not actively seeking work because the student is a student. So when that person gets out of trade school or vocational school they do not qualify under the major part of this Government's so-called job development program.

Suppose you have a project starting in a community which involves some carpentry work. You have a young man or a woman who just came out of a vocational school or trade college trained as a carpenter. They need some work experience. That person is not allowed to be referred to this job development project. Why? Because that person went to a trades college and learned carpentry work. They were not actively looking for work. It is incredible when you look at it. The most discriminatory program ever announced by the federal Government was announced by this Minister.

The Minister spoke about social assistance in such glowing terms a moment ago. She is going to help people presently on social assistance to find employment. Everyone in this Chamber knows what has been going on over the past 10 or 20 years under the Canada Assistance Plan. We all know about the works programs of the provincial Governments across this country and what they do. In the case of Newfoundland, some $24 million has been dedicated this year to putting those people presently on social assistance back to work. Unfortunately, they put them to work only for as long as it takes to qualify for unemployment insurance. The Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) knows exactly what I am talking about. He is perhaps the only person in the Chamber, apart from myself, who really knows what I am talking about.

Mr. Johnson: You are assuming you do, George.

Mr. Blackburn (Brant): That is a wild assumption.

Mr. Baker: The unfortunate part of what the Minister has announced is that there are rules and regulations governing those sorts of jobs as well. In other words, must have a dependant in order to get any of these jobs. If the Minister were to stand up and say no, that is not correct, we are going to remove the discrimination from the program and you do not need a dependant in order to go to work, she would then have to go to her office and withdraw the statement tomorrow because the provincial Governments would never agree with it. So we can see the discrimination built into all of these programs, yet the Minister says we are going to put people to work who are now on social assistance. That is quite a problem.

People on social assistance have been going on these work programs for years and years and years, training for jobs for years and years and years. Last year in the Newfoundland budget they were going to put 8,000 people to work under social assistance, training them for jobs. This year it is 10,000. Do you know why? Because the 8,000 they put to work before have now run out of their unemployment insurance and they have to put them on another training program. So the numbers go up every single year.

• (1210)

This federal Government turns around and says, "Oh, we are going to spend $100 million now under the Minister's department". Well, all that is doing is taking the money that would have normally been spent under the Canada Assistance Plan, which is 50-50, and putting it under this program, which again is 50-50, $100 million. That is all it is, a direct transfer from the Canada Assistance Plan. The Minister is shaking her head.

I would like to read from the Budget as follows:

> It is expected that this program will be successful in reducing the need for federal and provincial social assistance payments under the Canada Assistance Plan by similar amounts.

There it is. The Minister was not aware of that. Let me point out just one additional thing, and then perhaps I will get on to the Budget. The Minister and the Government are, of course, responsible for the insane program whereby they are trying to cut back on unemployment insurance, so they take pension income as earnings for unemployment insurance purposes.

An Hon. Member: Shameful.

Mr. Baker: An incredible scheme. To see somebody on veteran's allowance—I am glad the Minister of Veterans Affairs (Mr. Hees) is here in the Chamber today. I am sure the Minister for Veterans Affairs has written to the Minister of Employment and Immigration (Miss MacDonald) objecting to this, just like the Minister of Defence (Mr. Nielsen) did. I am sure that the Minister of Veterans Affairs has done that. In fact, I am positive he has done it. Of all of the people that this affects, the veterans of this country—Is the Minister saying the veterans are not? Who does the Minister think she is talking to now? This program covers all pensions for which work was done in getting the pension. In other words, if you served overseas and you are on a pension for serving during the war, it is affected by that measure. I know, because I have the cases.

A fellow phoned me up the other day. He said, "George, I am getting a one dollar cheque in the mail". I said, "What is that for?" "He said that is for unemployment insurance". "I am a veteran. I am 63 years of age and I just got a cheque for one dollar. I was supposed to get $250, but I only got a one dollar cheque".

Mr. Rodriguez: It costs more to print the cheque.

Mr. Baker: Absolutely right, it costs twice as much to even print the cheque.

An Hon. Member: Last time he will go Tory.

Mr. Baker: Then of course the first week that you qualify for UIC you get a week's unemployment insurance in your first cheque. Then the following cheques you get two weeks at a time. The second and third weeks will come along and he will get a $2 cheque. He will keep getting that $2 as it goes along. What an outrageous thing. If he were a millionaire he would still get his UIC, would he not? It is not a pension that he is collecting. This is the Government and the Minister that take that kind of actions and stand up in this Chamber and say, "Oh, look what we have done". I can assure you of one thing, most Members in this House are going to appeal. I am sure they are going to encourage their constituents to appeal these decisions made by employment and immigration on their cheques. In other words, hopefully we will now have hundreds of appeals for people who are getting $1 a week unemployment insurance.

The Minister and the Government probably do not realize how important an unemployment insurance cheque is. That is the size of it. Do you know that in a great many rural areas of Canada the size of your unemployment insurance cheque is a sign of your social worth? The man that can go in and cash an unemployment insurance cheque that is $280 a week, $550, $600 every two weeks can take some pride in that. In most fishing areas it means that that man really fished and really worked hard. He has a big cheque and brings it to the Post Office to change, as they do in some areas, or to the banks or the local store. Can you imagine what it does to a man to walk in now with a $1 cheque? The case of the fellow I mentioned said he was going to wait for his daughter to come out from St. John's and give her the $1 cheque to bring it back and change it because he was too embarrassed to cash it. I have two minutes left. Mr. Speaker, in the two minutes let me say this, getting back to the Budget. The Government claims there is a problem now. After running up a deficit in this year of $34 billion—we only talk here about billions, we don't talk in millions anymore—they claim there is a problem. After overspending more than any serious Government ever did in the first seven months of office, they now say 17 months later, "We have got a problem". The most glaring example of that is, when this Government took over it took $18 billion a year as payment on the national debt. Now it is $26 billion since the Tories took over. They claim now that there is a big problem; the people are responsible, blame the people. They are saying in this Budget, we are going to go further than that, we are going to punish the people of Canada. We are going to increase their taxes, we are going to cut back on services. We are going to cut back on expenditures and increase taxes. Why? Because they claim they have got a problem. This comes from a Government that wasted $2 billion on a bank bail-out that they could not effect properly. A mistake, a blunder, an error costing $2 billion, and they said: "What's a billion, give or take a billion, who cares". This is a Government that sees the Prime Minister's office staff double in size. It is going to cost $6 million this year to run it. The cost of running the Privy Council office increased by another million this year to $11 million. The Minister's staff increased when they took over. The Government turns around and says: "We have a problem and therefore we are going to punish the people of Canada". The people of Canada are not going to put up with this much longer.

Mr. Penner: Bravo!

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Johnson: Mr. Speaker, I feel that I am compelled to make some comments about the remarks of Hon. Member for Gander-Twillingate (Mr. Baker), because I am sure he would not want to leave this House and the people who might be watching on television with false impressions.

I wonder if the ad that I have in my hand is the one that the Hon. Member referred to when he said that the provincial Government of Newfoundland and Labrador was taking claim for all the jobs that were created. If he is, I would say that the Hon. Member should apologize to the people here for leaving a false impression. This ad explicitly states that in 1985 the federal and provincial Governments cost-shared a $38.5 million program under Canadian Jobs Strategy. It goes on to say that in the fall of 1985 the federal and provincial Governments cost-shared a $9.5 million emergency fisheries response program. It concludes by saying: "Co-operative action of both orders of Government". There is nothing at all about one Government, either federal or provincial. It is both levels of Government because that is the way the Conservative Government works. It consults with the provinces and brings in programs in conjunction with them.

• (1220)

I want to refer very briefly to the fact that unemployment dropped in Newfoundland and Labrador in January of this year at a rate unequalled to that of any other province in Canada. Most of us are astounded that the unemployment rate in Newfoundland—where unemployment is still at a high and unacceptable level—could drop at a time of year when fishing is pretty well at a standstill, except for the deep sea trawlers and not much work is taking place in the logging industry. But that is a fact and the Hon. Member for Gander-Twillingate (Mr. Baker) knows that.

I detect a bitterness in the comments being made in response to the Budget by Hon. Members of the Official Opposition. In 1978, knowing full well they had to do something to curtail deficit spending, they implemented cost cutting programs. In 1979 they were defeated, but they came back in 1980 full of bitterness and began rampant spending from then on. Lots of Canadians did not realize that until the fall of 1984 because of the discussions being carried on with respect to the Constitution. The Liberal Party thought that the National Energy Program would save them but it did not bring in the revenue they expected. All of a sudden the people realized what the Liberal Party was doing with respect to spending and elected a Progressive Conservative Government. We intend to continue our policy to bring down the deficit so that we can have continued economic growth.

Mr. Baker: Mr. Speaker, I do not know what ad the Hon. Member is talking about, but I am sure there must be two ads; one Government claiming credit, another Government claiming credit and now both Governments claiming credit for the 8,000 jobs. What I was referring to in my remarks was the fact that the total number of unemployed people in Newfoundland has not decreased. I am not talking about percentages, I am talking about the total number.

As far as the deficit is concerned, the hon. gentleman who just commented is, I believe, one of the Hon. Members in this Chamber who would hope that there would be an increase in Government spending in his own riding. I would refer him to the fact that 90 per cent of the entire *la dette publique*, the public debt of Canada—

Mr. Rodriguez: Hear, hear!

Mr. Baker: The hon. gentleman did not know I could speak French.

Mr. Rodriguez: You are trilingual, George.

[*Translation*]

Mr. Baker: What is the problem?

Mr. Rodriguez: In French!

Mr. Baker: The problem is this Government! Canadians are not responsible for the problem. No sir.

Mr. Vincent: No, the Liberals are!

Mr. Baker: The people of Quebec are not responsible for the problem. The people of Manitoba are not responsible for the problem. This Government is responsible for the problem.

Some Hon. Members: Hear, hear!

Mr. Baker: Twenty-three per cent of the national debt has been accumulated by this Government in the last sixteen months. That is true. And today, this Government is blaming Canadians. Today, this Government is punishing Canadians.

[*English*]

Mr. Attewell: Mr. Speaker, I believe the Hon. Member for Gander-Twillingate (Mr. Baker) must have a bad memory. Let me recount events starting in 1975. It took this country 108 years to accumulate a national debt of approximately $20 billion. In nine short years the Party of which the Hon. Member is a part went on a spending orgy and the debt of this country is now around $200 billion. That would be no problem if we did not have to pay interest, but we do. Canadians are finally realizing the gravity of this situation. Almost 40 per cent of what we take in in revenue must now go to service the debt. Myself and all my colleagues in my Party applaud our Minister of Finance (Mr. Wilson) for having the intestinal fortitude to bring forth a Budget which is fair and which gets at the reduction of our deficit year by year.

In the year just ending, our total spending will have grown by 3 per cent versus 3.9 per cent as forecast last May. That is a record in itself. If we eliminated the servicing of debt there would be absolutely no increase in spending. That has not happened in 20 years. So we are clearly on the right track under the leadership of our Minister of Finance, and I cannot for the life of me understand why the Hon. Member would turn such a blind eye to the history of which he was an integral part.

Mr. Baker: Mr. Speaker, I admit that 90 per cent of the total federal debt, the net debt, is about $225 billion. The gross debt, if we add up our guarantees to Crown corporations, and so on, would be another $80 billion or $100 billion. It is interesting to consider when these debts multiplied. Ninety per cent of the total debt was accumulated in the past 10 years. Fifty per cent of the total debt was accumulated in the last four years, and 23 per cent of the total national debt, the net debt, was accumulated since the Tories have been in office. Those are the facts and figures. They are in black and white in the documents of the Minister of Finance. So when I say 23 per cent of the total national debt was accumulated in 17 months of Tory rule I am not wrong, according to the figures of the Minister of Finance. Neither is the hon. gentleman wrong in saying that 90 per cent of the total national debt was accumulated in the past 10 years, and neither is he wrong in saying that half the total national debt was accumulated in the past four years.

Mr. Attewell: Who made the commitment?

• (1230)

Mr. Baker: Mr. Speaker, the Hon. Member is talking about commitment. According to the *Budget Papers*, the greatest single increase in the national debt was accumulated by the present Tory Government since it came to power. It accumulated more debt in a 16-month period than any previous Government ever accumulated. With one correction, the hon. gentleman was correct in saying in his broad overview that $225 billion is not the total national debt. It is more like $350 billion, since one has to take into account loan guarantees, borrowings by Crown corporations and other matters such as that. I would point out to Hon. Members that expenditures in each one of those four categories in terms of the gross national debt went up by over 30 per cent under the Conservative Government.

Mr. Deputy Speaker: Resuming debate, the Hon. Member for Verdun-Saint-Paul (Mr. Chartrand).

[*Translation*]

Mr. Gilbert Chartrand (Verdun-Saint-Paul): In many respects, Mr. Speaker, the February 26 Budget tabled by the Minister of Finance (Mr. Wilson) will long be remembered by Canadians, and it will have a significant impact on the future of our country. Our Government has chosen to steer a new course by resolutely tackling the excessive deficits which had

been undermining the Canadian economy for a number of years.

As Member for Verdun-Saint-Paul I am proud to be associated with this spectacular reversal in public finance and Canada's economic climate. Since our Government came into office we have witnessed a series of positive economic indications. All told, 580,000 jobs have been created since September 1984, including 129,000 during last January alone. The unemployment rate dropped from 11.7 per cent when we took over down to 9.8 per cent last January, the lowest it has been in four years. The national growth rate, productivity, housing starts and consumer spending were all rising indicators in the past year, a sure sign that there is renewed confidence in Canada's economic prospects. Private sector investments have increased considerably over the last two years and business circles expect this trend will continue.

Naturally, Mr. Speaker, our Opposition colleagues would rather not draw attention to these figures, intent as they are on making people believe that our performance so far has been negative. Unfortunately for them, the results can already be felt and Canadians are quite capable of seeing that for themselves.

One might wonder what prompted such a show of confidence in the economic renewal in Canada. The answer is simple, Mr. Speaker.

Right from the start in November 1984 the Minister of Finance outlined our economic strategy and has stuck to that plan ever since. In his economic statement he stressed that the Government would make a concerted effort towards lower deficits and public expenditures, and that it would take appropriate steps to boost employment. The May 1985 Budget and this one are the outcome of that policy, Mr. Speaker. They are part and parcel of a coherent approach which leaves little doubt that our Government will indeed honour its commitments. Last year's real deficit did not exceed the forecasts, an achievement unheard of under previous Liberal administrations.

A Government which keeps its promises and steers in the right direction, that is what explains renewed confidence in the Canadian economy.

Mr. Speaker, our Government's first priority has been job creation and, in that respect, our achievements over the past 16 months went far beyond anything ever done by our predecessors. We have no intention of resting on our laurels. A few months ago the Minister of Employment and Immigration (Miss MacDonald) announced the Canadian Jobs Strategy program, a novel approach concerning the role of Government in job creation. By advocating ever more direct private sector participation, and particularly by promoting skill investment and training, the Government was finally able to stop allocating huge funds to the ad hoc job creation programs of the Liberal administration whose main objective was mainly to achieve a facticious decline in unemployment levels. When it comes to job creation, Mr. Speaker, our Government has been able to set new trends.

Like the rest of Canadians, the residents of Verdun-Saint-Paul had been asking for a sensible and efficient job-creation program.

Those among my constituents who have the misfortune of being unemployed can now rely on a well designed and functional program to help them find a job. In addition, the Minister of Finance has shown the commitment of our Government to its employment strategy by injecting $800 million more in this program for 1987-88.

Mr. Speaker, we all know that the small business sector is the one which creates the most jobs in Canada, and this is especially true in Quebec and my constituency of Verdun-Saint-Paul. That is why our Government has taken the necessary action to encourage job creation as much as possible in this vital sector. The Minister of Finance has announced a 2 per cent decrease in the taxation rate for small businesses. The ceiling for loans available to these businesses will increase from $1.5 billion to $2.5 billion. The $500,000 capital gains exemption should also encourage many people to invest in small businesses, which will create new jobs.

The Government is therefore addressing the problems in the small business sector as in many other areas.

One group of Canadian men and women will receive particular attention from our Government, namely that of welfare recipients. We see it as our duty to improve their lot, and it is in this context that the Government recently signed an agreement with the provinces under the Canada Assistance Plan. The Government will invest $100 million a year to provide welfare recipients with a valid alternative and the possibility of finding productive employment. Equal amounts will be paid into the program by the provinces, which shows the extent to which harmony between Government levels is possible in a context of national reconciliation.

Another group to which the Government wants to provide special assistance is that of older workers. Mr. Speaker, I am particularly pleased by this initiative since my constituency of Verdun-Saint-Paul includes many such workers. This is a very vulnerable group, because when they lose their jobs, their lack of adequate training makes it very difficult for them to find other employment elsewhere. To remedy the situation, the Government has set up a new Program for Older Worker Adjustment. Once more, Mr. Speaker, this initiative will be made possible under agreements signed with the provinces. The Government will spend up to $125 million under this new program during the next four years. Thanks to the consultations between the Minister of Labour (Mr. McKnight) and the provinces, as well as labour and business representatives, this program will be adapted to the real needs of our older workers faced with a constantly changing labour market.

Mr. Speaker, in spite of all these employment initiatives, the Government has not forgotten its obligations as far as the most disadvantages in our society are concerned. I am thinking for instance about senior citizens and low income families. Already last year, widows and widowers aged between 60 and 64 began to receive the spouse allowance. This is important for these people. The amount involved can often make the difference between financial difficulties and worry-free life. We are proud to have introduced this legislation.

The Government has also shown in this budget its determination to improve the situation of low income families. The child tax credit, which amounts to $384 per child in 1985, will increase to $524 by 1988. In addition, families will receive a prepayment of $300 per child so that they will not have to seek the services of tax discounters. Such measures are important for low income families. There are many such families in my constituency, Mr. Speaker, and I am happy to see that, in spite of the sacrifices required from all Canadians this Budget provides mechanisms to help those most in need.

These are not the only initiatives of the Government, far from it. A federal sales tax credit will also be provided for families with a net income under $15,000. For a family with two children, this credit will amount to $150, which will fully compensate the few dollars they will have lost because of the additional taxes collected from all Canadians to reduce the deficit.

Veterans and their surviving spouses have not been forgotten either. Their benefits have been improved and they are now treated more efficiently and generously than before. The Government has also decided to provide further assistance to the handicapped by adding $250 to the existing tax deduction, raising it to $2,860. In doing so it has recognized its responsibility towards the most unfortunate in our society.

Mr. Speaker, all Canadians want to maintain this country's social programs which are among the most modern and the most generous in the world. However, the shocking increase in the deficit during the last years of the Liberal government has imperilled the very existence of these programs for future generations. With the national debt that is growing three times as fast as the national economy, it is imperative to put our public finances on a sound basis. We must provide old age security benefits for the elderly in Canada. In fact, it is largely to guarantee the survival of our institutions that the Government has tried to remedy the situation by bringing down a responsible Budget that will go down in history as a Budget that pursued the objectives of this country.

● (1240)

[*English*]

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in rising today to join in the Budget debate I would like to state first that I feel that the sins of this Budget that will be visited upon the people of Canada are, in large measure, not sins of commission but sins of omission. I would like to say right off the bat that if ever we saw a Budget in which the benefits were almost all flawed and the flaws almost totally without benefit, it is this Budget that meets those sad and lamentable criteria.

There are measures in this Budget of which I and my Party can approve, but they are measures, almost without exception, that have drawbacks which will greatly blunt their usefulness, not only in pursuing legitimate economic objectives for Canadians but more particularly in the way in which they will affect and in some cases not affect individual Canadian families.

I would like to begin by looking at the sales tax credit the Government has proposed to introduce. I do this because I believe that if one cannot say something good about something, one really should not say anything at all. The sales tax credit is a worth-while idea. After all, it is an idea that has existed in the provinces of Ontario, Manitoba and others for some time now, in fact for over a decade in the case of Ontario. I do believe it is right to have some degree of support for those low-income families who, by virtue of taxes which are imposed upon consumption, are paying a far higher proportion of their disposable income on sales taxes than is the case for people who are fortunate enough to have higher revenues.

We see this sales tax credit as being a legitimate measure. We see the gearing of the sales tax credit to family size as being legitimate and indeed even praiseworthy. However, in so saying I must make the comment that others have made, that the cutoff level for the sales tax credit is niggardly and one that does not reflect the realities of poverty in Canada today. It does not reflect the level at which families can be poor in Canada. Such are the costs of living either in large urban centres or in remote northern communities that there are many people who will not benefit from this sales tax credit but who can legitimately and fairly be classified as poor in terms of their incomes and outflows, their lifestyles and their very limited ability to choose the way they spend their incomes.

I would like to read from an excellent local newspaper, *The Citizen* of Ottawa—

Mr. Turner (Ottawa-Carleton): Hah, it's a Grit paper.

Mr. Parry: The article states that this last Budget's implicit presumption, for example, that $15,000 is a poverty cut-off line for a family of four, has some observers deeply worried.

I understand that the Hon. Member for Ottawa-Carleton (Mr. Turner) is dissatisfied with the newspaper, perhaps because it is not backing his latest campaign.

Mr. Turner (Ottawa-Carleton): Tell the truth. Save the Circle.

Mr. Parry: The article goes on to quote a spokesman for the social policy reform group who says that the Government is setting the poverty line between $15,000 and $18,000 and that that is about 75 per cent of the real poverty line for families with children. That, I think, is a perfectly legitimate criticism

of this sales tax credit, and it illustrates the way in which the Government is giving with one hand to those who need it and taking with the other from a large proportion of those who do in fact need it as well.

I think it is a good measure to introduce a prepayment of the child tax credit. We have already, I believe, put a stop to most of the abuses of the income tax system and the delays to which refunds were subjected, but I think this is another measure that is worth while, the increase in the child tax credit similarly so.

I can support the introduction of an investment tax credit for Atlantic Canada, but I would like to ask the Government if it has ever heard of British Columbia, and if it is aware that the unemployment levels in many centres in British Columbia are higher than comparable centres in Atlantic Canada. As well, there are communities in other parts of the country, including the Provinces of Quebec and Ontario, where there is localized unemployment, and by localized I mean that there is unemployment in one particular job market in a community from which people cannot travel hundreds of miles on a daily basis to get to work. I would like to ask the Government why it is not tailoring this tax credit to the needs right across the country rather than concentrating on a particular region.

The elimination of minor deferrals of tax such as those on investment tax credits, the elimination of deferrals on salary compensation and the elimination of the rather farcical situation in which it was possible for those who married on December 30 to claim one spouse as a deduction for the entire year, are not measures that I or my Party would criticize. Similarly, the reduction of the small business tax is not something we would criticize. Again, they are not measures worthy of widespread condemnation, but they are indicative of a misunderstanding on the part of the Government of the true objectives of a Budget, and more particularly of what small business in this country needs.

The problem facing small business has been described time and again, and I am surprised the Government, with the great lip service it pays, has not yet gotten the message. The difficulty is in starting small businesses and getting them off the ground. It is not the profitable small businesses that need this sort of incentive or assistance, but those having difficulty getting on a profitable basis. I am surprised the Government does not realize that.

There will be funds for the adjustment of older workers to employment and funds for people to make the very difficult transition, as it often is, particularly for single-parent families headed by women, from the home to the workplace. If these measures are put into effect in a humane and practical way, and not in the kick-them-in-the-rear-end fashion that the unlamented Social Credit Government of British Columbia as it styles itself has tried to use, these could be beneficial, as could be the farm assistance, the Atlantic Enterprises and the housing deductions for people in isolated posts and northern communities.

However, in this area the Government has thrown a cat among the pigeons. Apparently it does not know yet which isolated posts it is talking about, and that is something that needs clarification. Flexibility in Registered Retirement Savings Plans is something that has been requested for a number of years. The cutoff at the age of 71 was not something that was practical or fair.

It may come as a surprise or shock to some of the people who have been travelling around the country over the weekend to hear this, but I am not even going to criticize the publicity strategy the Government is using in relation to the Budget. I think Government Members have the right, if they truly believe in the Budget that has been tabled, to sell it to different parts of the country. I think they even have the right to talk to their local media rather than the national media. I think it is not a bad idea for the Prime Minister (Mr. Mulroney) to go to Kitchener, Ontario, to talk about his Budget. However, I do not like what I hear after all the advanced preparation, intelligence and application of human and financial resources which went into preparing Government Members so they could go out to sell and defend the Government.

• (1250)

[*Translation*]

Then a Member comes into the House and reads his speech from beginning to end. That, Mr. Speaker, is a shame. If a Government Member is so convinced that it is a good Budget he should be smart enough to defend it without reading a speech which he has learned by heart and which was probably drafted in the office of the Minister of Finance.

[*English*]

If they cannot defend it without notes, I wonder what they are doing defending it at all.

I should like to turn to the real objectives of the Budget as I see them. We know that the 1985 Budget was tailored to the satisfaction of the demands of Bay Street. In 1986, the Government added Wall Street to the itinerary and tailored the Budget to the demands of Wall Street and Bay Street. There was a magic number. The Government was aiming to get the deficit down below $30 billion, which has been done on the backs of Canadian people. The Government did not do it by eliminating tax breaks, introducing fairness into the system or by going through expenditures and pruning out those which were inefficient. It did it by blanket cuts, and on the backs of ordinary Canadians. It has done it while preserving almost all tax breaks or incentives. It does not matter what one calls them, they are there and the people who are getting them know what they are. They are breaks designed to help wealthy taxpayers minimize their tax commitment or exposure. Again it does not matter what one calls them. They know that they are being helped by the Budget.

What has been substituted? It is principally a raid on the purses of middle-income groups. We have come up with a figure. Since the Government came to power, the average Canadian family in the middle-income range is paying an extra $1,305 in tax to the Government. It is a telling criticism

of the objectives of the Government and the way in which it has pursued them.

[*Translation*]

So, Mr. Speaker, the question is whether the measures introduced last Friday can indeed be called a Budget. My answer is no, Mr. Speaker.

A Budget must include an over-all economic strategy, not only a tax strategy, and that is all we got from the Government.

Mr. Speaker, a Budget in the 80s must set targets in terms of job creation and in terms of unemployment levels acceptable to the Government, which is more than the forecasts we got. Forecasts are useful of course, but regardless of the Government or Party in office the Budget has to give a clear indication of what the Government is aiming for.

That is exactly what is missing in this Budget, Mr. Speaker. There is no reference to employment or to an economic strategy, and of course there can be no such strategy without public support. Obviously that is another missing element of this Budget.

Mr. Speaker, let us take the British Government as an example.

[*English*]

The Thatcher Government, which over the years has had the support of business and the financial community, has driven up the level of unemployment in that sadly afflicted country. At the same time it has not met its fiscal projections.

We should be asking why our Government does not have popular support in the Budget. Obviously the Government is loading the burden on the individual. Individual taxes will increase four times faster than corporate taxes this year. By 1990, those taxes will have increased 10 times over the increase in corporate taxes—$2.9 billion compared with $295 million. It is scandalous. The Government is pursuing the Liberal policy of shifting the tax burden from corporations to individuals. In fact, if we include last year's tax changes, individuals will be paying $7 billion more in personal and sales taxes, while corporations will be paying $75 million less.

Another reason the Budget will not have the support of the people is that there are no unemployment rate targets, as I have said. The Government is proud of what it believes is its record, a reduction of .8 per cent in the unemployment rate between 1984 and 1985. Frankly, the Budget shows that the Government is taking advantage of the economic recovery and of job creation in the private sector which have little or nothing to do with the measures taken by it. It is relying on the private sector to create jobs and is cynically cutting back in job creation and the types of measures that would lead to a reduction of 2.5 points in unemployment this year, which is what we in the New Democratic Party believe it should be.

The Minister of Finance (Mr. Wilson) spoke about a developing consensus. Indeed there is a developing consensus. It is that the tax system is unfair, and nine out of ten Canadians said that in the Gallup poll.

[*Translation*]

So what we have, Mr. Speaker, is indeed a callous Budget. It is a fact that Canadian men and women wanted employment to be a priority. By shifting that responsibility over to the private sector the Government is taking a laissez-faire approach rather than showing leadership. Obviously a 6.5 per cent decrease this year and next year is not good enough. The Budget slashes roughly $200 million from the Canadian Jobs Strategy program, the very program which the Government was bragging about and advocating as being the solution to unemployment in Canada. What a shame, what a let-down, Mr. Speaker!

[*English*]

What should this great attack on the deficit have done? The deficit was cut in the Budget to $29.5 billion. Why? It was largely because the voices to whom the Government listened demanded that it should be cut.

I should like to spend a moment or two on the matter of the deficit. While I acknowledge that it is indeed a problem, one which has to be controlled in the long term, it is not a problem which should be solved on the backs of the people of Canada. We know that unemployment insurance is putting a heavy drain on the public purse, but we know as well that it is because the strategies which are being used are not tailored to the objectives. Incidentally, the Government's anti-inflation strategy has produced the highest real interest rates in the history of the country. It is missing the mark, and that it why the deficit is going up.

What should have happened if the Government had been correct in the way it was attacking the deficit and if the deficit was really the prime preoccupation? Of course the financial markets should have manifested their confidence in the leadership of the Government of Canada, with the value of the Canadian dollar rising and with interest rates going down. These are the signs of confidence. Instead, the fact is that the dollar has gone down and the interest rates are staying up. That is happening not only because the international financial community and the Canadian financial community realize that the Government has gone overboard, but because the Government is also basing its Budget on false assumptions. That is a very serious charge, and I would not lay it if I did not believe it. It is a charge to which the Government must put up a defence, not send out its Members in massed ranks with pre-canned speeches for simple regurgitation in front of the House, which does no credit to them or to the House of Commons.

Mr. Turner (Ottawa-Carleton): Tell the truth.

Mr. Parry: I am telling the truth, and that Hon. Member had better get his place on the list so that he can answer some of these charges. Predicating the oil price $22.50 per barrel when it is presently sitting in the $15-$16 range is misleading the Canadian public. We know that the Budget measures

mean that for every dollar the price of oil stays below $22.50, the Government will lose $200 million. This means that there will perhaps be a budgetary shortfall of $1 billion to $1.5 billion which will turn up next year and which the Government will try not to explain. Similarly it is predicated upon the assumption that the interest rate will be at 9.5 per cent, which again is unrealistic at a time when it is 12.5 per cent. What we really have is a degree of fraudulence in the Budget. Canadian people are being misled, not only by the measures which constitute an attack on them, but also by the fact that the Budget predictions and projections are not founded on sound information.

I thank you, Mr. Speaker, for your tolerance, and I thank the House for the time. There is much more I should like to say, and I hope to say it when Hon. Members on the other side rise and question me when the House reconvenes.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENT CANADA

STATEMENT MADE BY OFFICIAL—MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last week I drew your attention to the fact that the Minister of the Environment (Mr. McMillan) wants to censure his officials in their contacts with the public. The Minister says that in the past officials made public statements outside their area of expertise and caused public confusion.

Today I would like to put fully on record the case where one of Canada's leading experts on toxic chemicals, an employee of Environment Canada, spoke about toxic chemical contamination to which we, as a society, are subjected. The Minister disowned this official.

Shortly after the Minister's remarks, the Royal Society released a report which called the Great Lakes the most contaminated body of water in North America, confirming many of the official's earlier remarks.

The inevitable conclusion is that it is the Minister who is speaking outside his area of expertise. Perhaps he should be muzzled for his own safety.

INTERNATIONAL WOMEN'S WEEK

CRITICISM OF EXTERNAL AID TARGET

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, today we begin International Women's Week. I stress the international dimension of this week and the opportunity it affords to assess the condition of women at home and around the world.

The Nairobi Conference, in calling for increased development assistance for women, recognized the key role women play in Third World economies. Canada endorsed the Nairobi recommendations, yet the Government, which had already abandoned the UN goal of 1 per cent of GNP for development assistance, has now abandoned its own goal of 0.7 per cent by 1990 and replaced it with a "well, maybe" 0.6 per cent by 1995.

Cuts to Canada's commetment to development assistance, cuts that will most severely impact on women in the Third World, are nothing short of shameful.

* * *

INTERNATIONAL JOINT COMMISSION

SUGGESTED MEASURES TO COPE WITH GREAT LAKES WATER LEVELS

Mr. Elliott Hardey (Kent): Mr. Speaker, we in the riding of Kent are preparing to fight the highest lake water levels ever this spring.

We are not condemning Departments of Government for the high water, or other members of society, nor are we condemning God for excessive rainfall and low evaporative conditions, but we continue to wonder if the International Joint Commission would implement all the insignificant decisions that are available to man, such as allowing 4,000 cubit feet per second of water to flow normally north into James Bay; and negotiating a temporary increase of another 4,000 cubic feet of water per second into the Chicago sewage diversion. If another 4,000 cubic feet per second were allowed to move over Niagara Falls by lowering the Grass Island Pool, and perhaps another 2,000 or 3,000 cubic feet per second through the Welland Canal, we wonder if this, totalled together, would amount to something significant to give even a little relief during these temporary times of high lake levels.

We must consider every possibility, no matter how insignificant, to attempt to bring Lake Erie levels down.

Mr. Speaker: Order, please. Sixty seconds. The Hon. Member for Hochelaga-Maisonneuve.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT FORGET COMMISSION BE EMPOWERED TO INVESTIGATE CASES OF FRAUD

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, I would like to say a few words today about a very troubling aspect of unemployment insurance.

Last week we heard to our astonishment that unemployment insurance investigators had discovered an insurance fraud of $800,000. It is a fact that cases of unemployment insurance fraud are being discovered almost daily. We have been told that more than $3 billion is lost annually in this way.

Mr. Speaker, I would therefore ask the Government to give the Forget Commission the authority to investigate fraud—a mandate it does not have at this time—in order to give the Commission the kind of access it needs to get at the very root of this problem. Mr. Speaker, I ask that the Commission of Inquiry be given the necessary tools to re-organizate the Unemployment Insurance system—

Mr. Speaker: Order. The 60 seconds are up.

* * *

● (1405)

[*English*]

ENERGY

DECLINE IN PRICE OF CRUDE OIL—IMPACT ON EAST COAST PROJECTS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Government of Canada has estimated in its Budget that oil prices will be $22.50 In reality, the price of West Texas intermediate crude is now $13.26 U.S. That is the price on which Canadian crude oil prices are based. The Government of Canada was warned when it cancelled the PIP that it was going to destroy exploration and production in the offshore, in the Beaufort Sea, and to some extent, given the current fiscal regime, in the tar sands. That is becoming a reality.

On the weekend a report by Deacon Hodgson of Calgary and Toronto estimated that the industry will lose $9 billion in revenues this year and it will be impossible to find the money in the current fiscal regime for the tar sands or the offshore. I want to bring to the Government's attention the fact that it has destroyed the best chance for regional economic development in Atlantic Canada, by killing Hibernia and destroying the offshore of Nova Scotia. I ask the Government to take immediate and appropriate measures to give these important projects in Atlantic Canada a chance for life.

S.O. 21

THE BUDGET

IMPACT ON AVERAGE FAMILY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Minister of Finance (Mr. Wilson) has taken exception to NDP estimates of the tax hikes his Budgets have imposed on the average family of four. Mr. Speaker, we used conservative estimates. A 3 per cent increase in federal sales tax adds $450, higher taxes on oil and gas add $250, higher personal taxes add $385, higher UI premiums and lower family allowance payments add $125, and higher taxes on alcohol and cigarettes add $95 over the three Budgets.

I do not know how much the Conservative Budgets have cost hard-drinking, heavy-smoking, coast-to-coast truck drivers. I doubt if there are any left to ask as they have probably all gone bankrupt.

* * *

VOLUNTARY ORGANIZATIONS

SUCCESS OF SASKATCHEWAN'S KINSMEN TELEMIRACLE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, this past weekend Saskatchewan marked its tenth annual Kinsmen Telemiracle. For the second year in a row this 20-hour television extravaganza raised over $2 million for the benefit of disabled residents of Saskatchewan.

Saskatchewan residents have long been recognized for donating more on a per capita basis to support world-wide relief programs, but this latest outpouring gives credence to the old adage that charity begins at home. We have long recognized the important contribution of the Kinsmen association, but I would also like to acknowledge and salute the people of my home province who, in spite of tough economic times, recognize the need for continuing support of this very worth-while project.

* * *

[*Translation*]

THE BUDGET

ACCEPTANCE IN REGIONS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I think it is important to listen to what the regions have to say about the latest Budget.

The day after the Budget Speech, local television and radio stations commented as follows and I quote: "The Wilson Budget will not harm the regional economy but will have a positive impact."

Yes, Mr. Speaker, this Budget will have a positive impact on the economy of Abitibi-Témiscamingue, since each economic sector stands to benefit from the concrete and effective measures it contains.

For the mining industry, tax benefits that are essential to investment have been maintained. For the agricultural sector, a financing plan is being introduced that takes into account the income volatility in this sector. Finally, as a result of the tax incentives in this Budget, the small business sector, which plays such an important role in creating jobs, will benefit from increased investment by Canadians and see its tax rate drop from 15 to 13 per cent.

Another factor of particular relevance is that the tax on gas was not increased, a fact much appreciated in remote areas.

Mr. Speaker, that is the kind of reception this Budget received from the regions, which found it to be a balanced and responsible Budget.

* * *

[*English*]

EMPLOYMENT

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, unemployment tragically affects the lives of far too many Canadians each and every year. Those hit hardest by work shortages are men and women over the age of 40 who have families and loved ones to care for. Fortunately, thanks to the progressive policies of the Government, these people have new hope.

Together with promoting a healthy economy that led to the creation of over 40,000 jobs for older workers last year, the Government announced in last week's Budget a new, innovative program to help older unemployed people find work. The $125 million Program for Older Worker Adjustment will provide immediate assistance to older Canadians who find themselves out of work because of plant closures and lay-offs. The Program for Older Worker Adjustment is further evidence of the Government's commitment to providing caring and responsive social assistance to those who need it most.

Mr. Speaker: Order, please. Sixty seconds.

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● (1410)

AUTOMOTIVE INDUSTRY

NEED FOR LARGER WINDSHIELD WASHER RESERVOIR CAPACITY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, as far as I know, no Canadian automobile manufacturer offers a windshield washer reservoir of capacity equal to our winter's combination of slush and salt. The present reservoirs seem designed for winter somewhere between Atlanta and Sacramento. Why can't Canadian manufacturers offer a large reservoir, equipped with a gauge as an option? In normal snowy conditions one cannot drive from Toronto to Montreal without filling up the reservoir at least once.

As well, why does the washer fluid sold in Canada, and marked on the container "good to 40 degrees below zero", freeze into an impenetrable glaze on a cold windshield?

The Canadian consumer is paying up to $3 for a four-litre container of this stuff and it is sometimes even more expensive than even gasoline, if that is possible. Yet it is largely coloured water. How many accidents have been caused by our automobiles being equipped for someone else's winters? Why can't we have standards from the Department of Transport or—

Mr. Speaker: Order, please. Sixty seconds.

* * *

CULTURAL AFFAIRS

FEDERAL-PROVINCIAL MINISTER'S MEETING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister of Communications (Mr. Masse) and provincial Ministers of Culture are meeting today and tomorrow in Montreal on a number of critical questions for Canadian cultural independence. Film production and distribution, and publishing, are the most urgent matters and both require federal-provincial co-operation if Canada is to have a mature and truly distinctive culture.

The provincial Ministers have grudges that Telefilm Canada money is not easily available outside Montreal and Toronto, and access must be assured. However, no amount of increased production of Canadian films will be worth the trouble if Canadians do not get a chance to see them, and distribution is a provincial matter.

I urge the provincial Ministers to act promptly and vigorously on the recommendations of the task force on film distribution. The provincial Departments of Education have a strategic role to play through their purchasing policies as well. They must say no to retreads posing as Canadian content with a few Canadian pages slapped on. The publishers must support real Canadian content, with authors producing their work here. Again I call on the provincial Ministers to be energetic—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

CANADA POST CORPORATION

POSSIBILITY OF STRIKE

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, once again Canadian men and women are being threatened by a strike at Canada Post. The Letter Carriers Union says it has been without a contract for two months and has threatened to go off the job if no agreement is reached on wage conditions and job security.

Mr. Speaker, my constituents are sick and tired of paying for the corporation's bad management. They are sick and tired of paying for abnormally high absenteeism among its employees. My constituents in Saint-Colomban, for instance, fail to understand why they cannot have a decent Post Office, since as taxpayers they are paying the bill for this mismanagement.

In his February Budget, the Minister of Finance clearly demonstrated that the Conservative Government is determined to deal with this problem. Canada Post is to prepare a new operational plan that will increase productivity and efficiency and improve the reliability of its service.

Finally, Mr. Speaker, I hope that all Canadian taxpayers are prepared to support this Government and not give if there is a strike by the letter carriers, who in any case ought to prove they are efficient before making strike threats.

* * *

[*English*]

THE BUDGET

SUPPORT FOR MEASURES TO RESTRAIN EXPENDITURES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, at last we have a Minister of Finance (Mr. Wilson) who believes it is time to pay our bills and stop borrowing to pay for excessive spending. The country has been awash in red ink for the past decade. Prior to 1975 Canada's fiscal structure was one of the soundest and best managed in the industrial world. Reckless spending by the previous Liberal Government made it one of the weakest. Now we have a Minister of Finance who is implementing financial restraint.

Runaway spending has been brought to an abrupt halt. Total spending for the year ending March 31, 1986, will increase by less than 3 per cent, well below the 3.9 per cent forecast last May. Excluding interest payments, there will have been a zero increase in spending this year, a remarkable achievement. Canadians know the Minister is on the right track, and they will give him unstinting support.

* * *

REGIONAL ECONOMIC DEVELOPMENT

SIZE OF PROGRAM EXPENDITURES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, on Thursday I drew to the attention of the House the substantial cuts made by the Minister of Finance (Mr. Wilson) in the regional economic development spending envelope. However, when one looks more closely at the various cuts to the various Departments contained within this envelope, it becomes more disturbing.

Seven programs in the Department of Regional Economic Expansion have been cut, and the cuts are somewhat staggering. For the IRDP the cut is 80.74 per cent. Under the heading

"Transfers and Contributions" it is 34.3 per cent. Under the Defence Industry Productivity Program it is 5.8 per cent. Under the Shipbuilding Industry Program, it is 17.4 per cent. Under contributions to non-profit and commercial operations in support of tourism there is a 17.6 per cent cut. Native people in this country have received a 48 per cent cut. It is very clear and very evident that the Government is not concerned with regional economic development anywhere in the country, whether it be British Columbia or Atlantic Canada.

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● (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE NEA DEMOKRATIA PARTY OF GREECE

Mr. Speaker: May I advise Members of the presence in our gallery today of Mr. Constantin Mitsotakis, President of the Nea Demokratia Party of Greece.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER OF LABOUR FOR THE PROVINCE OF NEW BRUNSWICK

Mr. Speaker: May I also advise Members of the presence of the Hon. Joe Mombourquette, Minister of Labour from the Province of New Brunswick.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

OIL PRICE AND INTEREST RATE PROJECTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last Friday in the House the Minister of Finance virtually admitted that his assumptions of oil prices and interest rates had been made because of printing requirements and did not reflect reality. My question to him is due to the fact that the projections on oil prices and interest rates are out of date and do not accord with reality. Would he be willing to table in this House more accurate up-to-date projections so that we would have a better grasp of the real deficit and other projections of the Budget in current terms, so that the country would have a more up-to-date picture?

Mr. Broadbent: Don't hold your breath, John.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first of all let me advise the Hon. Leader of the Opposition that the year has not started. It starts in about four weeks'

time. Second, Michel Belanger, the Chairman of the National Bank of Canada, who probably knows quite a bit more about interest rates than the Hon. Member behind the Leader of the Opposition, said in an interview over the weekend:

Short-term interest rates at 9.5 per cent struck me as being realistic.

As far as the oil price assumption is concerned, I commented on that last week. I said that there would be an immediate downward impact on revenues from oil and gas companies, but an upward impact as the effects of this were felt through the economy, and the balance was slightly in favour of increased revenues for the Government of Canada.

Mr. Broadbent: Nice dream, Michael.

Mr. Turner (Vancouver Quadra): I wonder whether the Minister will be able to give us an up-to-date quotation from Mr. Yamani of Saudi Arabia on his oil projections.

[*Translation*]

DIVISION OF FISCAL BURDEN

Right Hon. John N. Turner (Leader of the Opposition): In his two consecutive Budgets, Mr. Speaker, the Minister of Finance has cumulatively increased by 27 per cent the tax load to be carried over the next four years by the average family earning $15,000 a year, whereas over the same four years a family with an annual income of $200,000 will pay only 2 per cent more in taxes. In the opinion of the Minister, is that a fair way to distribute the tax load so as to control the public debt?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to draw the Member's attention to a document that is called *Social Justice, A Record of Achievement*. This is the record of achievement of this Government in introducing fair social justice measures in this Budget, and in previous Budgets, in order to provide people, particularly low-income Canadians, with some of the assistance they need. There is the change put forward of increasing the child tax credit—

Mr. Orlikow: They don't believe it for a second.

Mr. Wilson (Etobicoke Centre): —the acceleration of the child tax credit payment; the refundable sales tax increase that was introduced in this Budget; the direction—

Mr. Orlikow: They know you are not telling the truth.

Mr. Wilson (Etobicoke Centre): —of $100 million to help those Canadians who are on social welfare get back into the job force. These are fair measures that have been introduced in this Budget. These are fair measures of which this Government is very proud.

REFUNDABLE SALES TAX CREDIT

Right Hon. John N. Turner (Leader of the Opposition): I think the House is beginning to take note—and I am sure the country is—that the new style of the Government in responding to any questions in this House is not to respond to the question but to come up with a prepared line having very little relevance to the particular question posed. My final question—that is just a remark, Mr. Speaker, to allow you to—

Mr. Speaker: Order. Order, please. Just a question, please.

Mr. Turner (Vancouver Quadra): Mr. Speaker, my third question to the Minister of Finance is this. Why do not all Canadians below the poverty line get the $50 sales tax credit while everybody who is eligible for a capital gain gets a $500,000 exemption, which is a $125,000 lifetime bonus?

● (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it quite clear that the refundable sales tax credit is a model on which we wish to build in future Budgets. We have chosen the $15,000 threshold as being a reasonable level which we should introduce and gain some experience from it, and from there build in future Budgets.

Let me comment here from "In search of Robinhood", which states: "Most of Mr. Turner's Budgets did not maintain relative income positions—".

Ms. Mitchell: Order.

Mr. Ouellet: Irrelevant. Order.

Mr. Wilson (Etobicoke Centre): "—They benefited highest income families and our lower middle-income—"

Mr. Speaker: Order, please.

* * *

[*Translation*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it seems obvious to me that the economic fallout from the Budget of our Minister is disastrous.

So what is he going to do today, tomorrow and this week to strengthen our dollar which is still very weak, even at 2 o'clock this afternoon?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there have been a number of commentators from the Canadian private sector who have indicated in a very forthright way the support they have for this Budget, that we are on the right track, we are getting the deficit down, we are setting the stage for lower interest rates. We have a record of performance in the creation of 580,000 jobs which shows that this Government's policy, in its comprehensive form, is doing the job of getting the country out of the doldrums it was in under the previous Government, and moving on to greater heights. That

is the direction of this Government and we are going to continue along those lines.

Mr. Johnston: It would be good to get at least one answer this afternoon.

INTEREST RATE LEVELS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Let me try again, simply, without any preamble. The Minister remembers that he led us to believe that everyone—

Mr. Speaker: Is that not a preamble?

Mr. Johnston: Well, I suppose it might be considered as such. Will the Minister agree with the statement he made in this House just several weeks ago that interest rates would fall immediately after his Budget? And will he assure Canadians who are suffering from these crushing taxes that their suffering will not be compounded by a further increase in interest rates this week, and that we will start to see the fall in interest rates which he promised?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the rhetoric used by the Hon. Member indescribing these taxes as "crushing taxes" is totally inappropriate. Let me read from the Hon. Member's Bible, the *Toronto Star:* "A key message in Wilson's Budget was that if we want these programs, we're going to have to pay for them. That is not unreasonable". That is the message of this Budget. We have to get back to a little bit of fiscal sanity.

Mr. Gauthier: Come on, Mike. Just table the document.

Mr. Wilson (Etobicoke Centre): That is something which the previous Government did not understand. It is something we understand, and something which Canadians understand.

Mr. Blackburn (Brant): I have my doubts about that.

* * *

[*Translation*]

THE BUDGET

CONFIDENCE INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. The average taxpayers do not like the Budget and foreign investors have also turned thumbs down on the Budget. The dollar fell again today.

My question to the Minister is very simple: Would he tell the House of Commons who has condidence in this Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a wide range of Canadians who have been quoted—could I read, Mr. Speaker, from a number of—

Miss MacDonald: Sure.

Some Hon. Members: No.

An Hon. Member: Go ahead.

Mr. Wilson (Etobicoke Centre): I have a large number of Canadians who have been quoted as saying they support this. Yes, there is a tough message. I have never denied that there is a tough message here.

Mr. Broadbent: That's not the question. Deal with the question.

Mr. Wilson (Etobicoke Centre): The message that Canadians understand, and the message which they support, is that this is a necessary Budget. It is a Budget which is necessary to get on top of the problems we have been left with—

Mr. Blackburn (Brant): It's unfair.

Mr. Wilson (Etobicoke Centre): —and it is a Budget which is going to get this country—

Mr. Speaker: Order, please. The answer is becoming a speech.

* * *

• (1425)

THE ECONOMY

OFFSHORE INVESTMENT BY CANADIANS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the average Canadian certainly does not like it, and whatever businessmen may be saying to the Minister they are doing something else with their dollars—they are investing them outside the country. The Minister should be aware of that.

Considering that the figures released by Statistics Canada on Friday show that last year there was a net investment abroad by Canadians of $4.9 billion, which is a 20 per cent increase, or a worsening of the situation over the year before, will the Minister acknowledge that these long-range investors are expressing non-confidence in the Government's economic policies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is one thing that creates jobs, that is, investment—investment in new facilities and investment in new equipment. Some 580,000 jobs have been created since September, 1984. The Hon. Member surely understands that the reason these jobs have been created is because of the massive investment that has taken place during this period of time—investment that has been related to the increasing confidence of Canadians in the policies of the Government.

Some Hon. Members: Hear, hear!

Oral Questions

SIZE OF OFFSHORE INVESTMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there was a time when the Minister actually answered questions. I wish he would return to that practice.

Mr. Wilson (Etobicoke Centre): I just answered the question.

Mr. Broadbent: Considering that there was a 12 per cent increase of investment in Canada in the past year, and an outflow increase of 29 per cent, will the Minister be candid with the House and acknowledge that it is the outflow investment increase of 29 per cent—or $4.9 billion—which is the main structural problem with the Canadian economy? Speculators understand that, which is why they are investing abroad instead of in Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is an old saying which states that statistics can lie—

Some Hon. Members: Oh, oh!

Mr. Broadbent: They're your statistics, your figures, fella!

Mr. Gauthier: You're the expert, Michael.

Mr. Rodriguez: You're really original, Mike!

Mr. Speaker: Order, please? Will the Hon. Minister complete his answer briefly, please.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will give the Hon. Member a very brief answer.

The Hon. Member has displayed great adeptness over the months at being able to fiddle around with apples-and-oranges comparisons.

Mr. Broadbent: They're your figures!

Mr. Wilson (Etobicoke Centre): He is using my figures, yes. But he is twisting them around in the most distorted way I have ever seen.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

CRUDE OIL PRICE FORECASTS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, perhaps the Minister of Finance would be interested in some statistics which do not lie. The price of west Texas intermediate crude, on which Canadian oil prices are based, has dropped to $13,26 U.S. a barrel. Canada earns more than $7 billion selling oil to the U.S. What will be the cost to the Canadian Treasury, and the effect on the Minister's projected deficit, given that the Budget's projection of $22.50 U.S. a barrel is totally and wildly inaccurate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think this is the fifth time this question has been asked.

Mr. Turner (Vancouver Quadra): The price goes down every day.

Mr. Wilson (Etobicoke Centre): The very wise Leader of the Opposition is saying that the price goes down every day. What does that do to the economy, he asks.

Mr. Turner (Vancouver Quadra): What does that do to your projections?

Mr. Wilson (Etobicoke Centre): I will tell the Hon. Member what it does to the economy. It increases the spending power of Canadians. It increases the competitiveness of Canadian industry. That creates economic growth, which generates a great deal of revenue for the federal Treasury, revenue which will offset the drop in the price of oil. So there is a two-way street here and, as I have said on many occasions, there is a balance which is slightly in favour of the Treasury of Canada as it relates to taxes.

Mr. Speaker: Questions and answers are becoming longer. Just a question, please.

EFFECT ON OIL AND GAS INDUSTRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, does the Minister of Finance agree with the assessment of Deacon Hodgson that Canada's oil and gas industry will lose $9.1 billion in revenue this year and that financing for tar sands of offshore development will be impossible to acquire under the current fiscal regime? Can the Minister give us an answer for a change, rather than rhetoric?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have tried to answer the questions of the Hon. Member on many occasions. I say to him again: Yes, there are some negatives as a result of the price of oil. I have never denied that. With his very blinkered-like approach to the subject, the Hon. Member ignores the benefits of lower oil prices. Could he answer this question for Canadians who are watching? Why is it that members of his Party have been pressing for lower oil prices? The big reason is because lower oil prices benefit consumers. It will give them more money to spend on other things that will generate economic activity and will generate—

• (1430)

Mr. Speaker: Order, please.

* * *

THE ECONOMY

INVESTMENT ABROAD—EFFECT ON EXCHANGE VALUE OF DOLLAR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Finance. Does the Minister

of Finance deny that the 1985 net outflow of investment capital was $4.9 billion and that this outflow detrimentally affects the value of the Canadian dollar?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have a note here which indicates that net long-term capital outflow is a plus, or an inflow of $400 million, and net short term is plus $1.1 billion. That amounts to $1.5 billion in total inflow.

STATISTICS CANADA FIGURES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I ask the Minister to require of his officials that they review the Statistics Canada figures released on Friday last because those figures clearly show a net outflow of investment capital in 1985 of $4.9 billion? When the Minister finds out that we are telling the truth, will he at least accept that our numbers are accurate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sorry, I did make a mistake. The net long-term capital inflow was $3.9 billion, the net short-term capital inflow was $700 million, making a net inflow of $4.6 billion, not the $1.5 billion that I thought it was.

Some Hon. Members: Hear, hear!

* * *

CANADIAN JOBS STRATEGY

AMOUNT OF LAPSED FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. How can the Minister claim in his Budget that the Canadian Jobs Strategy Program is a great success when the budget of that program has lapsed $226 million? Here is a program which was first announced last February, and then last June. The reason given for the lapses was that component parts of the program were not ready. What kind of success is that?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to be able to respond by talking about the success of the Canadian Jobs Strategy. In six months alone, some 14,000 projects are now under way, involving thousands and thousands of Canadians. The Hon. Member asked about lapses. Lapses have occurred over the years, and at the height of the recession, at the very time when unemployment was at its highest since the Great Depression, the Liberal Government lapsed more than $650 million.

YOUTH UNEMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister has not answered the question. The reason given by officials in her own Department was that the programs lapsed because they were not ready.

Mr. Speaker: Order, please. Just a question.

Mr. Allmand: I will be willing to enter into a debate with her about what happened a few years ago, at any time—

Mr. Speaker: Order, please. Now, please.

Mr. Allmand: Mr. Speaker, how can the Miniser rely on a program that is only half finished to help the 700,000 youth unemployed described by the Senate as a new lost generation? My figures indicate that this program has only created 26,000 jobs since last June, and that is no record at all. How can that help those 700,000 young unemployed?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the programs under the Department of Employment and Immigration are particularly directed toward young people. There is the Challenge '86 Program for the summer. There is the Job-Entry Program throughout the year. In total, with all programs from this Department, some $700 million has been directed this year toward programs involving some 218,000 young people, 40 per cent of the total budget of the Department.

* * *

THE BUDGET

EFFECT ON WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance who chose to increase economic inequalities for women in the Budget. Does the Minister admit that the Budget will have a disproportionate impact on women who will suffer more from the tax increases because their incomes are lower, and who will also lose more jobs and more services as a result of the very drastic Public Service cuts? Did he not conduct a study of these very serious inequalities that he has imposed on women?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I totally reject that allegation. We have taken a number of major steps forward in the budgetary area that particularly help women. The increase in the child tax credit and the acceleration in the child tax credit payment—

Ms. Mitchell: Only the very poor.

Mr. Wilson (Etobicoke Centre): She says that it is not enough. We would like to do more, Mr. Speaker, but we have done an awful lot more than any Government in recent years.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The change in the refundable sales tax credit, and the opening up of pension plans to part-time workers, which is of particular importance to women

in the labour force, are major steps forward that the Government has taken.

REFUNDABLE SALES TAX CREDIT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, why will the Minister not admit that his Budget pushes more women and children into poverty, particularly those half million in the $15,000 to $20,000 bracket, and that the refundable tax credit about which he raves is only for the very poor and will not even pay for last year's sales tax increases, much less cover the loss in the indexation of family benefits which the Minister also imposed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the statements of the Hon. Member are totally false, and I listened to what she said—

Ms. Mitchell: They are not false. How can you say that?

Mr. Wilson (Etobicoke Centre): She is being critical of me because I have directed in this Budget—

Ms. Mitchell: Women are being critical of you.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it is very hard to listen and talk at the same time. I think the Hon. Member should listen.

Mr. Speaker: Order, please.

Ms. Mitchell: You should listen.

Mr. Speaker: Order, please. I have said before that Hon. Members who ask questions should allow the answers to be heard. Order, please. The Hon. Minister will finish briefly.

Mr. Wilson (Etobicoke Centre): The Hon. Member is criticizing me for doing something to help the very poor. I am very proud of doing something to help the very poor. That is what this Government is all about.

GOVERNMENT TAX POLICY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister of Finance not agree that, as a result of the last two Budgets, the Conservative Government has, by deliberate tax policy, widened the gap between the rich and poor in society and that, by lowering the benefit levels to $15,000 for the refundable sales tax and the prepayment on the child tax credit, there is now a new Conservative definition of poverty?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I totally reject the allegation of the Hon. Member. We have done two things in this Budget that are helping the people who are below the poverty line, the acceleration of the child tax credit and the introduction of the refundable sales tax credit. I have indicated that these are both initiatives that we want to watch and learn from, and perhaps in a future Budget we will be able to enhance them. Why is it that the Hon. Member cannot congratulate us for these progressive, innovative new changes in budgetary policy?

[*Translation*]

POVERTY—GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): I have a supplementary, Mr. Speaker. Is the Minister of Finance now telling us that his Government has a new definition of poverty which will condemn nearly 300,000 poor families to conditions that are even worse?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is the most outrageous distortion of a good policy initiative. There has never been any new—

Mr. Frith: Three hundred thousand families.

Mr. Wilson (Etobicoke Centre): It is very hard when the Hon. Member asks a question and cannot stop asking it once he takes his seat. We have indicated very clearly that there is no new definition of poverty here. What we have said is that, within the limited resources that the Government has, we have introduced two major new initiatives to help those people in low-income brackets, the low-income sales tax credit and the acceleration of the child tax credit payment, both of which have been—

Mr. Speaker: Order, please.

* * *

YOUTH

DUTIES OF MINISTER

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Prime Minister. Since the Government took office, some $100 million has been cut from youth expenditures. Now the Minister of State for Youth seems to be in the process of disappearing. Will the Prime Minister tell the House what are the duties of the Minister of State for Youth who has neither program nor budget?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in point of fact, as a result of the initiatives of the Minister of State for Youth—

Some Hon. Members: She is gone.

Mr. Mulroney: —youth unemployment since September, 1984, has declined by almost three full percentage points.

Some Hon. Members: Hear, hear!

Mr. Broadbent: She has disappeared with them.

Mr. Mulroney: As the Minister mentioned, 580,000 new jobs have been created. The Minister of State for Youth and all Ministers are collaborating to ensure that even further jobs are created.

GOVERNMENT COMMITMENT TO YOUTH

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, does the Prime Minister not think that it might be useful for the youth of the country, much less the House of Commons, if he answered the question? Where is the indication of commitment to youth, seen as necessary as a result of two task forces, in this Government? Is it manifest in the kind of support it gives to the Minister of State for Youth who has neither program nor budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, nothing could better indicate the difference between a socialist and a conservative. When he is talking about programs for youth, he is thinking of a bureaucracy, and we are thinking about jobs.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Broadbent: That must be an all-time low.

Mr. Blackburn (Brant): If you don't need her, why keep her?

Mr. Speaker: Order, please.

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CANADIAN WHEAT BOARD

INITIAL GRAIN PRICES INQUIRY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. My constituents have expressed concerns regarding the United States Farm Bill and the probable effect it will have on the initial price of wheat. There is a good deal of concern and a cloud of uncertainty hanging over the farm community in western Canada these days. What can the Minister indicate to the House regarding initial grain prices for the 1986-87 crop year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a very serious situation. Everyone who understands the U.S. Farm Bill, and particularly what the European Community is doing as far as subsidies are concerned, realizes that we face a very difficult situation. The Hon. Member should know that in Europe, for instance, the subsidy on wheat is over $100 per tonne, and on barley it is something like $130 per tonne. We find that very difficult to compete with. However, I can tell the Hon. Member that we are facing the issue and we will do the very best we can. We expect to be able to announce initial prices at the usual time, which is some time at the end of March or the beginning of April.

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[*Translation*]

THE BUDGET

REQUEST THAT GOVERNMENT DECLARE MONTREAL A DESIGNATED REGION

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Finance. The Government likes to take credit for creating thousands of jobs in Montreal. Is the Minister of Finance ready to recognize that his Government is responsible for the loss of tens of thousands of jobs in Montreal and why did he not declare Montreal, especially East Montreal, a designated zone in his Budget, as many people had asked him to do?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure from where the Hon. Member is getting his statistics. Since September, 1984, 70,000 jobs have been created in the city of Montreal. I believe that that is 13 times greater than the jobs created during the course of the previous Government. As far as Montreal is concerned, the Hon. Member is very much aware of the fact that we have said that we want to discuss the possibility of creating an international banking centre for that city. That is something of which I think he would be very supportive.

[*Translation*]

CREATION OF JOBS IN MONTREAL—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister of Finance seems to believe that the Banking Centre, which could eventually create 35 jobs in two years, is not the answer, but, and my question is very specific, what concrete action will the Minister take now to help the former workers of Bombardier, Vickers, Lafarge and La Fonderie who, in spite of the figures quoted by the Minister, are now unemployed and waiting for concrete action to be taken so that they may find employment in Montreal?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member must understand that jobs are created by a healthy private sector, a private sector which is investing and growing because it has confidence in the direction of the policies of the Government, as has been demonstrated by the 70,000 jobs created in the Montreal area. That is what will make the number of jobs grow, not a lot of bureaucracy in Ottawa trying to dream up ways which have been proven not to work under the previous Liberal administration.

Oral Questions

TOURISM

EFFECT OF GASOLINE PRICES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of State for Tourism. The Canadian Automobile Association survey revealed that most Canadians who vacation by car are shortening or cancelling their trips because of high gas prices. Eighty-six per cent of them say that the price of gas influences their travel plans. Now that the Canadian price is 40 per cent above the U.S. price, comparing Fort Frances, Ontario, with International Falls, Minnesota, half a kilometre away, what will the Minister do to help the tourism industry, and indeed Canadians to see their own country?

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, I am fully aware of the concerns of the Canadian Automobile Association. In fact I met with the Association approximately a week ago. I do not think Canadians are as gloomy as is the Hon. Member. A Gallup poll was just released indicating that one in five Canadians across the country will be going to Expo in Vancouver. Most of them will be driving, so I think Canadians have a lot more faith in the Government and in our economy than has the Hon. Member.

ATTENDANCE OF EASTERNERS AT EXPO 86

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my supplementary question is directed to the same Minister. Referring to the same survey to which the Minister in categorizing me as gloomy made reference, it showed that 10 per cent of eastern Canadians would attend Expo. What will the Minister do to increase that percentage?

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, the most positive thing the Government could do to increase the percentage of Canadians travelling in Canada this year is to keep interest rates down, and that is exactly what we intend to do.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Finance. Does he agree with the statement reported this weekend, made by his former adviser, Mr. William Mackness, to the effect that our dollar would be stronger if our interest rates were lower and closer to American interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the levels of the dollar and of interest rates are very closely intertwined. We have indicated in the past that, as we achieved a greater degree of stability in the exchange markets, which seems to be coming back this week, we will be able to see lower interest rates.

Mr. Deans: What? Seems to be coming back this week!

Mr. Wilson (Etobicoke Centre): I am quite confident that the 9.5 per cent interest rate projection in my budget document is a fair projection and, as I indicated, is supported by people in the private sector, including Michael Bélanger, President of the National Bank.

* * *

THE DISABLED AND THE HANDICAPPED

EFFECT OF BUDGET MEASURES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Minister of Finance. He said a moment ago that he was very proud to help the very poor and that that was what his Government was all about. I want to ask him about what he has provided for the handicapped in the Budget. He offers a small increase in a deduction which he says will benefit 185,000 people. Why does *The Fiscal Plan* show at page 42 that, for its first full year of operation, that deduction will cost the Treasury nothing?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have done a number of things to help disabled people. First, we increased the deduction in the last Budget and in this Budget. Second, we broadened the definition of who qualified for the disabled deduction, and that was a major expansion. Third, we said that we would spend $100 million to help those on social welfare to find jobs. Many of those people are disabled. We are trying to help them become more self-reliant. Those are three major changes in the Budget which are very important improvements for the disabled.

[*Translation*]

SITUATION OF THE HANDICAPPED—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, the statistics of the Minister show that the cost is exactly zero.

I would like to ask him why, if he really wants to help the handicapped, he did not introduce a credit instead of a deduction so that more handicapped would benefit more and those who have lower incomes would have the same benefits?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to the question about why it was not effective in 1986-87. The effects of the change in this tax year will be felt in the next tax year as the tax return comes in. That is a specific answer.

Mr. Kaplan: It refers to 1986-87.

Mr. Wilson (Etobicoke Centre): If the Hon. Member wishes to ask me another question on it, I would be happy to respond.

Mr. Speaker: The Hon. Member for Broadview-Greenwood.

HEALTH

EXPOSURE OF WORKERS TO CIGARETTE SMOKE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. He will be aware of a report obtained under the Access to Information Act showing that employees in nearly all offices under federal jurisdiction are exposed to smoke pollution at unacceptable levels, causing very high numbers of death from lung cancer. Why is the Minister of Health not working to bring in legislation to give adequate protection to employees under federal jurisdiction? Why is he instead suppressing the information that shows just how high is the level of risk?

● (1450)

Hon. Jake Epp (Minister of National Health and Welfare): First, Mr. Speaker, this Minister is not suppressing the information. The information that was received under Access to Information was in draft form. I have full intention of releasing it. Second, we are looking to publishing it in a scientific journal. That will be done.

I think the Member, if she is fair about it, knows this Government and this Minister have been very active in the area not only of passive smoking but of smoking generally. We want to reduce its incidence.

The report, I think, verifies many of the things that the Hon. Member, I, and others have said. In terms of legislation, possibly the Member should just be a little patient for that.

SMOKE-FREE OFFICES—ECONOMIC SAVINGS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary question is also for the Minister of National Health and Welfare. It concerns another study obtained under Access to Information on the effects of smoke. Will the Minister concede the number of millions of dollars which these studies show could be saved by bringing in smoke-free provisions?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, quite frankly I am not quite clear to which study the Hon. Member is now referring. I can tell her that when people look at the revenue Government receives from tobacco taxes, that figure, even though it is high in terms of the Budget, is considerably lower than the loss in revenue in health care and other tangential costs, not to mention productivity costs.

If the Hon. Member has another study in mind, I wish she would be a little more specific about it.

IMMIGRATION

ALLEGED PRACTICES BY OFFICIAL AT TORONTO INTERNATIONAL AIRPORT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration. Recent publicity alluding to improper practices by Immigration officers at Toronto International Airport have raised serious concern about the immigration process at the airport. Could the Minister comment on these alleged practices, and assure the House that they will no longer continue?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member says, these comments are alleged. I will treat them as allegations.

I want to assure the House, however, that such practice is not the policy of the Department of Employment and Immigration. If anyone has any evidence to the contrary, I wish they would present me with it and I will ensure that anything of that nature is stopped forthwith.

REQUEST FOR INVESTIGATION

Mr. Sergio Marchi (York West): Mr. Speaker, officials of the Minister's own Department have admitted to various of the news media that that practice has happened and that management has condoned it.

Will the Minister of Employment and Immigration immediately cause an investigation to be established and, if those practices are occurring at the Malton International Airport and elsewhere, will she see that they are stopped immediately, rather than saying they are simple allegations and expecting that they will go away by themselves?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member has any evidence of any wrongdoing of this nature, I wish he would give it to me forthwith and I will see that it is stopped.

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[*Translation*]

YOUTH

REQUEST FOR EXPLANATION FOR DISAPPEARANCE OF CERTAIN PROGRAMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a question for the Prime Minister. I would like to know why the Minister of State (Youth) learned of the disappearance of all her youth programs in the estimates, without even getting a direct signal from the Prime Minister. Is that another example of the influence of youth, women and Quebecers in the Prime Minister's Cabinet?

Right Hon. Brian Mulroney (Prime Minister): Quite the opposite, Mr. Speaker. In those three cases indeed, the Hon. Member is—inadvertedly no doubt—misleading the House. In

the three cases she referred to, the answer is altogether different.

REQUEST FOR CLARIFICATION OF DUTIES OF MINISTER OF STATE (YOUTH)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if in that case, there are no programs left under the Minister of State (Youth), I would like to ask the Prime Minister what the responsibilities of the Minister of State (Youth) are now.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yes, but wait! There is nothing to be lost by waiting. The fact is that our prime responsibility is not to build up a new bureaucracy. Our first obligation towards youth is to keep creating permanent job and this is exactly what we are doing. But have no fear concerning youth. This will be linked in due time not only with other programs, but with very important initiatives that will create more jobs for our young people.

* * *

[*English*]

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—STATEMENT ATTRIBUTED TO UNITED STATES AMBASSADOR

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of National Defence. U.S. Ambassador Niles said last week, referring to the Cruise:

> There was no danger in the tests to anybody. Sometimes they don't work, that's why you test them.

Does the Minister support the impropriety of an American official announcing a resumption of testing over Canadian territory before we have even had a report on why the last missile crashed?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I have not seen all the report. I do not know what Ambassador Niles said.

As I indicated in an answer to the Hon. Member's Leader, the Canadian Government has to be satisfied as to the reasons for that crash. Once it is satisfied, the terms and conditions of the agreement entered into by the previous Government will be honoured.

REQUEST THAT MISSILE BE TESTED OVER UNITED STATES TERRITORY

Mr. Derek Blackburn (Brant): Mr. Speaker, in view of the fact that the cause of the second crash appears to be mechanical, pretty fundamentally mechanical, would the Associate Minister of National Defence tell the Americans, that from here on in, they should go back to the drawing board and then test or retest their Cruise missile over their own territory until at least they get the mechanical bugs out of it?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Hon. Member seems to have some information that is not available to me or to the Department of National Defence—

An Hon. Member: It would not be the first time.

Mr. Deans: That is nothing unusual.

Mr. Andre: —in that he seems to know what the reasons for the crash are.

Mr. Broadbent: We assume it was not God's will.

Some Hon. Members: Oh, oh!

Mr. Andre: The path for the test was chosen very carefully. There are all kinds of safety mechanisms to ensure Canadians and Canadian property are not damaged and are safeguarded. Those precautions remain in effect. I do not think there is any reason for the Hon. Member to try to scare Canadians in this regard.

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[*Translation*]

CANADA POST CORPORATION

INQUIRY IF MINISTER OF CONSUMER AND CORPORATE AFFAIRS IS RESPONSIBLE FOR CORPORATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Letter Carriers' Union of Canada this coming Thursday will be legally in a position to strike. The Minister of Labour has refused to appoint a mediator; this past week-end, the Minister of Fisheries and Oceans stated in Western Canada that postal employees would go on strike at their own risk, because they were being threatened with privatization. Could the Minister of Consumer and Corporate Affairs tell me whether he is still responsible for Canada Post?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to inform the Hon. Member that he is a little behind. A mediator, in the person of Mr. Bill Kelly, has been assigned to assist the two parties. Mr. Kelly was assigned at the joint request of Canada Post and the Letter Carriers Union.

[*Translation*]

POSTMEN—ALLEGED PRIVATIZATION THREAT—MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): This past week-end, Mr. Speaker, was the Minister of Fisheries and Oceans threatening postal employees with privatization? Was he speaking on behalf of the government?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I learned long ago not to comment on what could be attributed to the press because nine times out of ten the press happens to be lacking in accuracy.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR COLLECTIVE BARGAINING WITHOUT RIGHT TO STRIKE MADE BY MEMBERS IN QUEBEC—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General. Eighty six per cent of all RCMP personnel in Quebec have voted for collective bargaining without right to strike, as suggested by the Association of 17 Divisions. Could the Minister assure RCMP personnel in Quebec that he is not going to oppose this essential request?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): No, Mr. Speaker.

[*Translation*]

LABOUR RELATIONS—MINISTER'S POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question. In view of the fact that the Charter of Rights grants all Canadian men and women the freedom of association, and also the fact that the RCMP is the only—

[*English*]

Mr. Speaker: A question, please. This is a preamble.

[*Translation*]

Mr. Robinson: —why does the Minister insist on maintaining this parternalistic approach to labour relations?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, it is interesting that the Hon. Member, who comes from a Party that purports to speak for working people, has not listened to the expressed wish of the majority of members of the RCMP.

The Hon. Member should know that, across the force, the divisional representatives who are elected by the rank and file, oppose unionization.

Instead of showing contempt for the wishes of the vast majority of members of the force, members of the New Democratic Party should be supporting their views.

● (1500)

SCIENCE AND TECHNOLOGY

FUNDING OF RESEARCH AND DEVELOPMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the Minister of Finance. Will he dispel the confusion that was created last Friday by way of his reply to the Member for Laurier, and admit that the amount of money which he indicates will be available for research and development already exists and is not an addition to the budgets of the research and development community across the nation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member should be careful about the questions he asks. The budget was clearly reduced by the previous Government. We were left with a bubget which was decreasing for those three granting councils. We have reinstated the amount of money to the previous level and have provided for an additional 6 per cent matching increase if the private sector wishes to support these programs. The way in which we have done this allows for a growing integration of the efforts of both the private and public sectors, which will result in much better research and development.

SITTING SUSPENDED

Mr. Speaker: Order, please. I am in a dilemma. I am in receipt of notice of a question of privilege and a point of order which an Hon. Member has indicated he is prepared to present later. The House indicated that it was going to adjourn at this time. Therefore, we are under a House order. We will, therefore, honour that House order and I will recognize the Hon. Member for Bourassa (Mr. Rossi) at 4.30 on a question of privilege arising out of Question Period.

Pursuant to order made Thursday, February 27, 1986, this sitting is suspended until 4.30 o'clock p.m. at which time the House will proceed to Government Orders, subject to my previous comments.

At 3.02 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 4.30 p.m.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment

of Mr. Johnston (p. 11006); and the amendment to the amendment of Mr. Riis (p. 11009).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege and a pleasure to have the opportunity to say a few words on the Budget of the Minister of Finance (Mr. Wilson). I was home on the weekend and I contacted a good many of my constituents from all walks of life, including doctors and businessmen. The general consensus was that, although no one likes to pay taxes or have their taxes increased, it was a pretty good Budget. We had been promised a pretty tough Budget and a good many of my constituents were gratified that it was not even more serious.

Canadians realize, and the people in my riding have been saying the same thing, that we have been trying to spend ourselves into prosperity. That is impossible. Most of us are aware that we have to live within our means, that we cut our coat according to our cloth.

Mr. Attewell: On a point of order, Mr. Speaker. I hesitate to interrupt my colleague and friend, but the Hon. Member for Kenora-Rainy River (Mr. Parry) spoke for 20 minutes and I would like the opportunity to reply to some of the statements he made.

Mr. Deputy Speaker: The Speaker has already ruled on this matter and the decision was that if the Member is not present when the House resumes debate, there will be no period for questions and comments.

Mr. Darling: Mr. Speaker, I was speaking about the great amount of money that we owe and the fact that our deficit is such that something has to be done about it. All Canadians realize that we do not want to become another Mexico or Argentina with huge debts and spiralling inflation. If we are going to do something about it, then we have to bite the bullet. The Minister of Finance has gambled that Canadians will accept the tax increases which are aimed largely at the middle-income taxpayer, as part of this great fight against the deficit.

There has been a great deal said about the load being placed on the middle-income earner. According to the NDP the middle-income earners are going to be a thing of the past. I think that with this Government and this Budget the middle-income people might become a thing of the past by moving one step higher into the lower echelons of the higher-income groups. I also think the great majority of people known as the middle-income earners know that they have to dig down in order to pay this deficit off. The previous Government, which was responsible for the huge deficit we have now, did not tax people as much as it should have and everyone, in whatever income bracket, benefited from that.

One of the things I know a good many people are worried about is the fact that our children and grandchildren should not be saddled with a huge debt which will be a millstone around their necks. It is up to us to see that we share in the attempt to cut that huge deficit.

Prior to the Budget, business leaders, economists and a good many of our news columnists were saying that this Budget must be tough. Some of them went so far as to say they wanted the Minister to announce tax measures and spending cuts totalling as much as $10 billion. While many of us feel that this might be a very sound Budget, it would certainly put a tremendous load on the average taxpayer, which we certainly did not want to do.

It is interesting to note that our total deficit is around $225 billion. That figure has been bandied around by many speakers here today and it is probably well within the range. However, *The New York Times*, one of the most prestigious newspapers in the world, as well as one of the most quoted, stated the day after the Budget came down that the Canadian deficit for this year would be $225 billion. I am quite sure that this created some shock waves not only in the U.S. but on money markets and with economists around the world. This probably had a detrimental effect on our dollar. It is the U.S. deficit for this year which is around $224 billion, which is about the same as our total debt.

The Minister of Finance is hoping that through the various tax measures and expenditure cuts we will be able to get the biggest bang for the buck. Rarely does a Government commit itself to such clear-cut and long-range plan for handling the coffers of the nation. The Budgets of May, 1985, and February, 1986, are a testament to the constituency of this Government. We have put our cards on the table for all to see, which is yet another anomaly in Government circles. In tune with our philosophy, from the outset this Budget will help to restore fiscal integrity. It will make Government more effective at less cost and will encourage private initiative.

● (1640)

This administration inherited a hodge-podge of problems from the Liberal Government, the most notable of which was blatant financial mismanagement. The deficit and the national debt are soaking up much needed capital to service interest payments on the debt. As we are all aware, it is understood that one dollar in every three dollars collected in taxes goes to service the national debt. Based on the old accounting system the deficit for this fiscal year will be down over $3 billion from the year before to $33.8 billion. From there this Government sees a deficit of $29.8 billion next year and reducing down to $22 billion in the 1990-91 fiscal year. Putting the brakes on our debt is probably the most positive signal that Canada could send from sea to shining sea.

As the world sees our Government program with expenditures reduced to levels prevalent in the 1960s, as a share of the economy, confidence will increase and investment in Canadian goods will follow. Virtually no Government expenditure has been left unscathed from the Finance Minister's frugal rapier. All federal Departments and all non-statutory programs have been implicated in cost-cutting measures. Members of Parliament and Senators will have a $1,000 slice cut from their salaries. I believe that was probably the most popular item in the Budget. I would also have included a lot of the grand

mandarins and deputy ministers who make a lot more money than Members of Parliament, and in all probability put in about half as much work time as most Members of Parliament.

While some tax increases have been introduced in a humane and careful fashion, fully 70 per cent of the deficit reduction measures will emanate from reducing expenditures. This Government also intends to shop for suitable buyers of Crown corporations. For instance, Teleglobe, Canadair and Eldorado Nuclear are on the block for perspective purchasers. The $500 million special reduction in non-statutory spending for the 1986-87 fiscal year is equivalent to 2 per cent of the cost of those programs. This will reduce operating costs for all Departments on an ongoing basis, as departmental spending may not exceed 2 per cent per year following 1986 and 1987.

Departments will also be encouraged to increase productivity and realocate funds to absorb increases in their costs. These initiatives will save the taxpayer $850 million next year, and will amount to $2.8 billion in 1990 and 1991.

It is abundantly clear that this administration is planning for the future. It is most refreshing and encouraging to see a Government setting its sights beyond the next election in the best interests of the people it represents. At the same time the Government is showing a considerable amount of courage by facing the economic music. The previously untouchable Canada Post has been ordered to come up with a new plan of attack to reduce its operating deficit to nil while it improves service. This may be an almost impossible task, but certainly it will give it something to shoot at. Let us hope that under the direction of the new President and Chief Executive Officer, Mr. Donald Lander, this will take place, or at least there will be a major step in that direction. I will admit that Post Office bashing has been a very popular Canadian past-time. This Government would rather work with Canada Post in an earnest effort to bring the Crown corporation into line. As a Member of Parliament from a rural area I know that from among the criticisms that come to my desk against certain Government departments those against the Post Office probably lead the way. I will admit that a year or so ago I think it was running a close second to the Department of National Revenue, but that is no longer the case.

Also, in the interest of reducing the red ink in Canada's bank book, we will reduce the amount of foreign aid expenditures. Increases in our foreign aid commitment will be shaved by $1.5 billion over the next five years causing our contribution to grow at a slower rate than is currently the case. Let me emphasize that there will still be an increase in foreign aid each year, but not as great. Those increases are targeted at 8.7 per cent per year, to remain at .5 per cent of the Gross National Product. It is expected that our contribution will climb to .6 per cent by the middle of the 1990s. There will be absolutely no doubt about Canada's willingness to continue playing our role as a team player on the international stage. Growth and defence spending will also be curtailed by 1 per cent in each of the next two years. I would remind budgetary critics that these are not cut-backs, they are smaller increases than have been the case in the past. The Government's decision to reduce the rate of growth in defence spending will save the taxpayer about $285 million.

With the myriad facts and figures inherent in the budget process this Budget is about people. The heart-wrenching plight of low-income Canadians is frequently the focal point for Government planning and decision-making. More assistance for low-income families resulted from the increased child tax credit introduced in the May, 1985 Budget. In the past, the poor have been forced to wait for their credit until their income tax returns have been processed and returned. As a result, many tried to expedite the process by paying tax discounters to give them a partial payment before the tax return was filed. In an effort to prevent this from happening the Government is proposing to pay the child tax credit in advance. The $300 repayment per child will be paid in November of this year to families with a 1985 income of less than $15,000. Need I say more about the fairness of this Government?

The shining success of this administration includes the follow-through on our promise of jobs and more jobs. The turn-around in the rising rate of unemployment has been astounding. There are many people in this place who have played a role in bolstering job creation across the country. The Government is being commended from all sectors for creating 580,000 jobs since the September 1984 election. Eighty-one per cent of those jobs, let me emphasize, are full-time jobs. Some statistician figured out that that came to one job every 90 seconds.

In my riding of Parry Sound-Muskoka where employment opportunities drop markedly during the winter months, the situation was improved considerably. This winter there are 500 fewer people drawing unemployment insurance benefits, and some businesses have been able to retain employees normally laid off at this time of year. In my home village of Burks Falls I was speaking to the manager of the oldest company there, Thompson Heyland, and I asked him how things were there. That plant usually has a regular workforce of about 80; they have 100 now and are looking forward to providing summer work for a good many students. That is certainly welcome news. The administration has created an average of 30,000 jobs per month since it came to power, compared with a meagre 7,400 jobs per month created by the Liberals during their heyday. This means we have created, as I see it, a job every 90 seconds. It is notable that 580,000 jobs have come about in a mere 16 months, while it took the former Government about 55 months to create just 406,000 employment opportunities.

• (1650)

Canada's employment rate of 9.8 per cent is the lowest it has been since 1982. The Government is turning all the right screws to get it even lower in the future. It would seem that the sterling job creation abilities of this Government are undeniable. The tragic rate of youth unemployment has also decreased from 18.3 per cent to 15.9 per cent. This is certainly

something we do not want to brag about but which is certainly an improvement. The rate is still much too high and steps are being taken to bring the rate down and correct the situation.

There have been 43,000 new jobs opened up since the last election compared with the loss of 283,000 jobs for youth under the Liberals' guidance. University, community, college and high school students stand to benefit from the new Challenge 86 Program this summer. The business I mentioned earlier in my home village will hire 10 students. It is no wonder that employers across Canada are sitting up, taking notice and taking advantage of the summer youth program.

The federal Government has set aside $210 million for the purpose of helping students find work this summer. Last year Challenge 85 was a great success and secured some 101,000 jobs for students. The Challenge 86 Program invites provincial and municipal Governments as well as businesses and non-profit organizations to use the program to their best advantage. The Minister of Employment and Immigration (Miss MacDonald) has assured us that Challenge 86 is not just another make-work program to keep students busy. She has clearly delineated the difference between mere activity and wholesome productivity. Her program is designed to create career and learning-related summer jobs which may be of great use in the future. Priority will be given to students to fill the 25,000 jobs available through the 1986 census as well.

While the Government is tackling the problem of high unemployment—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but I would like to ask him to conclude his speech, please. His time has already expired, but he may conclude.

Mr. Darling: Thank you, Mr. Speaker. Again, let me emphasize that this Budget is certainly going to do a great job of putting Canada back on the rails. It is going to cut down the deficit. It is going to provide more jobs. I am certainly pleased to commend the Minister of Finance for the great job he has done.

Ms. Copps: Mr. Speaker, first, I want to commend the Hon. Member for Parry Sound-Muskoka (Mr. Darling) on his comments. I think they are heart-felt. However, when he talks about how this Budget is going to tighten the screws on certain things, I think what he probably means is that it is going to tighten the screws on the low-income earners and those who can least afford to pay.

The Hon. Member mentioned in his speech some concerns he had about the Post Office. I wonder if he could clarify to this House, since we have been recieving a number of mixed messages, what the position is of the Progressive Conservative Party or of the Government on the Post Office? Do they believe in a universally accessible postal system? Do they want to privatize it, or does the Prime Minister (Mr. Mulroney) want to come in like the Canadian Rambo to tell the postal workers how this Government sees things? What is the position of the federal Government on the Post Office?

Mr. Darling: Mr. Speaker, I would like to thank the Hon. Member for Hamilton East (Ms. Copps) for that question. I would say that I hope that the Government's position on Canada Post is to have a post office that will deliver the mail within a reasonable time. I am well aware that there are targets and I would think that it is an improbable target to have Canada Post made self-sufficient within two years, so I am not saying that at all. However, the Canadian people feel that they should receive better service from their post office. A good number of years ago, the railways were carrying a lot of the mail. I was in business for a great number of years and I knew that in my own home village of Burks Falls, if I posted a letter by one o'clock in the morning—because I used to put my mail right on the train—it would be delivered in Toronto on that very day. So we are all hoping there will be much better service.

I am aware that it is a necessary service and that it is going to be pretty hard to make it a profitable service without increasing the rates even more than they are now, and they are too high in the view of a lot of people.

Ms. Copps: Mr. Speaker, the reason I asked this specific question of the Hon. Member for Parry Sound-Muskoka (Mr. Darling) is that, obviously, he represents not only urban centres but also a number of scattered rural areas which cannot necessarily be guaranteed a mail delivery if we were to move toward a private system. This is my concern and I think one which I would like the Hon. Member to address. If in fact threats made by certain Ministers of the Government about privatization were to be carried out, does the Hon. Member believe that not only Burks Falls but a number of small rural areas in his constituency would receive full delivery service, or would the service be concentrated on the major urban areas like the City of Toronto and the City of Hamilton?

Mr. Darling: Mr. Speaker, I must agree with the Hon. Member that certainly it would not be a profitable business for private carriers to deliver the mail in rural ridings. In my riding of Parry Sound-Muskoka there is only one town in the entire riding which has street delivery of mail. The rest of the mail goes through the post office. I am also aware that the population is scattered, as it is in a great many of my colleagues' ridings. Certain Members of Parliament and, I suppose, prominent Ministers, have made statements that they would like to see the Canada post privatized. We all have certain ideas and dreams. That is not my view, but I believe it is the responsibility of the Government to try to do something to see that we do receive better service.

Ms. Copps: Mr. Speaker, I would like to ask the Hon. Member about another element of the Budget. I think it is an element about which he has expressed a concern. That is the decision in the Economic Statement of the Minister of Finance (Mr. Wilson) of November of 1984 to prevent early retirees from collecting unemployment insurance. I am referring not only to those who work for the Armed Forces, those who fought in some of our wars such as the Korean War, but to those who worked in private companies like Black & Decker,

who found themselves sent out to pasture when the company closed down and who now find they are faced with a double whammy because they cannot collect unemployment insurance. Would the Hon. Member tell us whether he was disappointed, as I was, when the Minister of Finance failed to address this important question in his Budget?

Mr. Darling: Mr. Speaker, again, in reply to the Minister's question—

Ms. Copps: Thank you.

Mr. Darling: —I should not really have given the Hon. Member a promotion which, I am sure, she will not receive for some little while. I think the Hon. Member made one wrong move—

Mr. Turner (Ottawa-Carleton): She should have stayed in Queen's Park.

Mr. Darling: That is right, because there is no doubt that with her ability, she would have been in the front benches, but she is going to have to wait a long time here before she gets there.

With respect to the Hon. Member's question, there is no doubt that there are a good many Hon. Members on all sides of the House who have grave concerns. The Hon. Member is well aware that there is a task force, the Forget task force, which has been looking into that matter. I would be less than honest if I did not say that I have received probably a couple of dozen letters from constituents who are very disturbed and unhappy about the very situation she has mentioned. As has been mentioned by Members opposite, some prominent members of the Cabinet have voiced their concerns regarding this matter.

• (1700)

The Hon. Member has a valid point when she emphasizes especially those people who served in the Armed Forces. What the Hon. Member did not mention, and what I will mention, is that these people did not retire voluntarily. After 20 to 25 years of service they were given the golden handshake, and that was it. So I certainly share the Hon. Member's concerns with respect to that point.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I would like to know what the Hon. Member thinks about certain Crown corporations, including Canada Post, that allegedly misled early retirement beneficiaries. These are people who took early retirement after being invited to do so by Government corporations that promised they would receive unemployment insurance benefits, although in 1984, the Government's economic message made it quite clear that unemployment insurance benefits for persons other than those who had earned them would cease as of January 5, 1986.

What does the Hon. Member think of Government institutions that misrepresented the facts—there is no other word for it—and urged people to take early retirement while promising them benefits they knew they would not receive?

[*English*]

Mr. Darling: Mr. Speaker, in reply to my colleague's question, I will repeat what I said before. I have very grave concern for those people who were presented with this misrepresentation. I hope in cases such as this that the industries will take a second look and try to work something out. Again, I would like to repeat that we are hoping that the Forget Commission will come up with an acceptable solution. It will certainly be helpful to those who are feeling the hardship now.

[*Translation*]

Mr. Deputy Speaker: I have received notice of two questions of privilege. We will deal with them in the order in which I received them. First, the Hon. Member for Bourassa (Mr. Rossi).

* * *

PRIVILEGE

ALLEGED SLUR AGAINST MEMBER FOR BOURASSA

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I rise on a question of privilege. During Oral Question Period this afternoon, when a Liberal Member was asking questions, the Hon. Member for Nipissing (Mr. Mantha) said to the Speaker: "Question! Question! Question! Question!"

I then said to the Hon. Member in question: "*Arrête de niaiser*", which means "stop fooling around" in English, and then the Hon. Member for Nunatsiaq (Mr. Suluk) just behind me said to me: "Cool it, you mafia mafioso!"

Mr. Speaker, the Hon. Member for LaSalle (Mr. Lanthier) seems to think this is amusing, but I think it is insulting to people of Italian origin. We do not accept that kind of thing. Mr. Speaker, in this House we respect all ethnic groups. My hon. colleague for Humber-Port au Port-St. Barbe (Mr. Tobin) and my hon. colleague from York West (Mr. Marchi) clearly heard what was said.

Mr. Speaker, at this stage I wonder whether these are his personal views or the views of the Hon. Member's party, when he uses the words mafioso and mafia in connection with people of Italian origin.

On this side of the House, Mr. Speaker, we respect all ethnic groups, and I think we should respect each other's origins. I will not stand for anyone using the words mafioso or mafia just because a person has an Italian name. Every ethnic group should be treated with respect.

I therefore ask the Hon. Member to withdraw his words, Mr. Speaker.

[*English*]

Mr. Suluk: Mr. Speaker, I rise on a point of order with respect to the allegation of the Hon. Member for Bourassa (Mr. Rossi) concerning what he alleges I said during Question Period. If the comments are in the "blues", then I might consider whatever it is he might be requesting. However, if those comments are not in the "blues", then I question what motivation he has in raising this matter. Knowing that he was a former police chief, he may be well versed in the art of intimidation, which is what I consider his question of privilege to be. However, knowing the Chair's concern for civility in the House I will await a decision in this regard.

Mr. Turner (Ottawa-Carleton): Order. What is this?

Mr. Rossi: Are you the Speaker?

Mr. Turner (Ottawa-Carleton): Are you?

[*Translation*]

Mr. Rossi: Mr. Speaker, I will not stand for those remarks about policemen either, because the police corps I belonged to is known as the best police force on the American continent, and I will never stand for any Member of this House using the words mafia or mafioso. Even if it is not reported in the blues, Mr. Speaker, there are three people who heard the Hon. Member back here. And speaking on behalf of people of Italian origin, I will not tolerate anyone calling someone a mafioso.

[*English*]

Mr. Deputy Speaker: I will take the matter into consideration and a ruling will be issued as soon as possible.

The Hon. Member for Kenora-Rainy River (Mr. Parry) on a question of privilege.

APOLOGY FOR ABSENCE FROM HOUSE

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, with your indulgence and with the indulgence of Hon. Members, I rise on a question of privilege to offer my apologies, particularly to government Members, in that I was not back in my place at 4.30 p.m. when the House reconvened in order to answer questions or receive comments on my speech made with respect to the Budget. This arose because I attended the memorial service for the late T.C. Douglas. I would never wittingly make a speech in this House which I was not prepared to defend. I apologize to Members who sit on the Government side that I was not here to receive any comments or questions which they might have had.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Trinity (Miss Nicholson).

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006); and the amendment to the amendment of Mr. Riis (p. 11009).

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to have this opportunity to participate in the budget debate. What I truly regret is that there is so little to be said that is positive about the Budget. After hearing the reaction to its first Budget, I had hoped that the Government would in this Budget make changes to repair some of the damage done. I would much prefer it if I could congratulate the Government for having closed the gap it created between the haves and the have-nots in our society, or if I could see any evidence of a coherent economic plan showing that the Government has a realistic and workable agenda for economic growth in Canada. Unfortunately, I can do neither.

What we have in the Budget is essentially more of the same—middle and low-income families and individuals are saddled with yet more taxes piled on to the taxes they are now paying from last year's Budget, while the wealthy and corporate sector emerge virtually unscathed. Why did the Government choose to repeat itself in this way? Is it because it sees an easy source of revenue in its tax grabs from middle-income Canadians, a sure-fire source of funds which it is just too tempting not to exploit? This may be part of the reason the Government has turned again to the average taxpayer for two-thirds of the revenue it expects to take in this year.

There is also the appearance, and I trust I am wrong in this regard, of a kind of cynical gamble in what the Government is doing by piling on the taxes and spreading them out among many taxpayers regardless of ability to pay. Does the Government hope for resignation and acceptance of these measures without the emergence of an organized opposition? In this context the sales tax rebate for those who earn less than $15,000 per year, the prepayment of the child tax credit for those in the same category, and the increase in the disability pension will offer some relief. However, these measures will not come close to compensating these groups for what they will lose through higher taxes and deindexation.

• (1710)

We can choose to look at these minor proposals as signs of the underdeveloped Conservative social conscience or as cynical attempts to stifle potential sources of opposition to the Government's discriminatory tax increases.

When we compare the Government's two Budgets, we see that the Government is increasingly dependent on the middle-income taxpayer as a source of tax revenues. Even with the small relieving measures in this Budget, a single parent with a $15,000 income and two children will be paying over $300 more in taxes as a result of the Conservative Budgets. Money such as this out of the pockets of taxpayers will enrich

government coffers by nearly $3 billion extra by the end of the decade and at the same time, revenues from corporations will decline to less than $300 million. The kind of fairness there is in a Conservative Budget is $3 billion from individual taxpayers and $300 million from corporations.

As I mentioned earlier, both Budgets were also similar in their disturbing lack of a vision for the future. In the second Budget, there is as well the very clear indication that so far as deficit cutting is concerned, the means justify the end. It is quite all right according to the Government to tax the life and spirit out of the middle class in order to produce the right set of numbers. I would question whether the end justifies the means.

In this Budget there is a reassuring picture of a deficit just below the magic $30 billion figure. It is built on a set of very tenuous assumptions, and if the world does not unfold as the Minister of Finance (Mr. Wilson) wishes, the picture will be seriously distorted. The Budget assumes that oil prices will be $22.50 per barrel. This appears to be somewhat optimistic as posted prices at this time are well below that. For each $1 per barrel fall in the price of oil, the Government loses $110 million in revenue.

The Budget also assumes an interest rate of 9.5 per cent, again perhaps an overly optimistic forecast. The Budget has so far failed to rally the dollar, and we know that the Minister of Finance is quite willing to induce higher interest rates to defend the dollar. Therefore, there are two scenarios that could scuttle the Government's deficit-cutting picture and jeopardize our economic growth.

The Government should consider the consequences of the action it is taking by leaning so heavily on middle and low-income Canadians. These people know very well that they are bearing the brunt of the Government's war on the deficit. In fact, to many Canadians, it feels more like war on the middle-income family. Just as Government expenditure cuts have an effect on Public Service morale, it is certain that repeated tax increases hitting primarily at middle and low-income taxpayers and bypassing the wealthy and the corporate sector will have a similar effect. We saw some vivid examples of this on *The Journal* on budget night.

Canadians at middle-income levels from whom the Government is extracting a disproportionate amount of tax revenue are showing signs of despair. They ask why they should keep on trying to make better lives for themselves and their children if the Government is constantly after them, first for a few dollars, then a few dollars more and a few dollars more after that. I am convinced that Canadians are willing to take a share in helping to bring the deficit down, but the Government is unfairly wringing revenue from middle-income Canadians and making little or no demands on others. This is clear for all to see and the Government should not think that it can continue to take unfair advantage without meeting some repercussions.

Also carried over into this Budget from the first Budget are many examples of confusing double-talk and disturbing signals. I have mentioned how the Government seems to have taken the easy way out by relying once again on tax grabs to raise revenue. This is not only unimaginative but it is confusing when at the same time we hear rhetoric about the so-called tough decisions the Government has had to make.

We were told that this Budget will restore vitality to the economy. We would all like to see more growth in the economy but by taxing away more and more of Canadians' disposable income, surely we are more likely to see the opposite. Consumer demand and spending money creates jobs. When people have less to spend, they are more likely to forgo or defer purchases.

The Budget Speech says that Canadians can have confidence, a decidedly odd assertion because by taxing away so much of taxpayers' purchasing power, the Government has said that it has no confidence in taxpayers, or perhaps I should say no confidence in the average taxpayer. After all, the Government has left unchanged the no-strings capital gains tax exemption for the wealthy on the basis that it trusts well-to-do Canadians to make investments benefiting Canada. However, the treatment is not the same for those people as it is for the middle and low-income earners. The middle and low-income earner gives up consumer decision-making power because of tax increases and then is admonished to put his or her confidence in the Government.

The Budget also makes much of the funds it is allocating to certain areas including the $75 million for cultural initiatives and the $300 million over the balance of the decade to the Medical Research Council, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council. What is not stated in the Budget is that the agencies involved are in great need of these funds and more because of cuts previously made by the Government since it came into power. In culture and communications, for example, over $122 million was cut. This Budget replaces $75 million of that.

The Budget contains a long rationalization about Canada's role in the world community which was meant to make the $1.4 billion cut in foreign aid sound like an increase. However, the facts are clear and no matter how much travel the Prime Minister (Mr. Mulroney) does around the world, it is quite clear that our foreign aid is not being increased.

There are a number of other things in the Budget that are nebulous. For instance, the Minister of Finance has often said that 70 per cent of the reduction of the deficit represents expenditure cuts and 30 per cent comes from tax increases. However, when we look at these expenditure cuts, we see that much of it is in forecasts. For example, looking at the Estimates, we see that about $2 billion will be cut from reserves. Reserve money is money to be used in case of emergency but it is money that the Government really does not plan to spend. Taking that away is not a saving of $2 billion.

There are other smoke-and-mirror tricks that are done by assuming that certain growth and expenditures would happen based on the 1984 figures. When the Government introduced its first set of Estimates last year, they were the highest ever. This year, we have Estimates which are 4 per cent above those of last year. Granted, we were told in the Budget Speech that a

further $500 million would be trimmed off those Estimates, but we do not know where. Presumably it will be related to the Nielsen Report which we are expecting on March 11. However, that raises another set of questions. Why has it taken so long to let us have that report?

● (1720)

In the budget papers there was no mention whatever of youth, and the budgetary estimates show no programs in the youth Ministry. Last year, being International Youth Year, there were some moneys but there was much more emphasis on public relations. Apparently the Minister's office and role remain, but there are no programs to be administered. Are we to assume from this that the Government will be conducting some public relations about youth but has no real programs to assist in the area of youth unemployment?

Earlier I mentioned the foreign aid cut. There was some modification to that when the Secretary of State for External Affairs (Mr. Clark) announced that some outstanding loans would be converted to grants. However, the fact still remains that Canada's commitment to increasing foreign aid has been postponed for several years.

We are now in the third year of recovery from a particularly cruel and harsh world recession. For 18 months of that recovery period, the Conservative Government has been in office. We are now reaching a point where traditionally one might expect some kind of cyclical downturn. Has the Government faced this? I think there is an indication somewhere that the Minister of Finance recognized this as a scenario. If it is, how does he justify the emphasis on tax, tax, tax?

A well-known commentator writing in *The Citizen* stated that the Finance Minister "does not look like a riverboat gambler, but his Budget is a political and economic gamble more suitable to a double or nothing card shark than to a man who looks like a bank accountant or a Sunday school superintendent. By piling taxes on taxes, it is a fiscal plan which risks touching off a national revolt against rising taxation". I would also add that the gamble in piling on taxes and in reducing consumer demand may indeed assist in touching off a recession. Tax increases at a time of economic slowdown can slice into the ability of the economy to produce revenues and can create problems which are at least as bad if not worse than the problems of the deficit. In spite of all the Minister's brave words about reducing expenditures, he presents us with a Budget which is really based upon tax, tax, tax and spend, spend, spend. It is a gamble which may come off; it is also a gamble which may bring very difficult results.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I just heard the closing remarks. I had taken several notes here to support my comments aimed at the Hon. Member for Trinity (Miss Nicholson). But I heard the closing remarks about "spend, spend, spend" and "cents, cents, cents". I wonder whether she recalls another remark that was made by our Prime Minister (Mr. Mulroney), when he said: "Jobs, jobs, jobs". And I think that in French we could use the same words: "Jobs, jobs, jobs", even in France. After the allegations she just made about the Minister of Finance, I would like to ask the Hon. Member for Trinity to comment on the fact that since we came to power in 1984, 580,000 jobs have been created in Canada, and the unemployment rate has come down below the 10 per cent mark for the first time since 1982. I would like her to comment on those results when she uses the word "gamble". I would like to hear her comments on those results they are not the product of a "gamble", but are very factual results.

[*English*]

Miss Nicholson: Mr. Speaker, as I said, we are in the third year of recovery, and of course jobs are being created.

Mr. Lanthier: Bravo.

Miss Nicholson: Jobs are not created by Governments. They are created by the economy, by the free market sector, on which the Hon. Member's party lectures us so much. If this Government were not in power, if it were a Liberal Government in power, I would fully expect that the employment creation rate would have been very much better than what we have.

Some Hon. Members: Oh, oh!

Miss Nicholson: I do not think that to achieve under 10 per cent in the third year of recovery is anything of which to be proud. An unemployment rate of under 10 per cent translates into a lot of very unhappy people. I see them in my constituency office every day. It is no comfort for them to be told that the Prime Minister says that there are 400,000 new jobs out there. They are having difficulty finding one. To be sure, the unemployment situation is not as cruel as it was in the depths of the recession, but it should not be. We should have made a lot more progress by now.

As we come out of recession, many employers have found that they can manage with fewer people. We are not seeing the same kind of rapid increase in job creation, and the jobs which are being created now are very selective. Highly trained, well educated or highly skilled persons can easily obtain jobs. Unskilled persons and young people are having extremely difficult times. There is no reason for any of us to be complacent about the employment situation. To be sure, it is better than it was during the recession, but there are still many Canadians who badly need someone to be concerned about them and their future employment situation.

Mr. Blenkarn: Mr. Speaker, the Hon. Member's speech was niggling on the Budget, but she referred to oil prices in part of her speech. She should know that the Economic Council of Canada conducted a study on oil prices, taking the figure, for example, of $19 U.S. per barrel. It indicated that that was a plus in terms of improvement of national productivity, in terms of wiping out the deficit by at least $5 billion in that reduction by 1990, and in terms of more employment. The fact is that there are more users of energy than there are producers. While we lose some taxes in what we collect from the energy indus-

try, we pick up taxes and investments in jobs, particularly in central Canada.

● (1730)

Speaking to that whole issue, because the real issue is jobs, could the Hon. Member give her Party's forecast on the loss of jobs? In November she will recall that her leader said we would lose 200,000 jobs as a result of the November 1984 Economic Statement, and she will recall the finance critic for her Party saying that we would lose 100,000 jobs as a result of the May Budget. She will also recall that the Hon. Member for Oshawa (Mr. Broadbent) said we would lose 55,000 jobs as a result of the May Budget.

Can the Member give her forecast as to how many jobs this terrible Budget as she calls it will cost the country?

Miss Nicholson: Mr. Speaker, the Hon. Member had two questions, the first one having to do with the effect of oil prices. I would agree with the Hon. Member in the long term, and I believe this is what the Economic Council said, that lower prices for oil stimulate our economy, with all the desirable results that he has mentioned. But in the short term, lower prices for oil will take away a lot of revenue from the Government on which the Government is counting in its Budget.

I would say, Mr. Speaker, that we are both right. The long-term results of a fall in oil prices are certainly desirable, but in the short term the Government's projection of reducing the deficit based on the figures quoted will not work.

About employment, many jobs were lost as a result of the November Budget. One has to look at the fact that even though new jobs are being created, an awful lot of jobs are being lost. In the Ontario manufacturing sector, for a start, there has been a very high job loss. Some of the new jobs being created are not jobs with the same quality.

For example, in one town heavily dependent upon the steel industry that I know of, hundreds of unionized steel workers who were fairly high earners, lost their jobs. Some have jobs now but they are at $4 an hour. There is a lot of this kind of exchange going on and many part-time jobs are being created.

The other thing one has to remember is that the Statistics Canada method of recording the labour growth, admittedly the same way it is used internationally, does have some problems in it. Anybody who has worked for one hour in the last month is regarded as being in the labour force and employed. People who have not sought work in a certain period, I think it is also a month, are not counted as being in the labour force at all.

Until such time as the international way of keeping employment figures improves, there will be a lot of disguised unemployment, and these raw figures do not indicate the quality or the permanence of jobs. That is a factor that concerns us too.

Mr. Nickerson: Mr. Speaker, I know how difficult it is to criticize a Budget like this which is so good, so fair and so equitable, but I was interested in the last remarks of the Hon. Member when she said, in a blanket kind of way, that this Budget is one of tax, tax, tax and spend, spend, spend.

I would invite the Hon. Member for Trinity (Miss Nicholson) to look at the figures. She will see that the additional revenues being raised are quite modest considering the debt that has to be repaid, which debt was built up over the Liberal years of Government. There is something like $1.5 billion in new revenues on a base of about $70 billion with only a 2 per cent increase in taxes.

As for the spend, spend, spend part of her remarks, I would invite the Hon. Member to look at the figures. The annual increase in program expenditure growth over the last four or five years for the Government of which she was a supporter averaged between 10 per cent and 20 per cent. This Budget proposes no growth in program expenditures, no growth. In fact, on the non-statutory items a decrease in spending of about 2 per cent is forecast.

How can the Budget be described as tax, tax, tax, spend, spend, spend? Nothing could be further from the truth.

Miss Nicholson: By the Minister's own admission, taxes are rising by $3.4 billion in the coming fiscal year, by $5.2 billion in the year after that and by $8 billion in the 1990 to 1991 fiscal year. There are the taxes.

As for the spending, I repeat, the Estimates tabled by the Government last year were record high. This year's Estimates have a 4 per cent increase on that.

[*Translation*]

Mr. Deputy Speaker: Questions, comments? The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) resuming debate.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am always always pleased to rise in the House, especially to comment on the Budget which was tabled last week and on which I had the opportunity to work for over three months.

There is one thing that always amazes me when I listen to the speeches of Members of the Opposition: I look at the November 1984 economic statement, the May 1985 Budget and the February 26 Budget, and I realize that we have been hearing the same speeches three times in a row.

Among other things, they do not even mention the 580,000 jobs created over the past year and a half. Not a word about the fact that for the first time in Canada's history 129,000 new jobs were created in January 1986. They do not say anything about that, Mr. Speaker.

And yet we can still recall their speeches of November 1984 and May 1985 about a bad economic statement and a bad Budget. Well, had the economic statement and the May 1985 Budget been as bad as all that, there is no way we could have created 129,000 jobs in a single month, in January of this year. It was an unprecedented achievement in Canada. Mr. Speaker,

I would suggest that the Opposition come up with new speeches and change their tune.

Mr. Speaker, we do not hear anything either about the 2 per cent drop in interest rates since September 1984, or the inflation rate which has gone down to the 1971 level of 4 per cent, the first time at 4 per cent since 1971. The best way to draw a parallel with 1971 is to read the Fiscal Plan. Here is something for Members of the Opposition to chew on. Page 36 shows that in 1971 personal income tax as a percentage of the GNP was 7.7 per cent, whereas the projection for 1985-86 was 7.2 per cent.

In other words, the personal income tax-to-GNP ratio will be lower in 1985-86 than it was in 1971-72. Not a word about that, Mr. Speaker, yet these are positive factors which are highlighted in the Budget.

The one thing which has the Opposition running around in circles is that for the first time in 20 years we have a Minister of Finance (Mr. Wilson) who rose in the House and stated: "My year-end deficit will be $33.8 billion." He said that in May 1985, Mr. Speaker. Then in February 1986 he rose again to confirm that this year's deficit will indeed amount to $33.8 billion.

But it is not the first time that a Minister of Finance does not err in his estimates. This serves to prove another point: the economic statement of November 1984 was right on, the Budget of May 1985 was perfectly consistent with the 1984 statement, and the 1986 Budget is the confirmation of the good job done over the past 18 months by the Minister of Finance and this Progressive Conservative Government, Mr. Speaker.

● (1740)

We have taken a deficit which was to reach about $39 billion, and we have first reduced it to $36 billion. It is $33 billion this year and the projections are for less than $30 billion for the fiscal year 1986-87, while creating jobs, and reducing both the interest and inflation rates. Mr. Speaker, I understand that Members opposite have nothing to say. The outlook is good. Unfortunately for the Opposition, the economic climate in Canada is good.

Spending cuts and tax increases will account for 70 per cent and 30 per cent respectively of the deficit reduction. Again, Mr. Speaker, these tax increases are consistent with what we have always preached. First of all, a progressive and across the board 3 per cent surtax for all Canadian taxpayers. Those in higher income brackets will pay 3 per cent on a higher amount than those in lower income brackets, which makes it progressive, Mr. Speaker.

As for the federal sales tax, we are implementing a federal sales tax credit. That is a fine initiative. Hon. members opposite have been very quiet about this. That $300 advance which low-income families will get in November—

An Hon. Member: They are not here!

Mr. Robichaud: One of them is here.

Mr. Vincent: There is no Liberal Member present, and those outside cannot hear us. Sit down and listen to the good budgetary measures, then you may speak about them later. They are afraid of the truth, Mr. Speaker.

Last Thursday, I took part in three open lines and I met businessmen in West Island with my hon. colleague Gerry Weiner. I met also other businessmen in the fine riding of Trois-Rivières and I met the representatives of the *Association des contracteurs de la Mauricie*. All these people are unanimous, Mr. Speaker! This Budget meets exactly the needs of Canada and responds perfectly to the economic situation left by the previous Government. It is indeed the previous administration which was responsible for this $200 billion debt, and Canadians are aware that they must help reduce this deficit which increases by $35 billion annually. They are aware that the previous administration has created a national debt which is out of proportion and with which we cannot live. Out of $100 billion in federal spending in a given year, $50 billion go for social programs, and $25 billion, thanks to the previous Government, which pay interests on the debt created by that government. That means $100 million a day. I can say that the people in the constituency of Trois-Rivières would be happy to have these $100 million to spend on serious programs rather than on wasteful projects as was the case in the past. However, we have to pay the bill, and this is what we are going to do now, Mr. Speaker.

I was saying that I met with people from Trois-Rivières and Montreal and that all are in favour of the Budget. They all accept that there is a small price to pay and that we have to take care of it now because, in one year, or two or three, it will be too late. We can no longer tolerate that 25 per cent of our expenditrues each year go to pay interests on our debt. The situation is impossible! No business could survive if 25 per cent of its yearly expenditures went simply to pay interests on its debts without repaying even part of the principal. Not one business could survive and the federal Government cannot either.

I have taken part in open line programs where people call to give their impressions. The comments were all favourable. Even low income Canadians are happy with the beneficial measures we have proposed for them. Everyone is happy except the Opposition naturally. That is unfortunate.

I went to a conference and a man told me: "I am a Liberal, but I must admit that your Budget is good. I must admit that it is realistic and serious."

An Hon. Member: Was this in Shawinigan?

Mr. Vincent: In the Sait-Maurice riding. I did not dare to name it before, but I shall do so now. People recognize that

this Budget is serious and realistic, even in a constituency which will become Conservative in a short while, Mr. Speaker.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. It being 5:45 p.m., it is my duty pursuant to Standing Order 84(6) to interrupt the proceedings and put forthwith the question on the subamendment now before the House.

[*English*]

The question is on the amendment to the amendment. Mr. Riis, seconded by Mr. Parry, moved:

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House further condemns the Government for its brutal, uncaring and unfair tax increases on average income families while at the same time lowering taxes for upper income families and the corporate sector, and for its refusal to undertake an overhaul of the income tax system to bring about tax fairness and to give Canadians a tax system that they can understand."

Is it the pleasure of the House to adopt the amendment to the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment to the amendment (Mr. Riis), which was negatived on the following division:

(*Division No. 204*)

YEAS

Members

Allmand	Blackburn (Brant)	Broadbent
Angus	Blaikie	Caccia
Benjamin	Deans	Johnston (Saint-Henri-West-mount)
Dingwall	Kaplan	Ouellet
Frith	Keeper	Parry
Gauthier	Marchi	Penner
Gray (Windsor West)	McCurdy	Pépin
Heap	Mitchell	Prud'homme
Henderson	Nicholson (Trinity)	Robichaud
Hopkins	Nystrom	Robinson
Hovdebo	Orlikow	Rodriguez
Isabelle		Rossi
Jewett		Skelly
		Turner (Vancouver Quadra)
		Young—40.

NAYS

Members

Andre	Hardey	Pietz
Attewell	Hawkes	Plamondon
Binns	Hees	Plourde
Blais-Grenier	Hnatyshyn	Redway
Blenkarn	James	Reid
Bouchard	Jardine	Reimer
Bourgault	Johnson (Bonavista-Trinity-Conception)	Ricard
Bradley	Joncas	St. Germain
Brightwell	Jourdenais	Schellenberg (Nanaimo-Alberni)
Browes	Kilgour	Schellenberger (Wetaskiwin)
Cadieux	Kindy	Scott (Victoria-Haliburton)
Carney	King	Scott (Hamilton-Wentworth)
Chartrand	Ladouceur	Scowen
Coates	Landry	Speyer
Collins	Lanthier	Stackhouse
Cooper	Layton	Stewart
Cossitt	Lewis	Suluk
Crofton	MacDonald (Kingston and the Islands)	Thacker
Crosbie (St. John's West)	MacDougall (Timiskaming)	Tupper
Crosby (Halifax West)	Mailly	Turner (Ottawa-Carleton)
Darling	Mantha	Vézina
Daubney	Mayer	Vincent
Desjardins	McCuish	Warner
Desrosiers	McKenzie	Weiner
Dick	McKnight	Wenman
Domm	McMillan	Wilson (Swift Current-Maple Creek)
Dorin	Merrithew	Wilson (Etobicoke Centre)
Duplessis	Mitges	Winegard
Fennell	Murta	Wise
Fretz	Nickerson	Witer—101.
Gass	Nielsen	
Gérin	Oberle	
Girard	O'Neil	
Gormley	Oostrom	
Gottselig		
Gurbin		
Hamilton		

Mr. Speaker: I declare the amendment lost.

It being 6.12 o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Tuesday, March 4, 1986

The House met at 11 a.m.

[*English*]

Mr. Speaker: Before proceeding to Tabling of Documents, I gather that the Hon. Member for Hamilton Mountain (Mr. Deans) wishes to raise a point of order.

POINT OF ORDER

QUESTION PERIOD—LENGTH OF QUESTIONS AND ANSWERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, yes, I do. It is a point of order which flows from yesterday's Question Period. As the Chair well knows events of yesterday made it impossible for me to raise this point immediately at the end of the Question Period. This is the earliest opportunity I have had to do so.

As Your Honour knows, there is an opportunity provided under the Standing Orders of the House of Commons for Members of Parliament and Ministers to make statements on matters they consider to be important. As a result of a recent statement by Your Honour regarding the Question Period, Members are now being restricted in their preambles to their initial question, as the Speaker has quite rightly said, to one carefully drawn sentence.

I want to raise with Your Honour the necessity to require of Ministers that they not abuse the opportunities which are afforded them in answering, as they see fit, since ordinary Members in asking questions are not permitted to put into the preamble of their questions any statement which relates to that which might be reported in newspapers, in other words, in a verbatim sense, to stand up and read into the record testimonials or questions raised through the media which appear in the press. Equally, it should be inappropriate for Ministers to rise during Questions Period and begin to read into the record selective pieces of propaganda.

Therefore, in the spirit of the new rules, given that Members are now being severely restricted, and justifiably so, in the way in which they preface their questions with a preamble, I ask the Chair to consider asking Ministers of the Crown to desist from referring extensively, verbatim, to documents other than those which relate directly to the question being asked.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I simply wish to make a brief contribution to the point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans). The matter is one with respect to the length of questions and answers. I have no problem with that. Brevity in questions and answers serves the House well.

However, I draw the line if there is any suggestion—and I do not want to presume something if it is not intended—that somehow the quality of the question or answer is a matter for the Chair's consideration. I think Your Honour has addressed yourself with respect to that matter.

Mr. Deans: There is no quality in any of the answers.

Mr. Hnatyshyn: If an Hon. Member raises a matter in the course of a preamble it is often the case that a particular contention in the preamble has to be addressed in the answer. Therefore, I suggest that the matter of the length of the intervention is something to which Your Honour can give consideration, and I am sure you are doing that.

I subscribe to the statements Your Honour made a week ago yesterday. I think all Members of the House are in support of the rules which you have set down. If the Hon. Member is raising a question with respect to the length of questions and answers, then I support him.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to briefly join in the discussion in order to tell the Chair that, indeed, we are all very pleased with the number of questions we are getting in. I cannot say that we are always pleased with the quality of the answers we receive. I think the point made by the Hon. Member for Hamilton Mountain (Mr. Deans) is well taken. When a Minister quotes from the *Bible*, for example, be it the bible he calls *The Toronto Star* or otherwise, I think he is well advised to use those statements carefully because we can do the same thing on this side. We can quote from all types of papers that condemn—

Mr. Deans: We would not be allowed to do that.

Mr. Gauthier: We are not allowed to quote, as the Hon. Member says. We are not allowed to do that so why would the Minister be allowed to do it?

Mr. Speaker: Oh, this job is fun.

I appreciate the point of order raised by the Hon. Member for Hamilton Mountain and the interventions which Hon. Members have made. I think I should say this. The key issue has been, and will continue to be, length.

I must say to Ministers that in the context of length it is difficult to imagine that an answer which involves the reading of a long statement from a newspaper is as short an answer as is possible. Perhaps it will be understood by Ministers if I put it that way and they will pursue the course of action which they and the whole House believes is appropriate with regard to length thereby.

Statements by Ministers

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (C), 1985-86

A message from His Excellency the Governor General transmitting Supplementary Estimates (C) with regard to the sums required for the public service of Canada for the financial year ending March 31, 1986, was presented by Hon. Robert de Cotret (President of Treasury Board) and read by Mr. Speaker to the House.

* * *

• (1110)

[*English*]

GOVERNMENT APPOINTMENTS

REFERRAL TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am pleased to table, in both official languages, a list of Governor in Council appointments, pursuant to Standing Order 103(1). This document is deemed referred to the Standing Committee on External Affairs and International Trade.

* * *

EQUALITY RIGHTS

GOVERNMENT'S RESPONSE TO REPORT OF PARLIAMENTARY COMMITTEE

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, pursuant to Standing Order 67(2), in both official languages, *Toward Equality*, the Government's response to the parliamentary committee report *Equality for All.*

Some Hon. Members: Bravo!

Mr. Crosbie: I could go on, Mr. Speaker. This document outlines the Government's detailed response to all of the 85 diverse recommendations which were presented in *Equality for All.* On behalf of the Government, I should first like to commend the subcommittee for the fine work which it did in consulting Canadians on a wide range of different issues. The views expressed by Canadians were very helpful to the Government in the preparation of its response, *Toward Equality.*

Toward Equality is an important part of the Government's commitment to equality and social justice for all Canadians. The equality initiatives taken by the Government mean new opportunities and greater fairness for all Canadians in their efforts to find a job, the build a future, and to play a full and equal role in society.

[*Translation*]

Mr. Speaker, equality and social justice require that persons be treated on the basis of their own qualities, not on the basis of any stereotypes or other false assumptions.

[*English*]

To translate that, equality and social justice require—

Mr. Deans: That is not necessary.

Mr. Crosbie: —that persons be treated on the basis of their own qualities, not on the basis of any stereotype or other false assumption. I think that is important enough to make the point in both official languages.

Equality and social justice require that individuals be given a fair chance to make their own way in society and that when opportunities are not fairly distributed, positive action must be taken to ensure that they are. This includes eliminating so-called systemic discrimination.

The initiatives proposed in *Toward Equality* are a reflection of the commitment of the Government to these principles and a recognition of the needs of many Canadians who are still unfairly and unjustly discriminated against. However, meaningful equality cannot be imposed. We have confidence that the people of Canada will make the most of their own opportunities and allow others to do the same on an equal footing, if the Government provides the right leadership. The initiatives contained in the document I have tabled today demonstrate the Government's commitment to providing that leadership.

We have not waited for the courts to make decisions on all difficult issues, nor do we intend to force Canadians to go to court to find fairness and equal treatment under federal laws or in the federally regulated private sector. In fact, in many areas our equality initiatives go beyond a generous interpretation of the charter requirements where we consider this is necessary to achieve full equality and social justice.

I should like to take just a moment to review some of the measures contained in the tabled document. First, the Government agrees that human rights legislation should, in general, have primacy over other laws. Of course the courts have held in that direction as well. Second, the Government has decided to amend the Canadian Human Rights Act to incorporate the concept of reasonable accommodation, which was requested by groups representing the disabled among many others. We have agreed, as part of the review of this Act, to consider amending it so that it states expressly that systemic discrimination is prohibited. Again the courts have indicated that this is so. We believe that systemic discrimination is always encompassed within the charter guarantees.

As Minister of Justice, I am currently re-examining the Canadian Human Rights Act to ensure that it complements the Charter and is an effective instrument to ensure non-discrimination and fairness in the private sector. It is the Act itself which applies to the private sector. The Government will take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction. The Government believes in

equality of opportunity. Our economic policies are putting Canadians back to work by the thousands every month and are creating hope in every region of the country. Our social policies seek to ensure that every Canadian has a full and equal opportunity to be employed and share in Canada's renewed economic prosperity. We propose the abolition of mandatory retirement as an absolute rule.

The Government is fully committed to expanding the role of women in the Armed Forces and will ensure that women will be able to compete for all trades and occupations in a manner consistent with the requirement of the Armed Forces to be operationally effective in the interests of national security.

Ms. Copps: Oh, yeah!

Mr. Crosbie: I repeat, to ensure that women will be able to compete for all trades and occupations. Already the Government has proposed an employment equity program to enhance the level of participation of disadvantaged Canadians in the workplace. We have acted and will continue to act to extend benefits to part-time workers to ensure that they are treated fairly. We have made a commitment to resources for the Human Rights Commission so that it can actively pursue the implementation of equal pay. As a matter of fact, it is an amount of $500,000 for the next fiscal year. Reforms will be made to the Canadian Pension Plan to ensure that its provisions fully comply with the charter equality guarantees. Of course, two-thirds of the provinces having two-thirds of the population of Canada have to agree to changes in the Canada pension Plan. We have made progress and will continue to take initiatives to ensure barrier-free access for disabled individuals. The Secretary of State (Mr. Bouchard), who is sitting behind me today, announced on December 10 the steps we will take in that connection. The Government will take measures to ensure that the mentally disabled have full voting rights and equal protection and equal benefit under the law.

There are parallel reform processes presently under way. The Department of Justice is engaged in a major review of the Canadian Human Rights Act and in a long-term overhaul of the Criminal Code. Legislation will be arising out of the Badgley and Fraser report shortly. A commission of inquiry is looking at all aspects of unemployment insurance. The National Task Force on Child Care will report in the spring, and a parliamentary task force has been set up. As I mentioned, consultations with the provinces on pension reform announced by the Minister of Finance (Mr. Wilson) continue and agreement has been reached on a number of those proposals. Employment equity is being tackled with the Employment Equity Act which was introduced and passed recently. Women's pensions have been given high priority and attention. Flexible retirement, I am announcing today, is our intention in respect of federal jurisdiction. In all these areas, including immigration, parallel progress is being made with initiatives which will demonstrate leadership in promoting equality, fairness and social justice.

I believe our response is a progressive initiative. It demonstrates the leadership of the Prime Minister (Mr. Mulroney), who is very much interested in the promotion of equality, fairness and social justice. I trust that all Canadians will join us in the spirit and the letter of the law and that all people across the country share our commitment to fairness and equality in this society and will be supportive of the principles that are being announced which will guide the Government in its conduct.

Some Hon. Members: Hear, hear!

• (1120)

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): First of all, Mr. Speaker, I want to express my dismay at the Minister's cavalier treatment of such fundamental questions as equality and non-discrimination. It is just incredible, especially today, during women's week, when we were expecting a detailed report here in the House so that Canadians who are listening can make sure their legislators have acted responsibly and have taken the legislative, not the judicial route.

[*English*]

The detailed response just presented to us by the Minister, I believe, should have been written by the Minister responsible for sports because it skates around most of the issues. All it has really done is said: "We agree with the Adam Smith equality perception and the free market should determine what should happen to visible minorities, handicapped, women and the native people". It is true that a number of the issues have been covered. For my part, and on the part of the Liberal Party, it is with much regret that I heard the Minister's response and at 10 a.m. this morning received the ministerial document. I have not had time to really review it in detail, but I hope that my detailed review will give me much more hope that the wishes and needs to protect minority rights is more important than majority will. That is what my hope will be as I go through it clause by clause and recommendation by recommendation.

My quick flip of the material from ten o'clock until now has indicated to me more studies, more questions and very few areas of definitive action. I hope I am wrong, Mr. Minister, and if I find I am wrong I will apologize to you personally. Right now all I know is that we spent just under $1 million to do our study and now there are more studies. You had the Katie Cooke report and now you are going out to do more studies on child care. That is totally inadequate and totally unnecessary.

Mandatory retirement is obviously against the law, but have you legislated in that area? No, you have not. Age being a factor of discrimination is now illegal. We must not substitute that retirement policy for a personnel policy, and rights are not an administrative convenience. Decisions must be based on *bona fide* occupational requirements, not industry standards.

Mr. Speyer: That's what we said.

Mrs. Finestone: That is fine, but were is the amendment? All the Government said is that it is considering the amendment. I did not see, nor has it been written that you are going to present it. You are only going to study it.

The Canadian Human Rights Act should be amended and you have not gone through that amendment. You are studying how to amend it. You have had 14, 18, 20 months to amend it.

I would like to suggest that the "normal" age of retirement as an argument is no longer valid as a defence of the rule of thumb for anyone anymore. Hon. Members on this side of the House are ready to fight for the right of older people to contribute to our society and our country for as long as they are able to contribute. One cannot judge a person's worth based on the factor of age, and that sort of equality has no place in Canada's work ethics. Certainly, women and youth are not the ones who are going to ask you to be concerned about discriminating on age.

On maternity and parental benefits, again there are delays, considerations, studies and inquiries. The Liberal Party believes that we have had enough of these things. The Canadian Human Rights Commission recommended that the Unemployment Insurance Act be amended to ensure that that portion of maternity leave relating to social adjustment or infant care be available to either parent. I really would like to see the Government enforce that recommendation.

As I went through the documents, and I can tell you, Mr. Speaker, is that from my reading, what the Minister has said on sexual orientation is absolutely unacceptable. It leaves it totally up to the courts at this particular moment. Referred to our committee was a Private Members' Bill presented by the Hon. Member for Burnaby (Mr. Robinson). I did not see the Minister take action on that Bill. Every brief we heard from people across this land asked for changes on sexual orientation. There is harassment and discrimination whether it be by the RCMP or, the Department of National Defence or industry. Discrimination exists. To deny that reality by talking about security clearance problems for gays is just to avoid the issue and refusing to face your responsibilities.

With respect to women in combat ready roles, the Minister said he is going to look at it in the "interests of national security". All the Minister had to do was to attend the meetings we had with the Deputy Minister who represents the Department of National Defence and listen to the regressive chauvinistic *misogyne* attitudes to know that that is absolutely ridiculous. In the interests of national security, you are not going to do very much for women in the Armed Forces. It is my Party's belief that sexual discrimination within the Armed Forces is intolerable. Female participation does not have the potential for adverse social and sexual relationships which were alluded to. There is no justification in keeping women out of a paid workforce such as the Armed Forces. Those beliefs were not valid then and they are not valid now. To deny women who wish to serve their country the right to combat ready roles is to deny them the right of valuable training, education and promotion as equal citizens in this land.

The 65 per cent occupation rate open to women which you have talked about, Mr. Minister, leads me to look—

Mr. Speaker: Order, please. I have not wanted to interrupt because I know the Hon. Member is a relatively new Member of Parliament, but I must caution her about all these references.

Mrs. Finestone: You are right, Mr. Speaker, and I thank you. The 65 per cent rate of occupations which are available to women in the Armed Forces resembles the 64 cent to 65 per cent dollar which women are paid in the market place today. I would suggest to you that that inequity needs to be dealt with.

With respect to employment equity, I know quite well that the Government is very proud of Bill C-62, but that Bill will not meet the intended goal of equal opportunities for the handicapped, visible minorities, native people or women. A law which has no mandatory enforcement mechanism is a law with no teeth. For the Minister to come out with a ministerial citation for excellence instead of mandatory operation and enforcement mechanisms is just a laugh. it is a law with no effective force outside of moral suasion.

It is regrettable that the amendments so carefully proposed and considered by my colleagues fell on the deaf ears of our Tory legislators. The grounds really leave me very despondent and upset. I cannot believe that we are looking at a report of this nature which has not dealt with all of the issues in an open and meaningful way. I sincerely hope that the Government will give it some reconsideration as we go through this report and make our observations. I hope that somewhere along the way the difficult task which our committee had to face in reconciling the monumental difficulties which minority people presented to us, the discrimination under which they have to live, will be rectified sooner rather than later. But it is not with this report that we will realize that.

[*Translation*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, first of all, I want to congratulate my fellow members on the Committee of Equality Rights and emphasize that it was thanks to the efforts of Canadian men and women, of groups and individuals across Canada, that the Committee was able to formulate its unanimous recommendations.

[*English*]

I should like to emphasize as well that it was Tommy Douglas who in 1947 introduced in Canada the first Bill of Rights. Since then, my colleagues in the CCF and in the New Democratic Party, have fought hard for civil liberties and fundamental human rights. Indeed, in reviewing the response of the Government today, headed toward equality, to the unanimous recommendations of the subcommittee on equality rights, it is in that historical tradition and spirit of seeking full equality for all Canadians, in particular those Canadians who have been denied equality, that we approach these recommendations.

● (1130)

I must say, Mr. Speaker, in reviewing the response I felt in a sense that it was a classic response of a Conservative Party. I was pleasantly surprised by a number of the very progressive responses and by two important recommendations of the committee. In a number of other key areas I was disappointed that the conservative element of the caucus and, indeed, of the Cabinet was triumphant.

It was progressive and it was conservative in the best traditions, as I say, of that Party, a Party that on the one hand, through the Right Hon. John Diefenbaker, brought forward the first Canadian Bill of Rights, and on the other hand, a Party which has in too many areas been afraid to move forward on questions of fundamental social justice. I imagine that the debates within the Cabinet committee room were fierce and bloody on many of these issues of fundamental social justice.

I want to say without hesitation that if my reading of the recommendations is accurate—and like my colleague the Hon. Member for Mount Royal (Mrs. Finestone) I received the report about only one hour ago—then certainly the Prime Minister (Mr. Mulroney) himself deserves considerable credit in the area of social justice for having moved forward on a number of controversial and key recommendations of our committee.

I note it was the Prime Minister who said that because we are children of liberty it is up to us to protect the cause of human rights and minorities wherever they are challenged. Challenge they are, whether it be in the Cabinet room or in caucus rooms, and I know it must have taken considerable effort, strength and determination on the part of a number of individuals, and I suspect the Prime Minister in the area of several of these more controversial recommendations, in getting that kind of consensus that we were looking for. The dinosaurs in the Tory caucus are not dancing today. The dinosaurs in the Tory caucus are deeply concerned about a number of the recommendations that have been made.

All of us in this House deeply hope there will never be combat, but with respect to women and the Armed Forces it is essential that all women have full access to all trades and occupations within the Armed Forces. Despite the fact that the Minister of National Defence (Mr. Nielsen) appeared before the sub-committee and bitterly resisted those recommendations, I am pleased the Government as a whole has overruled him and apparently, at least, is prepared to open all trades and occupations to women. We welcome that, although we certainly express our concern about some of the qualifications that appear to be there.

With respect to the area of discrimination on the basis of sexual orientation, certainly the statement made in the report appears to be clear and unequivocal. The Government states it will take whatever measures necessary to ensure that sexual orientation is a prohibitive ground of discrimination in relation to all areas of federal jurisdiction.

I assume the Government means what it says there, and what the Government hopefully will do, and do immediately, is to put an end to the discriminatory policies within the RCMP and the Canadian Armed Forces which have caused such pain, hardship and oppression to Canadian men and women. If that is the intent of these recommendations, we welcome them.

One of the Conservative dinosaurs says "Don't hold your breath." That is what we are concerned about, Mr. Speaker. Perhaps the dinosaurs are still attempting to defeat the will of this Government. "Don't hold your breath", the Member said. There are thousands of Canadians who believe the time has come to put an end to discrimination on the basis of sexual orientation. I hope the Government will take immediate action on the recommendations as it indicates it will.

Equality for all must be a reality. In the economic sphere, the response of the Government falls short. Women continue to be denied equality whether it be in the area of pensions, part-time work, equal pay for work of equal value, employment equity or child care. What about the women in the Armed Forces who continue to be denied adequate maternity benefits as a result of the response of the Government? The disabled, visible minorities and native people still are not adequately protected in the area of employment protection under the employment equity provisions. It is not good enough to suggest, as the Government has done in its response, that the reporting requirements of Bill C-62 are sufficient to ensure compliance. That approach has been rejected over and over again by the groups who have been hit hardest.

[*Translation*]

Mr. Speaker, while we are happy about a number of recommendations, especially in the social sphere, I find it regrettable that there are still too many studies and not enough action by this Government.

Mr. Speaker, equality must be equality for all, not just for those who can afford it.

Of course, there was a serious confrontation in Cabinet and even in the Caucus. Mr. Speaker, the report fails to grant women equality in the areas I mentioned earlier, and especially with respect to pensions, part-time work and employment equity.

Mr. Speaker, I also may point out that equality rights for visible minorities and the handicapped have yet to be granted.

[*English*]

Our committee worked together and heeded the views, the voices and the concerns of Canadians across this land calling for equality, calling for an end to discrimination on the grounds set out in Section 15 and on the grounds implicit in that section. We said it was essential that Canadians not be forced into the courts to make that equality a reality. While the steps taken by the Government today represent an important first step in a number of key areas, certainly with respect to the fundamental area of economic justice, the Government still has not moved far enough.

We will look forward in the response of the Minister in the coming days to elaboration of some of the key recommendations. Equality for all, while it has certainly been significantly advanced as a result of the response of this Government, will not be a reality until the recommendations and all of the recommendations of the equality rights sub-committee have been implemented.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. A copy of this response was delivered to the official critic for the Official Opposition, the Hon. Member for York Centre (Mr. Kaplan) at 9 a.m. this morning. If he did not deliver it to the Hon. Member who spoke on behalf of the Liberal Party today, that is not our fault. A copy was also delivered at the same time to the official critic for the New Democratic party. The hon. lady's beef is with the official justice critic of her Party and not with the Government which delivered the report at 9 a.m.

* * *

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my point of order relates to the proceeding that took place about 15 minutes ago when a message was submitted not by the Governor General but by the Deputy Governor General. It has always been my understanding that as a matter of courtesy Members of this House would stand when a message was delivered—

Mr. Speaker: The Hon. Member is absolutely correct.

I received a message, as the Hon. Member will know, verbally. We were informed that the message was coming from the Governor General. The verbal representation made was that it was from Her Excellency. I am afraid it was not until I got to the bottom of the page that I discovered that it was the Deputy Governor General. It seemed to me that the only honourable thing to do at that time was to carry on. The Hon. Member's point of order is absolutely correct.

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATION TO MEXICO

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, pursuant to Standing Order 101, I have the honour and the privilege, on behalf of the Chairman of the delegation, Hon. Steven E. Paproski, to present the report of the official Parliamentary Delegation that went to Mexico from February 17 to 23 of this year.

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

• (1140)

[*English*]

PETITIONS

Mr. Speaker: Two or three petitions were presented yesterday which were not certified. May I remind Hon. Members that all petitions must be certified before they are presented.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I have the honour to present a petition signed by 62 residents of the riding of Huron-Bruce protesting the continued operation of the Morgentaler clinic in the City of Toronto in violation of Section 251 of the Criminal Code.

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, I have the honour of presenting several petitions on behalf of residents of Essex-Kent on the same topic as the previous petition. The petitioners ask the Government to ask the Province of Ontario to abide by the law as stated in Section 251 of the Criminal Code with respect to the operation of the premises known as the Morgentaler clinic.

Mr. Speaker: Due to the Ministerial statement, Government Orders will be extended by 27 minutes beginning at one o'clock p.m.

* * *

SUPPLEMENTARY ESTIMATES (C), 1985-86

REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 83, I move, seconded by the Minister of State for Forestry (Mr. Merrithew):

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1986, laid upon the Table earlier this day, be referred to the several Standing Committees as follows:

[*Translation*]

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

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

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

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 5C, 15C, 20C, 30C, 35C, 40C, 45C and 50C

To the Standing Committee on Agriculture
Agriculture, Vote 15C
To the Standing Committee on Communications and Culture
Communications, Votes 5C, 10C, 30C, 35C and 75c
To the Standing Committee on Consumer and Corporate Affairs
Consumer and Corporate Affairs, Votes 1C and 15C
To the Standing Committee on Energy, Mines and Resources
Energy, Mines and Resources, Vote L31C
To the Standing Committee on Environment and Forestry
Agriculture, Vote 45C
Environment, Vote 15C
To the Standing Committee on External Affairs and International Trade
External Affairs, Votes 1C, 10C and 30C
To the Standing Committee on Finance and Economic Affairs
Finance, Votes 1C and 16C
National Revenue, Vote 1C
To the Standing Committee on Fisheries and Oceans
Fisheries and Oceans, Votes 5C and 10C
To the Standing Committee on Government Operations
Consumer and Corporate Affairs, Vote 12C
Privy Council Vote 1C
Supply and Services, Vote 10C
Treasury Board, Votes 1C and *21C*
To the Standing Committee on Justice and Solicitor General
Justice, Votes 1C, 5C, 15C and 40C
Solicitor General, Vote 30C
To the Standing Committee on Labour, Employment and Immigration
Employment and Immigration, Votes 1C, 5C, 10C, 15C, 20C and 25C
Labour, Votes 1C and 16C
To the Standing Committee on National Defence
National Defence, Vote 1C
To the Standing Committee on National Health and Welfare
National Health and Welfare, Votes 1C, 50C, 55C and 75c
To the Standing Committee on Regional Industrial Expansion
Regional Industrial Expansion, Votes 2C, 3C, 10C, L26C and 51C
To the Standing Committee on Research, Science and Technology
Science and Technology, Votes 25C and 30C
To the Standing Committee on Secretary of State
Secretary of State, Votes 1C, 10C, 20C, 25C, 30C and 45C
To the Standing Committee on Transport
Transports, Votes 1C, 5C, 25C, 36C, 37C, 38C, 86C, 87C, 95C and 100C
To the Standing Committee on Veterans Affairs
Veterans Affairs, Vote 1C

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 432 and 513.

Order Paper Questions

[*Text*]

CBC—TENDERING FOR NEW TELEPHONE SYSTEM

Question No. 432—**Mrs. Cossitt:**

1. Were tenders called for the acquisition of telephone equipment for Canadian Broadcasting Corporation offices in (*a*) Ottawa (*b*) Quebec (*c*) Montreal (*d*) Toronto (*e*) Vancouver and, if so (i) on what dates (ii) were the tenders public or by invitation (iii) what are the names and addresses of all those who submitted tenders and, in each case, what was the amount (*c*) what was the name of the company or individual awarded the contract (*d*) what was the final cost of the contract?

2. Was the deadline for tender submissions less than 30 days from the date tenders were called and (*a*) if so (i) what are all the reasons for a 30 day limit (ii) what is the name and job designation of the highest official who authorized the deadline (iii) did any of the companies or individuals submitting tenders express concern to CBC officials about the 30 day limit (*b*) if not, what was the deadline for submissions?

3. Is it CBC policy to issue tenders for major projects, representing an expenditure in excess of $5 million, near the end of the fiscal year and, if so, for what reasons?

4. Were these tenders part of a four phase program to upgrade existing telephone equipment and, if so (*a*) were all considerations given to utilizing the most advanced technology available and, if not, for what reason (*b*) on what date will the entire program be completed (*c*) will additional tenders be called and, if so, for what reason?

5. Is this project part of the Federal Capital Recovery Projects Program and, if so (*a*) on what date was it approved for funding (*b*) what is the name and job designation of the highest official authorizing the project (*c*) how many jobs did it create?

6. Did CBC request information for requirements of telephone equipment for their offices in Ottawa, Quebec, Montreal, Toronto and Vancouver on or about September 21, 1982 and, if so, was any action taken on the submissions received and, if not, for what reasons?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. (*a*) Yes. (*b*) Yes. (*c*) Yes. (*d*) No. (*e*) Yes. (i) (*a*) (*b*) (*c*) and (*e*) January 20, 1984.

(ii) By invitation. To determine potential suppliers for upgrading its telephone systems, the Corporation consulted with in-house specialists, obtained information from outside consultants, and, to ensure a non-biased selection, it also referred to a publication entitled "The Interconnect Industry in Canada" published by ICA Telemanagement Inc. Two Canadian telephone equipment suppliers and seven Canadian suppliers/installers of telephone equipment were invited to submit tenders.

(iii) Of the nine potential equipment suppliers invited to tender, five presented submissions. They are:

CTG Telecommunications Systems Inc. (CTG)
144 Front Street, West
Toronto, Ontario
M2J 2L7
Bell Communications Systems Inc. (BCSI)
240 Catherine Street, Suite 405
Ottawa, Ontario
K2P 2G8

Telecommunications Terminal Systems (TTS)
171 Front Street, West
Toronto, Ontario
M5J 1E9

Telecom Canada (Bell)
410 Laurier Ave., West
8th Floor
Ottawa, Ontario
K1P 6H5

Eastern Independent Telecom Ltd. (EIT)
Box 1509
101 Water Street
Brockville, Ontario
K6V 5V6

With regard to the amounts of their submissions, it has not been customary to require the Corporation to provide such details of its internal administration. The background to this custom is explained in detail in the reply to Question No. 2530 tabled on November 6, 1975. Moreover, most of the bidders, as is normal practice, requested confidentiality of the information contained in their submissions.

(*c*) Telecommunications Terminal Systems (TTS).

(*d*) $4,059,000.

2. (*a*) Yes.

(i) An RFP (Request for Proposal) was issued via courier on January 20, 1984 calling for tender submissions at noon on February 13, 1984. However, an earlier warning had been given by telephone to the nine potential suppliers on January 17, 1984, which had the effect of extending the notice period from 23 to 26 days. This length of time was considered sufficient for the purpose.

(ii) With regard to the name and job designation of the CBC official who authorized the deadline, it has not been customary for Parliament to require the Corporation to provide such details of its internal management and administration as the names and titles of those exercising their delegated authority. The background to this custom is explained in detail in the reply to Question No. 2530 tabled on November 6, 1975. However, senior officials of both the engineering and supply and services departments were involved in making this decision.

(iii) Yes, one company. This company did not submit a tender although a spokesman had indicated verbally that they intended to do so.

(*b*) not applicable.

3. No.

4. Yes. (*a*) Yes. There were, however, two overriding conditions—the product had to be a proven one and it had to be Canadian. (*b*) The program was completed by March, 1985. (*c*) No.

5. Yes. (*a*) and (*b*) Effective project approval for the CBC's SRCPP project was given at a meeting of the Treasury Board on November 23, 1983. (*c*) It is estimated that 2117 person weeks of employment were created by this project.

6. CBC did issue a Request for Information (RFI) for telephone equipment at that time, but the RFI was for Ottawa only. No further action beyond the RFI was taken, however, because of other priorities within available capital funding.

MACDONALD HOTEL, EDMONTON, ALTA.

Question No. 513—**Mr. Rodriguez:**

Is the Canadian National Railway remodelling and dismantling part of the MacDonald Hotel in Edmonton and, if so was the work tendered and (*a*) if so (i) on what date did the tendering take place (ii) how many tenders were received (iii) which firm or firms won tenders and for what amount (*b*) if not, what method was used to select the construction firm or firms?

Hon. Don Mazankowski (Minister of Transport): The management of Canadian National Railways advises as follows:

(*a*) Yes. Remodelling of Hotel MacDonald. (i) The Construction Management contract was tendered in August, 1985. (ii) Five. (iii) Stuart Olson Construction Ltd. was selected.

(*b*) Not applicable.

Demolition of New Wing of Hotel MacDonald. (i) The demolition of the New Wing was tendered by Stuart Olson as part of the Construction Management Agreement. (ii) Six. (iii) Arrow Demolition International Inc., was selected by Stuart Olson.

Canadian National does not disclose financial details of commercial transactions between itself and persons or firms providing services as such would be contrary to our practice and to the rights of those with whom we contract who expect that the commercial confidentiality of their transactions will be respected.

(*b*) Not applicable.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Monday, March 3, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this

House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is with some trepidation that I enter this debate on yet another Budget of the Conservative Government which, rather than giving the country the change in direction for which so many people voted in September of 1984, is continuing with the same closed, unimaginative approach to our economic problems which will leave many Canadians suffering badly from the economic situation we face. This Budget reminds me of the famous book by Farley Mowat, *The Boat that Wouldn't Float*, or the book by Jimmy Breslin, *The Gang that Couldn't Shoot Straight*.

This Budget was meant, above all, to restore international confidence in our dollar. For the first time it is not only the words of the Opposition which must be taken as a measure of the success of the Budget. The Minister, albeit inadvertently I am certain, has set up an objective and clear criterion by which his Budget can and will be judged. As I tuned into *Canada AM* this morning and saw that the dollar was down yet again, I knew that the failure of this Budget and the incompetence of the Government was once again being demonstrated by the standards set by the Government itself, that is, what happens to the Canadian dollar.

It is perhaps a sign of the inexperience of the Minister that he adopted this approach and gave himself this hostage to fortune, this very clear signal which the Canadian people would be able to watch, which he promised would start to rise. Two weeks ago the Minister of Finance (Mr. Wilson) was saying that he was going to introduce a tough Budget for Canadians which would restore confidence, get the dollar back up again and, consequently, get interest rates down again.

The Minister is a good and decent man but, due to the tremendous credibility problem, he will unfortunately not be able to survive. As the dollar falls and the international financial community continues to exert pressure, the Minister will stand in the House, quote editorials, and read letters from the BCNI, but inexorably, like a clock ticking away time-bomb fashion, his Budget's credibility is being destroyed. The 69-cent dollar which we now face has been brought upon the Government by itself, not only directly by telling the House that the response to the dollar would be the criterion to watch, but by failing to understand the most basic of economic laws which affect our society.

The Government has accepted the reduction of the deficit as some kind of holy grail to be pursued at the expense of economic common sense, fairness, and the tremendous human costs which Canadians are facing today and will continue to face for the next five years as a consequence of this Budget.

• (1150)

It has been about a year and a half since an action group went across this country to hear from Canadians what they felt should be done to put our economy right. It certainly needed putting right after the disasters of the previous regime. We asked them how they assessed this Government's performance on economic matters in its first year in office. I want to save the souls of the poor, tragic, Government back-benchers here today, so I will not quote extensively some of the nasty comments that people pencilled in, in the margins. However, let me point out quite clearly that 94 per cent of Canadians contacted this past year said quite clearly that the Government had either done very poorly, and those were the charitable ones, or it had done extraordinarily poorly, those were the uncharitable ones, with respect to reducing unemployment, regional disparities, inequality between men and women, and reforming the tax system. There were a few good marks on consultation, but even there the vast majority said this Government pretends to consult but it does not listen. In giving fair opportunities to young people, again there is an abject record of failure.

We asked these people what their priorities were, what would they want the Government to put in this Budget. Some 90 per cent of the people who responded said that the key goal has to be the reduction of unemployment. The Government pats itself on the back because it has created, it says, 580,000 jobs. I say the Canadian people have created those 580,000 jobs. We are left with an unemployment rate of 9.8 per cent. I cannot believe there can be a single member of this House who feels that is acceptable. It is better than we were doing but it is just not acceptable. That figure of 9.8 per cent represents lost production, human misery and the virtual destruction of hope for many young people.

However, that was not the objective this Government chose to pursue in its new Budget. Instead, it chose to chase that Holy Grail, the deficit. The responses we got from people said very clearly that, of the six key goals the Government could have gone after, the great majority felt that reducing the deficit was by far the lowest priority. Not because they do not understand that the deficit has to come down. Of course it has to. Not that they do not understand that we have to stop building up massive debts for our children. They understand that. However, they also understand that the way to do that is to get people back to work, get the unemployment rate down to 6 per cent, 5 per cent, or 4 per cent so that we are not wasting billions of dollars to pay people who are not working. That is what we have to do, and we have to do it by a means other than increasing taxes by an average of $400 per family.

I do not know about other Opposition Members, but I know that I spent this past weekend talking to dozens of people in my constituency. I talked to them by phone, through community meetings and at social affairs. Their single response to this Budget was: "They have done it to us again. They have hit middle-income people one more time." A small business person told me that the consequences are that the small business community is not going to have the demand for their products. The woman who expected to get a job as the economy started to improve is not going to succeed because of the cut-backs in consumer demand that this tax grab will cause. This Government promised to get Government off the backs of the people. Instead, it has gotten into the pockets of

the people right across this country. The economic consequences are going to be sad. I say that with regret. I did not want to see a Budget that would destroy the economic credibility of the Minister of Finance further. Yet that is what is happening.

In my constituency 31 per cent of the people voted Conservative in the election. At this stage there is not a chance that half that number will do that again. People come up to me on the street continually and say: "We voted Conservative last time. Never again. It's clear that Tory times are taxing times. Tories take money from our pockets when we thought they were going to cut taxes and give us a chance to get the economy moving once more."

What we need in this country is a long-run response to our deficit problems, a response that gets people back to work. When that happens we will get rid of the deficit, and do it far faster than this Government is prepared to. This Government, for all its promises in the last election, will, by the year 1990, be paying a higher percentage of Government revenues to service the public debt than did the Liberals who they attacked so strongly out on the hustings. This Government has not been serious in its talk about reducing the deficit. It has the cart before the horse. You have to get the economy moving before you can get the deficit down. Making that basic error will ultimately cost this Government, not just its majority but its chance to govern after the next election. This is not just a Budget that is mistaken in its goals and faulty in its implementation of those goals, it is a Budget which is, above all, unfair to the people of Canada. We find with the tax probe, which is cutting across the country for the New Democratic Party, that above all Canadians in this country want tax fairness. They want tax reform. That is what this Budget is not giving them.

• (1200)

Instead we have very clear statistics, again in the Budget's own documents, that corporate taxes are going up faster, but not nearly as fast as individual taxes. We have clear evidence that the people in this country who are rich will get a tax decrease next year from the present surtax they pay of 5.5 per cent or 10.5 per cent down to 3 per cent, while the ordinary average middle-income family sees its taxes go up by 3 per cent.

It is a Budget which has disappointed farmers, that group across this country which has been particularly hard hit in the past two years and looked for help from this Government which before the election made it very clear that: "We will eliminate completely the taxes that farmers have to pay on fuel". I ask you, has it happened? The answer clearly is no. The Government can engage in as much rhetoric as it wants. It can send its Ministers across the country to propagandize as much as they wish, but the farmer will know when he goes to the pumps and pays tax on his fuel that on this promise, as on so many others, this Party has failed to come through on its commitments.

It is also a Budget which will have a great human cost. I talked to some of our people this weekend who handle our constituency offices and already the calls are starting to come in from people making do on a family income of $15,000, $16,000 or $17,000. They are saying: "We simply cannot live with increased taxes. It is not a question of being squeezed a little bit, it is a question of just not being able to live". Yet those are the people who will pay the 1 per cent sales tax increase, the 3 per cent income tax increase, the increases on cigarettes and increases on liquor. They are the human beings which this Minister has forgotten. They are the human beings who are our fellow Canadians. We should not, as a House, endorse a Budget which has so badly failed those human beings.

Mr. Attewell: Mr. Speaker, I would like to take issue with a number of comments made by the Hon. Member for Essex-Windsor (Mr. Langdon). He has used words like destruction, time bomb, disaster. I find that quite incredible if one takes the time to really read that Budget and to talk to average Canadians out there, which he said he did. He also implied that the Government should take no credit whatsoever for some 580,000 new jobs. He knows as an economist that that statement is ridiculous. The Government does have a real role in setting a climate in the country. We can look back on the dismantling of the National Energy Program, which was a disaster in this country. We can look upon the steps that were taken to change FIRA—not just the name—to Investment Canada. It changed the climate of that organization to one which really welcomes new investment. I say we have had a very positive effect as a Government on that job-creation program.

An Hon. Member: Hear, hear!

Mr. Attewell: Just to recount the steps I personally took to be in touch with people, last Thursday morning I had a breakfast organized to discuss the Budget. It was a non-partisan group, I would underscore, comprised of 163 people. We had the President, John Maplesden of the North York Business Association on the panel. We had Maureen Pappin, a tax partner with Deloitte Haskins & Sells, and we had Jim Crysdale from Nesbitt Thomson, investment dealer. It was an excellent meeting. Not everybody is unhappy with a certain amount of tax increase. Those people had no idea what they were going to say ahead of time. I simply invited them as residents of Don Valley East to speak. While they do not totally embrace the Budget they see the gravity of the situation, and we are willing to be part of the process that is essential.

During the day on Friday I met with several individuals. In the evening I had the honour to be at a special celebration for Dr. Ubale, who is the first Race Relations Commissioner in Ontario. There were some 500 people there from the South Asian community. As we mingled, the general comments were that the Conservative Government is doing what is necessary for the good of Canada.

Saturday morning I did a Rogers cable TV show on the Budget. In the afternoon I wrote to newspaper columnists. That evening I attended the Overseas Chinese Women's Asso-

ciation. It is a type of fashion show, but there were some 500 people there from the Taiwanese community. While mingling with them there was general support that this Government was on the right track. Sunday morning I attended the B'nai B'rith Covenant Breakfast. Again, 400 or 500 people were there. The Lieutenant Governor of Ontario brought greetings. Again, after mingling with dozens and dozens of people I found that they are basically supportive of the proposal put forth by the Minister of Finance (Mr. Wilson).

We should keep in mind that this Budget is one of three major steps. He announced his economic initiatives in November, 1984. He brought down a Budget in May, 1985, and now we have the Budget of February 26. All three steps are totally consistent with the objective of turning this country around after an abysmal record under the previous Liberal Government.

In closing I would just like to take issue with one other point which I believe the Hon. Member is distorting, and that is in terms of how much of this reduction in the deficit is occuring between expenditure reductions and tax revenues. I would like to say that the combination of rising revenue and falling expenditures reduces the deficit as a percentage of GNP, which is the key way to measure this, by 4.2 percentage points; from 9.1 to 4.9 per cent. Contrary to much public opinion, this considerable reduction in the deficit is accounted for mainly by declining expenditures. There is a 3 percentage point decline in expenditure compared to a revenue increase of only 1.1 per cent, roughly a three to one ratio. That is a pretty good balance, and that is one that Canadians expected and will totally support.

Mr. Langdon: Mr. Speaker, I have to start by conceding that I did not attend a Taiwanese fashion show in order to get my responses to the Budget. It is quite possible that Don Mills, with its average level of income very far above the national average, could generate people who felt quite differently about the Budget than is true of people in Essex-Windsor. We organized a community meeting where people could talk about all manner of subjects, including the Budget. I certainly found from the systematic phone calls we made to people across my constituency, from meetings with volunteer ambulance drivers in the southern part of my constituency and from trade union leaders with whom we met on Monday morning that the one universal message we heard is that the Government is hitting them once more, hitting the middle income people in this country again.

• (1210)

Personally, I believe there are two consequences to draw from that reality. When one looks at the Budget figures themselves, they demonstrate that fact quite clearly. The Government's own projection documents for 1987 show a total of $1.2 billion in extra income tax from the group of middle income earners in our country. Furthermore, there is a total of $1.05 billion in sales tax from that group. There are increases with respect to taxes on alcohol and tobacco. While that does not loom large when one considers the over-all tax package, the fact is that there are decreases in taxation on corporations coinciding with increased taxation on middle income Canadians.

Any Canadian who is watching these debates can write to the Minister of Finance or any Member to obtain these statistics and booklets which show quite clearly, for instance, that because the income tax rate is being reduced beginning in 1987, the corporate taxes in this country will have declined by $1.6 billion by 1990. The statistics are clear.

The fact is that constituents told me during the weekend that the country is out of balance because the Government has asked ordinary Canadians and average families to carry far too much of the load. The average family is prepared to carry a part of the load but they feel a sense of tremendous imbalance and unfairness. Frankly, I agree with them.

The Acting Speaker (Mr. Charest): Resuming debate.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member for Essex-Windsor (Mr. Langdon) made a very interesting speech. I am pleased that some comments from this side of the House may have put some balance into the debate.

One of our causes for despair in this place is the kind of semi-sincere and syrupy tones we hear from the New Democratic Party. It is absolutely incredible.

The Hon. Member for Essex-Windsor talked about experience. I have been in this place for seven years and I see the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who has been a distinguished Member in this House for many years. He has served the House, his province and the country in many distinguished ways and I suspect that he could not recall a time when a Finance Minister has been able to present a Budget saying that he has met a deficit goal which he set out to meet the previous year.

We inherited an astounding record of increasing deficits in past years, yet the Minister of Finance (Mr. Wilson) has been able to reduce that deficit as a result of a financial statement in November, 1984, a Budget in May, 1985 and another Budget in February, 1986. The Minister should be saluted for the work he has done in successfully meeting the targets which he set out in that statement and those Budgets. Members opposite should give us some credit in order to at least balance the debate. Many of us despair of this House when we see the opposition simply criticize the Government.

The Hon. Member for Essex-Windsor, as his Party's critic for regional industrial expansion, holds a major responsibility, and one would have thought he would suggest alternatives or given reasons for his belief that our Budget is wrong. He made no suggestions, but simply talked about failure, incompetence and missed standards.

Let me refer to what his Party's finance critic said of the November 8 statement. He said: "There will be a loss of between 50,000 and 100,000 jobs in the months ahead". Fortunately, the Minister of Finance avoided that prediction. Rather than a loss of 100,000 jobs as predicted by the NDP we

have a record 580,000 new jobs in the country. The Hon. Member went on to talk about credibility and described the Minister of Finance, in pious terms, as a decent man whom he hopes survives on his record. Let me advise the Hon. Member that the dollar is trading above 70 cents this morning and interest rates are declining.

Mr. Langdon: It started at 69 cents.

Mr. Mayer: The Member says it is 69 cents.

Mr. Langdon: That is where it started.

Mr. Mayer: The dollar, as I understand it, is trading at above 70 cents. We are not saying that it is acceptable but it points out that he is wrong. I suggest he should give credit where it is due in order to give balance to the debate.

If I had time I would reread the whole Budget speech to the New Democratic Party because they obviously did not understand the message.

The Minister of Finance began his Budget speech by stating, as reported at page 10979 of *Hansard*:

My message today is a serious one, and in many ways not pleasant. But it must be said. And it must be understood.

Let us review the situation. No politician wants to increase taxes because that is not popular. However, we are accepting a responsible course of action on behalf of our country. It would have been suicidal to continue the policy of the previous administration, one that was supported by the New Democratic Party.

Mr. Langdon: That's not true.

Mr. Mayer: The Hon. Member made pious remarks, like the "Holy Grail" of the deficit. However, he did not talk about job creation or the improved pension system. I grew up on a farm in Saskatchewan and the two names we most often heard at the time were Tommy Douglas and John Diefenbaker. I understand the Hon. Member when he talks about pensions. The Hon. Member for Moose Jaw (Mr. Gottselig) grew up in the same area and we understood the concern about pensions and perhaps were more aware about fair treatment for people than others from central Canada. We grew up close to the depression and understood that concern. The Hon. Member should give us credit for taking action to improve the pension system and for introducing a new child tax benefit system to increase assistance to those most in need while reducing overall costs. I suggest the Hon. Member would be much more credible in his criticism of the Budget if he would balance that criticism by mentioning those facts.

● (1220)

He talks about the cost to the average person. This is the cost to the average person of a runaway deficit and sky-rocketing interest rates. Our farmers are now having problems. Why? There are a couple of reasons. We are seeing declining commodity prices, yet everyone talks about the cost-price squeeze. One of the biggest costs farmers face is interest charges. Who put us in that jackpot? The previous Government. We saw interest rates go as high as 25 per cent and 26 per cent when it was in office. We are still trying to recover from that shemozzle. We should be thanking the Minister of Finance for having the courage to tackle this problem.

In listening to the Hon. Member one would think the situation would correct itself by some type of cosmic coincidence which has nothing to do with reality. What is even more incredible is that the Hon. Member, who has a responsible position in his Party as the official spokesman for a major economic responsibility, that is, the Department of Regional Industrial Expansion, did not say anything about what he would do as far as the Atlantic region is concerned.

Mr. Orlikow: You're cutting funds to the Atlantic region.

Mr. Mayer: Unemployment in that region is high. I did not hear him say anything about what he would do for western Canada where there is concern over the farming economy. One would have thought that in his position he would have addressed some of these issues. Had he done so we would be able to look at the NDP and say that this is what it is proposing and this is what the Minister of Finance is saying, let us make a judgment. He has said that we would be defeated at the polls. I assume by saying that, that he thinks the NDP would pick up some support in our being defeated. Anyone going to the people with that type of platform would be laughed out of the room, and justifiably so.

Mr. Orlikow: We'll see what happens two weeks from today in Manitoba.

Mr. Mayer: Let us consider what happens when interest rates go down. Nobody likes to be in debt. With respect to a mortgage of $50,000, every time the interest rate goes down by 1 per cent a $500 a year saving results. Admittedly, interest rates have risen recently—more than anyone would have liked. No one plans for that type of increase. The over-all plan of the Government is to get its spending in order so that less pressure will be placed on capital markets and so that we can see a reduction in interest rates. Small-businesspeople, farmers and people trying to buy their own home will benefit from such measures. We can see the results when we consider the increase in the number of housing starts.

I would now like to deal with the issue of jobs and social programs. The biggest social measure in the world is a job. That is what we have been successful in creating, jobs. We have created 580,000 jobs. I do not think the Hon. Member heard what the Minister of Finance had to say in his budget speech. In fact, he did not want to hear it.

Mr. Orlikow: There's 9.6 per cent unemployment!

Mr. Mayer: I will read a couple of paragraphs from the Minister's speech. The message must be understood. This is the message in terms of what we have been able to accomplish.

Job creation has been vigorous. The unemployment rate has fallen from 11.7 per cent in September 1984 to 9.8 per cent today—the first time it has been below 10 per cent since April 1982.

That did not happen by accident. The Minister of Finance was absolutely right when he said that individual Canadians have created jobs. We should be giving credit to them. Let me tell Hon. Members what would have happened if unemployment had gone up. The Government would have been blamed if it had. Again, the Hon. Member cannot have it both ways. If he wants to be consistent he should realize that when he makes that type of statement he looks silly in terms of being critical of the Government by not giving us credit when there is some credit due. I am not saying that we are doing everything right. All I am trying to say is let us have a bit of balance in the speeches. In that way we will all be given a great deal more credit in the House. If Hon. Members have some concerns then they should do their homework and lay out some alternatives.

I would like to read more of what the Minister had to say in his speech.

Canadians should understand how remarkable this achievement is. During the past 18 months our rate of job creation has been more than 50 per cent higher than in the United States. Even more remarkable, Canadians have created more jobs, in absolute terms, than all the Western European countries combined—countries which together have 16 times our population.

That tells Hon. Members something about what we are doing as a Government. We have to be doing a few things right or we would not have that type of record in terms of job creation.

As Governments become larger and larger, which is what has happened to almost every country in the world in the last number of years, it becomes more important that what they do they do right, because they account for a bigger percentage of the economy. If Governments, including the federal Government, had not been doing a few things right, and if everything had been so wrong, as we are led to believe by the remarks of the Hon. Member, we would not have that type of record in job creation. That is something which needs to be understood. We need to stand up and show some pride in what we are doing in the country. The more we do that the better it will be for all of us. We have an absolutely tremendous country. We have more natural resources per capita than any country in the world. The future should be ours; it can be ours if we would stop mortgaging our future. That has been the problem in the past. It is a problem which has been aided and abetted by the NDP in support of the Liberals in the past.

I would now like to tell Hon. Members what is even more remarkable about the Minister of Finance. We all know how difficult it is to reduce expenditures once they are in place. When we talk to our constituents they tell us that they know that. They say: "We know that you did something for us in the past but what are you doing for us today?" We are all like that. When considering that type of attitude one begins to realize the many things that make it difficult to reduce expenditures.

I would now like to tell Hon. Members about our expenditure record and what has happened in that regard. I will read more of what the Minister had to say in his budget speech. If I had the time I would reread the whole speech to the Hon. Member opposite and members of his Party. They obviously did not listen to the Minister of Finance a week ago when he tabled his Budget.

Over the last decade, program expenditures had more than doubled. Discretionary spending—spending on non-statutory programs—had grown even faster. In the three years prior to this Government taking office, discretionary spending grew by 43 per cent. Operating costs of Government departments increased by 30 per cent. Personnel costs grew by 20 per cent.

Let me tell Hon. Members what has happened in the 18 months since we have been in office. It will show what one can do if one has some responsibility and is determined to do something on behalf of the country. We have a good Minister of Finance. This is what he had to say.

Total program spending, including all statutory programs such as Old Age Security, family allowances and unemployment insurance, will be held to $86.6 billion—lower than last year's spending.

This is the first absolute decline in total program spending in over 20 years.

That tells Hon. Members something about what can be done if one has some determination. We have done that by improving the pension system and by introducing new child tax benefits to increase assistance.

I would now like to deal with the budgetary process. Hon. Members have talked about keeping commitments. That is exactly what we have done. We have done exactly what we said we would do when we came to office. When we came to office we said that we would prepare a financial statement as quickly as we could and give a public accounting on the nation's finances to the people of the country. That is exactly what the Minister of Finance did. He said he would present a Budget as quickly as he could and then consult before a new budget was tabled. That is exactly what happened. In terms of what we have said we would do we have been entirely consistent. That is very important to understand. What this process does is bring back some ordinary common sense management to the finances of the nation. Above all, the largest responsibility which any Government has is to manage responsibly the fiscal affairs of the country. That is what has happened.

I understand that the Hon. Member opposite has some economic training. He can talk about the percentage of the GNP that is appropriate as far as the size of the deficit is concerned. One can enter into all types of arguments in this regard. Not once in the Hon. Member's speech did he say anything about what he thought the appropriate size of the deficit should be. He talked about the "Holy Grail" of the deficit. I assume by that he meant the Holy Grail of trying to reduce the deficit, as if that is the only thing we think about.

Mr. Orlikow: Isn't it?

Mr. Mayer: We did not hear from the Hon. Member in that regard. We did not hear anything from the Hon. Member with respect to what he thought the appropriate size of the deficit should be. Should it be $30 billion, $50 billion or $100 billion? Depending on what the amount is, how do we get there? I am saying that in front of us we have something which we have demonstrated by clear action in the past 18 months. The Government is committed to a regular process as far as

producing Budgets is concerned. We did not hear anybody mention that or give any credit as far as that is concerned.

The Hon. Member talked about the great social cost of the Budget. We will say it and say it again—we need to keep saying it—the best social program anybody in the country can have is a job. Of course 9.8 per cent unemployment is still high. No one finds that figure totally acceptable. But it is a lot better than it was eighteen and a half months ago. We think we should be given a little bit of credit for that.

● (1230)

What I would like to do now is speak about some of the agricultural measures in the Budget, and there were several. Overriding all of these measures, of course, is the extent to which we can manage the affairs of this country properly and get interest rates down. That is a major factor as far as farmers are concerned. Farmers are major users of capital, therefore, they are major borrowers of money and interest rates impact very directly on farmers and on their operations. To the extent that the Minister of Finance can continue along these lines in terms of how he manages the financial affairs of the country, and we see a reduction in interest rates, that will be a major factor as far as the whole farm economy is concerned, from one end of the country to the other.

There is in the Budget what I believe is a new innovation as far as the Farm Credit Corporation is concerned, that is the provision whereby it will be able to vary the amount of payment the farmer will make on a loan relative to the price of the product or commodity he produces on his farm. I certainly think that is a very worth-while innovation. It takes into consideration some of the wide fluctuations with which farmers have to deal in their commodity prices.

I have heard some concern and criticism expressed that it is too complicated and people cannot understand it. It is true that when we take into account the fluctuation of commodity prices with which farmers deal on a day-to-day basis, by definition it becomes a little more involved than a straightforward mortgage which has fixed payments for the life of the mortgage.

Essentially, what the provision will do is allow the farmer to pick two commodities and have his payment relate, on a 10-year average, to the prices of those two commodities. If the prices go up, he will pay a little more. If the prices go down, he will pay a little less.

There is concern that if prices go up dramatically, a farmer could end up paying substantially more than he would pay if in fact he had not participated in this program. That is a legitimate concern. On the other hand, if the prices go down and the farmer ends up paying a smaller amount as a result of a reduction in commodity prices, then that is something which flows through as a benefit directly to the farmer. To lay it out as best I understand it, there is a cap put in place if commodity prices go up dramatically, which we all hope, they do and that our main problem in the years ahead will be paying income tax. Unfortunately, that is not usually the case with farmers. The cap would mean that the farmer would be limited to paying a maximum of 2 per cent more than he would pay if in fact he had not participated in the program.

There are other things in the Budget which I think are very useful. It extends the fuel tax rebate. There is a system in place which, hopefully, when it is announced, will be widely accepted by the farmers. It will reduce the amount of paper work associated with the farm tax rebate, which is extending the value to farmers and fishermen of something like $120 million. There will be a setting up of some debt review panels. There is also a provision to assist farmers who, for one reason or another, get forced off the land or decide to go elsewhere. It will help to train them to find jobs in other places in the economy.

There is a lot of concern about the plight of the tobacco farmer in southern Ontario. Those farmers have been there a good number of years and the demand for their product is falling. I have had a chance to visit them a couple of times. It is a very serious situation. There are not a large number of farmers involved but, certainly, it is a major crop in that area of Ontario and is certainly extremely important to the farmers involved. So I am very happy to see that some consideration has been given to the tobacco farmers.

In closing, I would like to say that I am very happy to stand in my place today and support the Minister of Finance on what I think is a very well done Budget. I have heard all kinds of words like courageous, predictable, hopeful, reasonable and even-handed from my constituents. I think all of us should congratulate the Minister of Finance for all of the work he has done, and for the proper financial direction in which he is heading this country. Hopefully, we can look forward to at least some grudging support from the Opposition on the Budget, because it certainly deserves the support of every Canadian.

Mr. Langdon: Mr. Speaker, first, I would like to say to the Minister that I appreciate the seriousness with which he entered into this debate. I must also say that of all the Budgets and Economic Statements that have come down, this is the one for which the Minister is least likely to receive from me even grudging support. This is a Budget which has yet again raised the tax burden on the ordinary person and has done so in a particularly unfair way.

Let me ask some specific questions of the Minister which I think will demonstrate just how poor this Budget is. He has talked about how important it is to see this clear and steady direction. But when we have a 10-ton truck riding straight toward the cliffs, the most constructive role is to say: "Hey, stop. You're heading in the wrong direction". If we do not turn it around, the cost for a lot of people are going to be pretty tragic.

If there is such a commitment to get interest rates down, why has the Government been prepared to push rates up so that the spread between us and the United States is over 3 percentage points, higher than it has ever been historically? Second, if job creation has been of such a concern to this Government, why is it that support for the jobs strategy—and

on this I will give some support to the Minister of Employment and Immigration (Miss MacDonald) who has, I think, done a good job in bringing forward her jobs strategy—has been cut back by $1 million in this Budget?

Mr. Orlikow: One hundred million dollars.

Mr. Langdon: This Minister speaks of farm issues. Why is it that he is not prepared to apologize to the farmers of Canada for breaking the Conservative promise of cutting all fuel taxes? Why is the Minister so proud of the white flag of surrender represented by this program to help farmers get out of farming when what farmers want to do is farm? What they looked for in this Budget was assistance to help them farm successfully, not just through a cutting of fuel taxes as promised but through a cut-back of interest rates, not just on FCC loans in special cases, but for all farmers facing all the credit crunches they face.

I would like to pose some of these specific questions. If I get answers, that will not increase my admiration for the Minister of Finance, but it might increase it for the Minister responsible for the Wheat Board.

Mr. Mayer: Mr. Speaker, I don't know whether I want to give the Hon. Member an answer if it is conditional upon his admiration of me. First, the Hon. Member should know that a reduction in Government expenditures has been achieved. I believe, as the Hon. Member for Don Valley East (Mr. Attewell) correctly pointed out, it is about a three to one split; three in the area of reduction in Government expenditures and one as far as an increase in taxes. If the Hon. Member wants to look at the over-all effect since we have taken office, those are the figures he will come up with.

The Hon. Member talks about a 10-ton truck. He is exactly right. The 10-ton truck which is travelling towards the cliff is travelling at the rate at which the previous federal Government was increasing expenditures when we took over. The Minister of Finance has stopped that increase dead in its tracks. We should be thankful that he was able to do so. If the Hon. Member wants to use analogies, some of us as farmers have driven trucks a lot larger than 10 tons. It is more like a 50-ton truck in terms of expenditures which is heading us toward the cliff and taking us over to disaster.

• (1240)

The Hon. Member referred to the federal decrease in tax on farm fuels. Essentially we did what we said we would do. I see the Hon. Member shaking his head. If he looks at our agricultural platform in the last election campaign he will see that we talked about reducing the fuel tax by 21 cents per gallon. We have taken off 3 cents plus 1.8 cents per litre which amounts to over 21 cents per gallon. If we compare the tax being paid by ordinary Canadians at the gas pumps with the tax being paid by farmers, we find that we have taken off 4.8 cents per litre. I do not know how that works out, but it is certainly over 20 cents per gallon. Our policy in the election campaign was to reduce the tax on farm fuels by 21 cents. I see the Hon. Member's colleague from Manitoba in the Chamber. He should talk with him. There is an election going on in that province. He should also talk with the provincial Government in that province and ask it to do what was done by the provincial Governments in Saskatchewan and Alberta; that is, take off the provincial tax on fuels to further assist farmers. In terms of fulfilling our campaign commitment in that regard, we have done it. It has now been extended for an additional year. If the Hon. Member would care to read our campaign platform in the last federal election, he will find that we have lived up to our commitment with regard to the tax on farm fuels.

Mr. Binns: Mr. Speaker, the Minister of State for the Canadian Wheat Board (Mr. Mayer) mentioned the concern which the Government has shown for the tobacco industry. Of course that is important to my riding in Prince Edward Island where roughly 5 per cent of Canada's total tobacco crop is grown. This is one of the first times a Budget has been specific with regard to a commodity. We certainly appreciate the concern of the Minister of Finance (Mr. Wilson) for tobacco growers and the involvement of the Minister of State for the Canadian Wheat Board on behalf of those producers. Could the Minister give us any further idea of what the Government might be willing to look at? Will the matter be considered further by a standing committee or a subcommittee? What kind of commitments is the Government willing to consider for the tobacco industry?

Mr. Mayer: Mr. Speaker, I appreciate the Hon. Member's intervention. I have visited the Province of Prince Edward Island and now the grave concern of its tobacco growers. Even though the numbers are small, when one is involved, the concern is very real. I am not in a position to give the Hon. Member any information other than to say that I know there are ongoing consultations between the Minister of Agriculture (Mr. Wise) and the tobacco growers of respective provinces. The good news is that it was recognized in the Budget. The Hon. Member can be assured that as a result there has been some impetus to ensure that some of those things happen. I know research has been done into alternate crops. For example, there was some consideration of peanuts in Delhi, but I am not sure that it worked out as they potentially thought it would.

In direct answer to the Hon. Member's question, I am not in a position to elaborate any more than I did in my very brief remarks on the fact that the Minister of Finance included special reference in the Budget to the very serious situation faced by tobacco growers across the country, in addition to the ones in his own riding.

Mr. Orlikow: Mr. Speaker, as the Minister knows, in recent years the need of farmers for credit has been so great that many of them could not obtain loans from the Farm Credit Corporation and had to go to the commercial banks. The policy announced by the Government indicates that the FCC will be able to lend money to farmers at 6 per cent, and I understand that the program is only available to FCC clients. Many farmers—

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Member, but the period allotted for questions and comments has expired.

Mr. David Berger (Laurier): Mr. Speaker, much has been said over the course of the past week about the deficit. At times it seems to me, and I am sure to most observers, that this is the only preoccupation of the Government. Also in the past week since the presentation of the Budget, the declining dollar indicates that confidence is lacking in the Government and that it has failed in the one and only area about which it seems to be concerned.

At the turn of the year, *Maclean's* magazine published a Canadian public opinion poll in which Allan Gregg, the Conservative pollster, talked about the support which the Government had and said that if there was one reason to explain the Conservative Government's drop in the polls, it was that it had failed to provide a goal for Canada and to show Canadians how to reach it. There is not a more startling illustration of that fact than that in the Budget there is not one line about youth.

[*Translation*]

Mr. Speaker, the Budget does not contain a single line on the 750,000 young Canadians who are jobless today. There is only this constant concern about the deficit. In fact, Mr. Speaker, there was something that concerned the youth of this country, and that was the announcement that Katimavik would be cut, one of the few programs in this country that gave our youth a measure of hope and an opportunity to get some training and have the kind of experience that is practically unique in Canada and the rest of the world.

[*English*]

Perhaps there is no better illustration of the Government's lack of vision and short-sightedness than its record, since coming to office, in the area of education and research. The Government is lucky that Gallup is not running a poll in the universities or in the scientific communities, because the meter would not register anything that far under popularity.

In preparing for my comments today, I had difficulty deciding where to begin to talk about the subjects of education and research. Quite frankly, I am astounded or stupefied by the Government's response to the plans of the three federal research councils which provide funds for research in our universities; the Natural Sciences and Engineering Research Council, more commonly known as NSERC, the Social Sciences and Humanities Research Council, and the Medical Research Council. The meagre funding for research provided in the Budget is nothing less than a total rejection of the plans of those councils. The Government has served notice that it has abandoned the goal of substantially increasing spending on research and development. I am astounded that the Government is less than honest about it. It is trying to camouflage its decision and pretend there is an increase in research funding when what we see is a meagre commitment to funding which will not even allow these councils to keep pace with inflation.

• (1250)

The Natural Sciences and Engineering Research Council submitted its five year plan to the Government last June. It calls for increased spending of $1.4 billion over five years. That may seem to some people like a lot of money to spend on research, on universities and on our youth, but $1.4 billion was the amount over five years and is the amount we spend in one year on frontier oil drilling. It is slightly more than the Government decided to spend in a few minutes to bail out the uninsured depositors of the two banks that failed last September. The Government did not waste much time in trying to rescue its pride in that area.

This plan was not picked out of thin air. It was not developed by a group of people in some ivory tower. This plan was proposed by the Natural Sciences and Engineering Research Council to the Government in response to the Government's stated objective to double spending on research and development.

The Natural Sciences and Engineering Research Council is made up of a group of respected scientists from all across the country, and is the most widely praised of Government agencies. It developed a plan to respond to the Government's stated objective to double spending on research and development. It told us what we must do to begin to move in that direction. I say begin to move in that direction, because anyone who has looked at the subject of increasing spending on research, on increasing the use of technology in our country will understand that at present we do not have the trained people. We do not have the scientists. We do not have the young people in our schools who are enrolled in science programs to begin to meet that role.

The Natural Sciences and Engineering Research Council submitted a plan to the Government and said what it was we must do to begin to move in that direction. The Government's responsed by giving NSERC about 8 per cent of the funds it requested, which will not even allow NSERC to keep pace with inflation. The $126 million it will receive over the next five years is something less than twice the amount that would be necessary to keep pace with inflation. It is only 8 per cent of what would be needed to meet or to begin to meet the Government's objective.

My initial reaction when I saw the Government's response was that this was a joke, that there must be some mistake. Surely this cannot be serious, and the Conservative Government has the gall not to be honest about it. It is trying to pretend that it is coming forward with some major new initiative.

I was at the press conference the other day when the Secretary of State (Mr. Bouchard) and the Minister of Science and Technology (Mr. Siddon) announced the Government spending plan. The atmosphere there was funeral for people who were supposedly bringing forward such supposedly good news in jest. But why am I amazed, Mr. Speaker? Because of the Government's promise to double spending on research and development. After the last election it became evident very quickly that we were not going to see anything of

the kind. There were cuts at the National Research Council, $70 million from its budget. There was a rationale to it. The Government said we will cut the division of energy. I could not understand the rationale but some people said renewable energy has other sources of funding. That was the Government's argument.

The Science Council had its budget cut in half from $5 million to $2.5 million. We were told that at this time of restraint we cannot afford to have even one single national agency to reflect upon science and its needs or to try to focus the thinking of Canadians and of Canadian Governments in the area of science.

The other shoe dropped this week with the tabling of the Estimates. We see the only department that will increase its spending substantially in the coming year is the Ministry of State for Science and Technology. When it comes to empire building and having public servants in the pay of a Government department to propagate the Government's view of things, there is no shortage of funds.

The funding for the Natural Sciences and Engineering research Council was to be the test of the Government's commitment to increasing spending on research and development. Why do I say the test, Mr. Speaker? The Natural Sciences and Engineering Research Council is an agency of the federal Government which provides funds for university research. It is the largest single source of funding for university research and research training. It has an annual budget of about $300 million which was to double to some $700 million by 1990 under the plan it submitted to the Government. In all, about 17,000 individuals benefit directly from its programs, including over 6,000 professors and more than 6,000 graduate and undergraduate students and post-graduate fellows. This number was to increase to some 30,000 persons who would have received support from NSREC by 1990 if its plan had been approved.

This was the test of the Government's commitment because training young people for a career in science is the starting point of increased scientific activity in Canada which everyone agrees, even the Government, is essential if we want to be competitive, create jobs and maintain our standard of living. It is impossible to double our spending on research expenditures, to be more innovative or to reduce our huge deficit in high technology goods if we do not have the people to do the job.

● (1300)

This past year, since the NSERC five-year plan was submitted to the Government, has been one of great expectations, given the Government's commitment and words. It has also been a year of impending doom. I have spoken on a number of occasions in this House on the subject of the "brain drain" which has become a concern in Canada. As an example, an article in the Halifax *Mail-Star* on January 20 was entitled "Dalhousie University Losing Researchers". It indicated that at least some have gone to the United States because of a lack of federal funding for research, and uncertainty over future financial cut-backs. Several months ago the dean of the faculty of mathematics at the University of Waterloo announced that he was going to Tennessee because of the unfavourable research climate in Canada, and because he was frustrated by having to undertake a major battle every time he needed a new piece of equipment.

All Members of Parliament including the Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark), the Minister of Science and Technology (Mr. Oberle), and the Minister of Finance (Mr. Wilson), received hundreds, if not thousands, of letters last fall from people all across Canada in support of the plans of the three federal councils which provide funds for university research. One such letter was from the principal of McGill University who argued that adequate, well-planned financing of these research councils is a fully national responsibility which must be met by our federal Government.

In a statement on research and transfer payments, faculty associations from all over western Canada urged the Government to approve the plans of the three councils. The President of the University of Western Ontario wrote that it is critically important that our research capabilities be strengthened with adequate grants. He said that the most effective way is through the research councils.

In addition to having spoken in the House on this subject, I had the opportunity to appear on the CBC show, *The Nation's Business*, last February 9. At that time I called upon the Government to provide immediately the funding that had been requested by these three councils. I invited viewers to write to me to tell me how they felt about it. I promised to send their letters on to the Prime Minister. I received close to 40 letters, all but one or two of them being supportive. I would like to read to you from one of these letters from Mrs. Renée Demmer mother in Ottawa which reads:

> My son will complete his post doctorate in physical chemistry in Nov/86, and after that, what? He has been inquiring about a job for November this year and everywhere he applies he gets the same reply: "no vacancy due to lack of funds".
>
> Since he went to the U. of Toronto in Nov/85, three of the young research chemists whom he met there have left Canada for the U.S. If my son cannot get a job here in Ontario or Quebec or in any part of Canada, there is only one other place for him to go, and that would mean both my sons have to live in the U.S. because Canada will not look after her young scientists.

I have a number of other letters of this nature.

To emphasize my point, Mr. Speaker, through this single-minded preoccupation with reducing the deficit the Government has shown that it is not willing to invest in Canada's most precious resource, our people, and particularly our young people. A respected economist, Michael McCracken of Infometrica, stated after the Budget was introduced that some $50 billion to $60 billion is being wasted annually because we are not achieving full employment in the country. Our deficit in high technology today is approximately $12 billion, or the equivalent of 120,000 specialized jobs.

I am waiting for the day when the Government will listen to what the people of the country are saying, understand these elementary facts, and present to the Parliament and the people of Canada a Budget and a policy which has vision and will

provide for growth in the country, rather than cutting the guts out of the future of our young people and our economy.

Mr. Orlikow: Mr. Speaker, we just heard a very moving appeal by the Member for increased support for scientific research. He has pointed out the results of inadequate funding; the "brain drain" and the loss of potential jobs, with all of which I can agree. However, that is not something which just happened in the past year. For 30 of the last 36 years we had Liberal Governments. In virtually all of those years the scientific community was pointing out to those Liberal Governments that, while other countries in the western world and Japan were spending 2.5 per cent of their GNP or more on scientific research and development, Canada was spending 1.5 per cent or less. The then Official Opposition, the Conservative Party, and my Party, the New Democratic Party, joined in that criticism of the Liberal Government and promised to support the expenditure by Government of 2.5 per cent of GNP for scientific research and development.

We know that because of the present Conservative Government's fixation with reducing the deficit it has not moved toward the expenditure of 2.5 per cent of the Gross National Product on scientific research and development. In fact, the $300 million increase which it pledged to the granting councils over the next five years will not even keep up with the increase in inflation.

Where was the Hon. Member when his Party was in Government? What assurances can he give us that if and when we have another Liberal Government it will do any better than it did during the 30 years it was in power when it failed to do that which it is calling upon the Conservatives to do?

Mr. Berger: Mr. Speaker, I have a great deal of respect for the Member for Winnipeg North (Mr. Orlikow) and I take his question seriously. I certainly share his concern about the past record. He talks about 30 years ago. Well, 30 years ago I was five years of age, so I have difficulty accepting responsibility for what took place at that time.

However, in NSERC's very detailed five-year plan, which the Member may have read, it is noted that over the course of its first five-year plan from 1979 to 1984 the previous trend of decline in spending on research and development was reversed. There were substantial increases in spending during the course of that first five-year plan which Liberal Governments were responsible for implementing. I know there were delays. On most occasions the spending increases came towards the end of the year and that caused certain problems. Nonetheless, the commitment by the previous Liberal Government was there. I can also say to him that it is probably only in the past five or six years that our society as a whole has become aware of the fact that we are going through a technological revolution and a tremendous investment is required in order to be competitive and keep pace with other countries.

• (1310)

As I said, I think previous Liberal Governments over the last five or six years recognized the necessities and objectives and took steps to start us moving in the right direction.

Mr. James: Mr. Speaker, the Hon. Member mentioned the need for more innovation and new job opportunities. He also talked about single-mindedness and doom. So far as doom is concerned, that was in the minds of the electorate by 1984, for sure. Job opportunities had diminished. We had record unemployment. Certainly the Liberal Government of which the Hon. Member was a part was single-minded in creating a deficit.

I know the Hon. Member is genuinely interested in this subject so I would point out that there are in my riding a lot of businesses concerned with research. There is a very sincere interest on the part of the private sector to participate in this program involving joint funding from the Government and private sector. The Member mentioned waste under previous Liberal Governments. Spending on these programs went from $27.9 billion in 1974-75 to $86.7 billion in 1984-85. Yet, as the NDP Member mentioned, there was still not the kind of funding that the Hon. Member for Laurier (Mr. Berger) says should be there for research and development.

Taking all that into context, and realizing that the people of Canada know we cannot continue this deficit spending which drives interest rates up and the dollar down, my question is this. Why was it not done then when the Government of which the Hon. Member was a part was in such a tremendous deficit spending situation?

Mr. Berger: Mr. Speaker, I would refer to the goal of obtaining increased spending by the private sector. This is built into the current plans of the Natural Sciences and Engineering Research Council. Some fairly credible people have expressed considerable doubt that we can obtain the commitment from the private sector which the Government has set out. Mr. Douglas Wright, President of the University of Waterloo, says that if the Government expects 50 per cent to come from the private sector, this is extremely unlikely. This does not happen even in the U.S., Japan or some western European countries. His university has a reputation for close links with the private sector, yet it gets only 10 per cent of its research funding from the private sector. We will see how this formula works, but in trying to get matching contributions from the private sector there is a danger of diverting money currently spent on research. A corporation could say that rather than spending a dollar with the Ontario Cancer Research Foundation, it will give a dollar to the Medical Research Council of Canada because it gets the Government to spend an extra dollar. I have heard this concern expressed and it has not yet been answered by the Government. We shall see.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I am very pleased to speak during the budget debate today to try and bring a little perspective to what is happening

in Canada. It is assumed that some of this message may get out to the people who are so concerned about this life and death Budget.

To put it in perspective, this Budget is part of a plan to try and face up to a great difficulty which is upsetting financial people around the world. As the House knows, Canada has now moved full centre into the world of financial markets. We are no longer a little ghetto or reservation trying to live on our own. Once you move into this world you have to accept all the economic facts that go with it. One of the economic facts of the last two or three decades has been the rise of a new business in the world, that of gambling on the currency of various countries. Some 25 or 30 years ago this international currency, called Eurodollars, amounted to $200 billion or $300 billion. It is now over $3,000 billion and increasing all the time. There are people who do nothing else but try and figure out what fraction of a cent a given currency is going to move and they gamble on that move. This gambling has turned into a big business. The Chicago Bears played a football game and the gamblers put $2 billion into operation. They gambled that the spread would be at least 10 points and it was. All I am saying is that we are trying to assess a Minister of Finance on his Budget without realizing that he is, willy-nilly, in the middle of the biggest crap game in the world. All Ministers of Finance have to face the reality that they are no longer dealing with just local problems such as those which attract the attention of most MPs.

Keeping that perspective in mind, I think this Budget follows very well from the statement of November, 1984, and the Budget of 1985. These were gentle, neutral Budgets, and we have to keep our elbows up as we go into the question of confidence. Today Governments are in the same position as all big companies such as banks and trust companies are in. We live primarily on one thing, confidence. Because of the economic results which flow from losing confidence in an institution, we all have to learn to stick together. We all have to learn, as Governments, banks and trust companies to stick together. We saw what happened in the United States and Canada last year with the number of banks that went down. All you have to do is start a rumour that a bank is in trouble and there is no bank in the world that can stand up to that. That is why the banks have to learn, as the American banks are beginning to learn, to stick together. We have still to learn that here in Canada.

• (1320)

The danger is that once you go into a credit system all over the world you have to maintain this feeling of confidence regardless of the cost. We witnessed in the House this past week what every Minister of Finance has to do in every country, make public knowledge the Government's Budget plans and try to leave the impression that you are tackling the problems that are facing every country. I would think that the Minister scored fairly well. First all he looks honest. Second, there is a sense that he has a sense of humour. He knows what he has to do. Basically all he did was create a gentle move in the right direction. That is all a Budget is, a sense of direction.

That leads me to the next point. No matter what kind of a Budget you bring in the next step is the dangerous one. The Order in Council, the regulations, and the definitions that come out to put those things into effect are the things that win or lose the battle. Some years ago, in 1979, a Budget was delivered in this House, and I will just read to you the opening sentence from the leading intellectual academic magazine called *The Public Interest*. I have put this on the record before. Listen to this. It reads as follows:

> On December 13, 1979, the government of Canada fell. For just six months the Conservatives had governed with a parliamentary minority, and they were defeated on a vote of no confidence. The issue was their first budget—a budget that rejected Keynesian economic policies,—

That is enough to scare the academics out of their wits. The article goes on:

> —replacing them with radically different recommendations. Unemployment and slow growth were to be fought not by increasing the federal deficit but by reducing it.

That was the view a year and a half later taken by the leading intellectuals of the English-speaking world. The title of this article, which is a special edition of *The Public Interest* was "The dissolution of the Keynesian consensus". Keynes was obsolete almost at the end of the War, and in its place nothing has come in the form of a pattern or paradigm to solve all our problems.

The point is that the Conservative Party is different from the opposition Parties, Liberal or NDP. The Opposition Parties can only think of getting out of trouble by spending more money, and they got us into such a tremendous mess in 1979 they were defeated. Then when we tried to reverse that, these boys got a little bit exuberant one night and thought they could beat the Conservative Government because we had one tax increase. That increase was on diesel fuel. The boys got even more exuberant as the night went on and persuaded the NDP to join them, and they defeated that Government. They inherited their own mess. I recall the day in 1981 when the then Prime Minister got up and asked us in the Opposition, "If you have got any ideas that will help us please give them to us. We do not have any ideas of what to do". That was in 1981.

In 1982 the Conservatives, on an Opposition day, brought out a four-point program dealing with interest rates. Every Party in this House supported those four points. Almost every Member, as I recall, on that side of the House had spoken favourably. We amended in 1983 the National Housing Act, the Farm Credit Corporation Act. All Parties agreed that we could provide money for these worth-while productive purposes; the building of homes, the helping of farmers, foresters and the producers by getting interest rates down to a moral level.

For 3,000 years we have known if interest rates go above a certain amount they are criminal; you destroy the individual who borrows, you destroy the farmer, you destroy big business, you destroy small business and you destroy Governments. That was exactly the case. Now we are trying to get out of this mess again. The start has been slow and gentle, trying to pretend it is tough.

I have said this, to put it all into perspective and to lead up to the main point of my remarks. It is the job of Parliamentarians to watch the Orders in Council that come out, the regulations and the definitions. That is how these weasels who draft these things put them in front of a busy Minister, slide them through the cabinet committee and then they are published in the *Gazette* and become law. When that happens, Parliamentarians never see it and we do not know for a year or so what has happened until we begin hearing complaints. Could I call it 1.30?

The Acting Speaker (Mr. Charest): It now being 1.27 p.m., we will now adjourn until two o'clock p.m. When we resume Orders of the Day after three o'clock, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) will have the floor.

At 1.27 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ATLANTIC ENTERPRISE PROGRAM

CRITICISM OF PROVISIONS

Mr. George Henderson (Egmont): Mr. Speaker, the Atlantic Enterprise Program announced in last week's Budget is nothing more than a political program. It is not designed to start up a new string of small businesses in Atlantic Canada. It will do nothing but fatten the coffers of banks and big business.

Our friendly Atlantic bankers will soon begin to reject all loan applications unless they are backed by Government guarantees. Why should banks take the risk when the Government is more than willing to do it? How will the marginal business that needs Government assistance be identified? Bankers will simply shift the risk from themselves to the Government. It means that bankers can reduce their losses and increase their profits.

As well, the floor price of the loan guarantee is $250,000. Does the Government need a crash course on the Atlantic region? Small business in my Province of Prince Edward Island does not require that much start-up capital.

If the Government is serious about getting the Atlantic economy back on track, let us see it produce a program that reflects our unique problems.

Mr. Speaker: Order, please. Sixty seconds.

FINANCE

OPEN LETTER ON TAXES TO PRIME MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me quote the following letter:

Dear Mr. Prime Minister,

We have had enough. We are protesting that gasoline prices and taxes are too high. It is discouraging both Canadian and U.S. tourism and damaging our economy and the high price is unfair to those of us who must use their cars to drive to work.

Your Government gave the oil corporations a $2.5 billion annual tax break; the response has been to increase the prices to consumers. What did the federal Government do for working Canadians? On January 1 and subsequently, the federal tax was again increased.

Petro-Canada should be directed to reduce prices to reflect falling world oil costs. We are opposed to taxing gasoline to raise money to service our national debt. Government gasoline tax policies are unfair, inequitable and inflationary and we are adding our voices to the demand that these policies be changed.

This was sent to me by the president of Local 1005, Ray Silenzi, and signed by the secretary, Ed Sutherland, together with the signatures of hundreds of their members.

Mr. Speaker: Order, please. Sixty seconds.

* * *

THE BUDGET

SUPPORT FOR PROVISIONS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in September, 1984, Canadians wisely decided that they had had enough of Government mismanagement, profligacy with their hard earned tax dollars, and a national debt that was growing three times faster than the economy.

Their faith in the new Conservative Government has not been misplaced. The Budget, without affecting any necessary services, brings spending under control. Efficiency, economy, and wise use are the watch words of a Minister of Finance (Mr. Wilson) who treats the taxpayers' money with the same respect as if it were his own.

With the new measures, by the early 1990s our debt will have stabilized and the budgetary deficit will have been eliminated.

Thanks to the Minister of Finance, our financial house is being put in order.

* * *

ATLANTIC ENTERPRISE PROGRAM

SUPPORT FOR PROVISIONS

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, contrary to the remarks of the Hon. Member for Egmont (Mr. Henderson), economic growth in the Atlantic provinces did receive encouragement from the new budget measures announced last Wednesday.

A new job creation initiative, the Atlantic Enterprise Program, is a major part of the strategy to relieve regional disparity. Under this new program, the federal Government will provide guarantees to private sector investors of loans totalling up to $1 billion, and interest rate buy-downs of up to 6 percentage points for business start-up or expansion.

● (1405)

The program will be supported by a private sector advisory committee made up of representatives from the region. This program will apply to eligible projects in manufacturing and processing, related service sectors, tourism, and primary industries.

In addition to this new program the 20 per cent investment tax credit in the Atlantic region will not only be maintained but will be extended to communities in the Atlantic offshore. These measures signal continuing Government support for sustained economic growth in Atlantic Canada.

* * *

MEMBERS OF PARLIAMENT

ALLEGED RACIAL SLUR

Mr. Sergio Marchi (York West): Mr. Speaker, it was unfortunate to hear in the House yesterday the Conservative Member for Nunatsiaq (Mr. Suluk) characterize the Hon. Member for Bourassa (Mr. Rossi), who is of Canadian-Italian extraction, as a mafioso. While this may not have been recorded, it does not condone or diminish the severity of such a racist accusation. This community is getting sick and tired of being continuously labelled in such an unjust manner. As a nation we need to stamp out vigorously these humanly degrading remarks.

It is all the more worrisome that the incident occurred in the very institution which must lead by example. I call upon the Hon. Member for Nunatsiaq to show leadership, courage, and integrity, admit that he seriously erred, and to offer an appropriate apology. The Canadian-Italian community needs to hear it. But, more important, Parliament and the country need to hear it.

* * *

NATIONAL DEFENCE

PRODUCTION OF CHEMICAL WARFARE AGENTS

Mr. Jim Fulton (Skeena): Mr. Speaker, last week the Minister of National Defence (Mr. Nielsen) categorically stated, as reported at page 10889 of *Hansard*: "No chemical weapons are being produced in Canada—". Three sources from the Department of National Defence have confirmed that, indeed, some chemical weapons listed in the 1985 Government of Canada handbook which deals with chemical and biological weapons are produced in Canada. In fact, late last week the Minister's own staff contacted me to confirm that

Soman, Sarin, Tabun, and VX, all lethal chemical warfare agents which cause death by suffocation, are produced at the Defence Research Establishment at Suffield, Alberta, as well as T-2370 and mustard gas. The first four are listed on page 80 as chemical warfare lethal agents.

It was stressed to me by DND personnel that these chemical weapons are produced in very small quantities. So be it. But they are produced in Canada, and the Minister of National Defence knew it when he made his categorical denial last week.

Let us not forget a bucket of some chemicals, such as dioxin, can kill millions.

* * *

STATUS OF WOMEN

GOVERNMENT MEASURES TO ASSIST WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, as we approach International Women's Day it is appropriate for us to recall the positive measures undertaken by the Government to improve social justice for women in Canadian society.

Divorce law has been reformed to simplify divorce proceedings. A registry of maintenance orders is being established to ensure that single parents receive the full child support payments to which they are entitled. A parliamentary task force is examining ways to improve child care. The Indian Act has been amended to eliminate discrimination against women who were unfairly denied Indian status.

Today the Minister of Justice (Mr. Crosbie) announced major changes to legislation and programs to ensure conformity with the Charter of Rights and Freedoms.

As we celebrate International Women's Day, it is appropriate that we have also reinforced our commitment to women, to justice, and to equality for all.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on May 23, 1985, when the Minister of Finance (Mr. Wilson) brought down his first Budget, only a few seconds later, the Leader of the Official Opposition (Mr. Turner), seconded by the Leader of the Socialist Party, declared that this Budget would cost us between 200,000 and 300,000 jobs.

In fact, Mr. Speaker, the May Budget helped to create 560,000 new jobs, including 156,000 in the province of Quebec.

Obviously, Opposition Members are not used to this kind of performance.

S.O. 21

This year, the equation between our estimated and real expenditures has given Canadians confidence. We are in a period of active recovery. Thousands of small businesses, encouraged by the tax measures of our 1986-87 Budget, are hiring more and more Canadian men and women. Our economic recovery is assured and it is continuing.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

REPORT ON GATINEAU RIDING ASSOCIATION CONDEMNED AS FALSE

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, just before Christmas the CBC ran a news item on my riding association which was totally false. The reporter never checked with me or with my riding association. Its sister network, Radio Canada, treated the story correctly, both in its newcast and in a public affairs interview with me. TVA, the commercial network, also ran the correct story on its national newscast. So did *Le Droit* and local radio stations, as did *The Citizen* of Ottawa in a remake of its first false story based on the CBC item.

In spite of this the false story surfaces in English language newspapers, most recently in *The Gazette*. In the House, members of the Opposition use it when they cannot cope with the subject of debate and get personal—which is most of the time.

My riding association asked me to correct the record. We have a riding association. We have always had a riding association. Normal annual elections were held in November and most members of the association were re-elected, but the president was changed. Therein lies the tale.

* * *

● (1410)

ABORIGINAL RIGHTS

SURVIVAL OF NATIVE LANGUAGES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, most of the languages of our country's indigenous peoples are in danger of extinction. Out of 53 aboriginal languages in Canada, only three have good chances for survival. Many of the languages are found only in Canada. If they disappear here, they will be lost to the world forever. This perilous situation has been documented in a report prepared for the Secretary of State (Mr. Bouchard) entitled *Aboriginal Languages in Canada*. I recommend it to all Hon. Members.

This tragic state of affairs is a result of many factors, such as historic Government policies of assimilation and deliberate suppression of aboriginal languages. In recent years some support has been provided as aboriginal people have taken the lead in trying to preserve their heritage and culture.

Language is critical to cultural survival. Enriched, supportive policies can reverse this alarming trend of language loss among Canada's native peoples.

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENERGY

EVENTS FOLLOWING ABOLITION OF NATIONAL ENERGY PROGRAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, anyone in this House who has listened to Conservative Members of Parliament during the last five years knows that to that Party there is a single, universal cause for everything which has gone wrong in Canada. It was all the fault of the National Energy Program. Since the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of Finance (Mr. Wilson) have spent several billions of dollars of public revenues to get rid of the national energy policy, we should ask whether we are getting value for our dollars.

Since market forces replaced the NEP, the oil industry has collapsed and another $5 billion in minimum revenues have been lost; three Canadian oil companies, including Sulpetro, need $20 a barrel for oil or debt restructuring or will go bankrupt; two employment generating megaprojects are threatened; and the province of Alberta will suffer a 9 per cent drop in provincial products. I could go on, but I wish to conclude with the observation that the so-called "market forces" are doing a far worse job in giving Canadians a rational, coherent energy policy than the National Energy Program, with all its faults, ever did.

* * *

INCOME TAX

ELIMINATION OF TAX LOOPHOLES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, several areas of unfairness and exploitation in our personal and corporate tax rules have been shut down. The abuses of the scientific research tax credit have been stopped. Tax shelters based on investments in yachts and so on, have ended. Income splitting through interest-free loans between family members is no longer possible. Carve-out transactions in the oil and gas sectors have been terminated. The use of trusts to distribute investment income tax free has ended. The use of partnerships in corporate takeovers to increase tax deductions has been shut down. The foreign property investment rules to prevent abuse have been tightened. High income earners will now be required to pay a minimum tax of 25 per cent.

This Government not only talks about tax reform, it takes action to ensure equity and fairness.

[*Translation*]

INDUSTRY

CONSEQUENCES OF INVESTMENT IN PRATT & WHITNEY PLANT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, in an article in *La Presse*, under the byline of Gilbert Lavoie, we read that once again, Quebecers have been cheated by this Conservative Government. On February 14, the Conservative Government announced with a great deal of fanfare that $575 million was being invested in the Pratt & Whitney plant. Unfortunately, this was not the whole truth. First of all, the project had already been proved under the previous Liberal Government in 1983. Furthermore, yesterday I met with company management, and they emphatically denied any statements to the effect that the Prime Minister intervened personally to have jobs created in Montreal East. Lastly, the Ministers involved forgot to mention that 40 per cent of the jobs to be created will be outside Quebec. Mr. Speaker, this just goes to show you can never trust the Conservatives.

* * *

[*English*]

AGRICULTURE

SITUATION OF FARMERS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I rise today to speak on behalf of the farmers of the country who are sadly disappointed in the Budget of the Minister of Finance (Mr. Wilson). The bits and pieces given to assist the debt-burdened farmer represent the Government's attitude towards farming. So serious is the Government to assist farmers that it is willing to help farmers with retraining. In other words it is telling farmers to go out of business and not to hope for support from the Government.

● (1415)

During the election campaign Ministers promised all sorts of goodies to the agricultural community. Now it is time to deliver; not tomorrow but today. Farmers are in need of help, and it is the duty and responsibility of the Government to provide it.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

RECEPTION BY BUSINESS COMMUNITY AND INTERNATIONAL MARKETS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Why is the Minister making this unprecedented effort to try and sell his Budget to businessmen and corporations in the United States? Is it because the Canadian business community and international markets have lost confidence in his Budget and his Government?

[*English*]

Hon. Michael Wilson (Minister of Finance): No, absolutely not, Mr. Speaker. Let me just draw to the attention of the Leader of the Opposition that since the Budget was brought in the stock market has gone up every day—Thursday, Friday, Monday, and again today. It is up 42 points over those four days. That is confidence in the Budget.

Some Hon. Members: Hear, hear!

OFFICIALS' MEETINGS WITH AMERICANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the efforts of the Minister, his Deputy Minister, and his officials to try to persuade the Americans that there is some merit in the Budget are absolutely without precedent. The Minister is on a string. He has become a puppet of Wall Street.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): He is being coached by the Prime Minister. I do not know whether the coach ought to send the signals into the quarterback; I do not think it will improve it at all.

Mr. Mulroney: Your quarterback is gone.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Question, please.

Mr. Turner (Vancouver Quadra): Would the Minister of Finance tell us what his officials are telling Americans in private meetings which he is not telling Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that sort of question is ridiculous. The officials are in the United States, the same as they have been in meetings here with different interested parties, to explain the various elements of the Budget. There is nothing unprecedented about it. It is the same type of information which is being provided to people in Canada and the United States. I am sure the High Commission in London is doing the same thing.

EFFECT ON EXCHANGE VALUE OF DOLLAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, there has never been an effort like this for a Department of Finance and a Minister to sell a Budget abroad. Usually a Minister is content with trying to explain it to Canadians, but the Minister has to sell it around the world in order to maintain strength in our currency. He told us to wait for the Budget to see whether the dollar would be stabilized.

What is he doing for the dollar now that he has presented the Budget? What efforts is he making to sustain the dollar?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the fact of the matter is that the Budget is selling itself.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I could give the Leader of the Opposition a long list of people who have issued ringing endorsement of the Budget, saying that it is a move to solve the problems of the past.

The Leader of the Opposition is saying that he has spoken with all his friends down on Wall Street and he is saying that we should be fair here. He knows full well, if he has read any of the editorials over the past few days, that it is very clear the Budget was written for Canadians, and it is being well received by Canadians.

[*Translation*]

CAUSES OF DECLINE IN EXCHANGE VALUE OF DOLLAR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wonder why the Canadian dollar continues to decline, if the Budget is so well received outside Canada. This week, an influential magazine, *Business Week*, commented that in the last twelve months there was a net outflow of five billion dollars, in addition to a drop of 2.5 billion in foreign investment in Canada. My question to the Minister of Finance is as follows: How can he blame the drop in value of the Canadian dollar on just a couple of speculators in Chicago, while the facts indicate that since early 1985, there has been a net outflow of capital from Canada to other countries?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have gone over this one before. I just want to draw to the Hon. Member's attention again, for about the fourteenth time, that it is important to understand what is happening in the broad economy. Investment activity in 1985 picked up after four years in the doldrums when investment activity was going down or staying level.

● (1420)

Once investors in the country realized the directions of the Government, and once they saw the policies that we brought in, both in November, 1984, and again in May, 1985, in the Budget, they turned up the jets and increased investment activity. That is why we created 580,000 jobs, and that is going to continue.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

LOSS OF FOREIGN INVESTMENT IN CANADA

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister of Finance does not read the same statistics as the rest of the people in this country. We lost $2.5 billion worth of foreign investment in Canada in 1985, while Canadians have taken nearly $5 billion in capital out of this country.

How can the Minister of Finance maintain today that the international community still has confidence in his Government?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, investment intentions over-all are the important measure of what is going on in the economy.

Mr. Gauthier: Facts.

Mr. Wilson (Etobicoke Centre): I am giving the facts to the Hon. Member for Ottawa-Vanier, who probably does not understand a fact when he sees one.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Investment activity last year was up considerably over previous years. I want to draw to the Hon. Member's attention that it is incorrect to pick out one specific figure from the national accounts figures because it ignores the broad effects of the good policies which this Government has brought in over the past 18 months.

* * *

EQUALITY RIGHTS

GOVERNMENT'S RESPONSE TO COMMITTEE REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. In announcing the Government's response to the parliamentary committee on equality rights today, the Minister of Justice said that Bill C-62 was an adequate response to the claim for equality in the workplace of women, the disabled, visible minorities, and native Canadians.

The Prime Minister is responsible for over-all Government policy in this area. Considering that every spokesperson for each group who appeared before the parliamentary committee when it was assessing Bill C-62 said that the Bill was totally inadequate, why, after one year, has the Government not made one iota of progress in terms of improving the Bill and in moving toward equality?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, indeed, we have made progress. We have brought in Bill C-62. It is the first time employment equity has ever been addressed by the Government.

Some Hon. Members: Hear, hear!

Miss MacDonald: In this case there were a number of discussions and consultations. I can tell the Hon. Member, the Leader of the New Democratic Party, that with this Bill there will be employment equity through the federally regulated private sector and in Crown corporations. It will be enforced through the mechanisms of the Canadian Human Rights Commission, as was recommended as one of the models by Judge Rosalie Abella.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Prime Minister a question.

Since every group that appeared before the committee and responded to Bill C-62, whether on behalf of the disabled, women, native people or visible minorities, said the Bill was inadequate, and since the Prime Minister said in a debate before the women of Canada in the election campaign of 1984 that he was earnestly committed to implementing equality, why does the Government not deliver on its promises now?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am not at all sure the Hon. Member has been following all the committee hearings.

Some Hon. Members: Oh, oh!

Miss MacDonald: He might take a look at the number of people who have endorsed what the Government is doing. This will show we have an interest in providing equality in Canada. It is a one thing to sit and criticize but it is much better, I can tell the Hon. Member, to be able to do something about it.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

• (1425)

Mr. Broadbent: Precisely, Mr. Speaker, and that is why the Prime Minister asked for a majority. We want him to do something about it now that he has the power.

Some Hon. Members: Right on.

GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will direct my last supplementary question to the Prime Minister. I hope he will answer the women of Canada and others. When asked during the election campaign why he should be trusted, he responded by saying that he was earnestly committed to implementing the equality principle. All of the groups which appeared before the committee and discussed Bill C-62 said it was inadequate. Therefore, will the Prime Minister now act on his promise, change Bill C-62, and deliver the equality which he promised in the election campaign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the past 17 months both Budgets have substantially addressed fairness and equity for the disabled and new benefits have been provided. The Government has taken a number of initiatives with regard to women, including Bill C-62. The majority of the 580,000 new jobs which have been created have gone to women. That is an indication of fairness and equity. Job creation is now being helped by small business. Women are now becoming proprietors of the largest number of small businesses, thereby creating jobs. We want women to share in the growth and equality of opportunity in the country.

* * *

THE BUDGET

NEWSPAPER REPORT OF CHANGES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, will the Minister of Finance confirm reports that at the eleventh hour he redesigned his Budget in order to get the deficit under $30 billion in order to reduce interest rates, on the one hand, and stabilize the dollar, on the other?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is probably referring to the article in *The Toronto Star* today. I suggest he look past the headline. In that article I said that, as we saw interest rates rising, we felt it was very important to maintain the objective of getting the deficit below $30 billion. We are very much committed to that. To reach that objective we introduced the $500 million across-the-board spending cut.

[*Translation*]

REQUEST THAT MINISTER TABLE SUPPLEMENTARY BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): I have a supplementary question, Mr. Speaker. He goofed, Mr. Speaker. This Budget has created a real mess. Can he assure us that, within a week, he will table supplementary estimates to repair the damage done by his Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess it is necessary to take the Hon. Member through the Budget process, step by step. We increased the interest rate assumption to 9.5 per cent. Because we did that, we increased the spending cuts to offset the increase in the interest rates which we were expecting. I have said on a number of occasions in the House that I stand by that 9.5 per cent interest rate assumption because we expect that interest rates will come down over time.

Mr. Johnston: How above the $22.50?

Mr. Wilson (Etobicoke Centre): I stand by the $22.50 as well. The Member is referring to oil prices. This is a third question, Mr. Speaker, and I should be allowed to answer a third question.

Mr. Turner (Vancouver Quadra): You don't have to answer if you don't want to.

Mr. Wilson (Etobicoke Centre): The $22.50 stands because as the oil prices—

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): I do want to answer, Mr. Speaker.

Mr. Speaker: I know you do, but this is becoming long.

* * *

[*Translation*]

EQUALITY RIGHTS

PROMISE OF PROGRAM CONCERNING CONTRACTUAL OBLIGATIONS—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Prime Minister. A year ago the Government promised that a so-called contract compliance program would be implemented by last fall. Now the Minister of Justice has just made the same promise. What criteria, what policies, what specific measures does the Government have in mind? Or will this be an annual promise, without any action?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the issue of contract compliance and the implementation go hand in hand with the passage of Bill C-62. I urge members of the Opposition to co-operate with the Government to ensure that that legislation passes quickly so that we will be able to implement contract compliance at the same time.

Mr. Broadbent: It's not in the Bill.

• (1430)

REQUEST THAT BILL BE AMENDED

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, contract compliance is not now in Bill C-62. The groups and organizations concerned have asked that this be done. Will the Minister put contract compliance in the Bill, and with real teeth?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am afraid the Hon. Member does not understand the process. The question of compliance is under contract which itself has the force of law. She should understand that contracts have the force of law. What she should also understand is that the principles of employment equity apply to businesses coming under federal jurisdiction as well as those which do business with the federal Government. The two go hand in hand. We want to introduce implementation at one and the same time. Therefore we are anxious to get the Bill through the House.

WOMEN IN THE ARMED FORCES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, if the Prime Minister is satisfied with the report *Toward Equality*, why did he not have the courage to direct the Minister of Justice to amend the Human Rights Act to guarantee that discrimination against women in the Armed Forces and on the basis of sexual orientation be truly prohibited rather than giving us the double-speak we got this morning? Did he not hear the cries for equal opportunity?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Madam Speaker—

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): That is equality.

Mr. Crosbie: You can see I have no prejudice, Mr. Speaker.

Ms. Copps: That's right, baby.

Mr. Crosbie: Mr. Speaker, all I can say to the Hon. Member is this. Her Party was in power for 20 years. Twenty years! What steps did they take in all that time to do anything about the status of women in the Armed Forces?

Some Hon. Members: Hear, hear!

Mr. Crosbie: We have now announced the Government's policy that all trades and occupations in the Canadian Armed Forces be open to women. At the present time it is only 65 per cent. There is just one caveat. The policy is to be pursued in a manner consistent with the requirement of the Armed Forces to be operationally effective in the interests of national security. That, of course, has to be observed, and this is a giant step forward for the women of Canada.

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is too bad the Minister did not understand the implications of Section 15 of the Constitution which we brought home. However, why has he ignored the need to bring in legislative change and, instead, left the whole matter to the courts? We just spent millions of dollars hearing over 1,000 Canadians testify that they need protection through a change in the law. Why can the Minister not understand what this group is requesting?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member continues the confusion she has exhibited ever since eleven o'clock this morning. We have done the exact opposite. She was a member of the committee to whose report we are responding. We have agreed in principle with 46 of the recommendations. We partially agreed with 15. We disagreed with only 10. We deferred 14 because they are under study in other areas or because of the financial shambles left to us we do not have the financial resources with which to act. We have agreed with 61 of the 85 recommendations, and never before has such a

committee had such a positive response from a Government in this House.

Some Hon. Members: Hear, hear!

* * *

CANADIAN ARMED FORCES

POLICY GOVERNING HOMOSEXUALS AND LESBIANS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Defence. Current Government policy prohibits the Canadian Armed Forces from hiring gays and lesbians and orders that they be immediately fired. Will the Minister confirm that these policies, which have caused such pain to and oppression of so many Canadians, will immediately be rescinded as unanimously recommended by the subcommittee on equality rights?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman has heard the reply of the Minister of Justice. In case he has not read the report thoroughly as yet, he will find the response set out in detail on page 25.

GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I want to ask this very specific supplementary question. In the event that a Canadian who happens to be gay or lesbian applies tomorrow to join the Canadian Armed Forces, will this Minister tell them they are not qualified? Or will he say that an end to discrimination on the basis of sexual orientation means that the Armed Forces and the RCMP should be open to all Canadians and there should be no further discrimination against gays and lesbians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Government's response is fully set forth on page 13.

Mr. Broadbent: Read it, Erik.

Mr. Nielsen: Sure. The Leader of the NDP obviously has not read it yet, so let me read it to him:

> The Government believes that one's sexual orientation is irrelevant to whether one can perform a job or use a service or facility.

The Government will take its responsibilities and do whatever is necessary to achieve that principle.

Some Hon. Members: Hear, hear!

HOMOSEXUAL BEHAVIOUR DIRECTIVE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. This is an opportunity for him to respond to charges that this report is nothing more than double-speak. Will he announce today that Cabinet Directive 35, which is still in force and which describes homosexual behaviour as a character defect, will be revoked?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Government's response to the report is before the House. The Hon. Member must have seen the response to recommendation 10 which was just read to the House by the Minister of National Defence. Other responses were to mandatory retirement, common law spouses, women in the Armed Forces, and the like. She has seen all of those so she will see that the matter is more than adequately dealt with, including the response to the section dealing with security matters in the area she has raised.

Ms. Copps: Mr. Speaker, the Government is saying it is not prepared—

Some Hon. Members: Order!

Ms. Copps: —to take its responsibilities under the Charter. It is going to leave it up to the courts.

REQUEST FOR REVOCATION OF DIRECTIVE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to ask the Prime Minister very directly whether he will or will not revoke Cabinet Directive 35, which refers to illicit sexual behaviour as a character defect, when it concerns admission into the Armed Forces, the RCMP, and other equal employment opportunity employers in the Civil Service? Will the Prime Minister, not the Minister of Justice, answer the question?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I hate to ignore the hon. lady's advice but I really must answer this question because it is too confusing for anyone else to answer who has not been intimately involved with the report. Now, could I—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Blackburn (Brant): Now we know.

Mr. Speaker: Order, please.

Mr. Penner: I think the Prime Minister understands.

Mr. Hnatyshyn: Supplementary.

Mr. Speaker: Order, please.

Mr. Crosbie: Mr. Speaker, the hon. ladies and gentlemen opposite may have nothing but illicit sexual activity on their minds, but the Prime Minister does not. He has other things to think about.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Blackburn (Brant): Explain.

Mr. Speaker: Order, please. This is more than enough of all of that. The Hon. Member for Hamilton East, order, please. Government Members, order, please. The Minister will please answer the question.

Mr. Crosbie: The answer is—

Mr. Turner (Vancouver Quadra): What is on your mind, Brian?

Mr. Speaker: Order, please. The Minister will answer the question now, briefly, please.

Mr. Crosbie: The answer is on page 14:

Sexual orientation is not a ground for denial of a security clearance. Rather, the criteria applied are loyalty to Canada and reliability.

Those are the criteria applied.

* * *

● (1440)

EQUALITY RIGHTS

POSSIBILITY OF AMENDING PROPOSED LEGISLATION

Mr. Lorne Nystrom (Yorkton-Melville): My question is directed to the Minister of Employment and Immigration. This morning the Minister of Justice tabled this report, the *Toward Equality* report, which rejected any changes in Bill C-62, the Bill on employment equity, as called for by women and the three minority groups mentioned in that legislation. Are we to take from this report that the Minister has now closed the door to any possible changes to Bill C-62 as demanded by women's groups in this country, native Canadians, the disabled, and visible minorities? Does this report close the door to any changes?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would not pre-empt what the House of Commons can do. As the Hon. Member knows, Bill C-62 is before the House for report stage, and I will wait to see what the House does with that Bill.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, is the Minister saying that she and the Conservative Party are not willing to listen to the women of this country, the native Canadians, visible minorities, and the disabled? Is that what she is saying?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thought I had said exactly the opposite. I had told the Hon. Member that I am awaiting report stage and third reading stage. As a seasoned parliamentarian he will know that at that time there will be plenty of opportunity to debate whatever he and other Members would like to raise.

Mr. Benjamin: You're getting too well seasoned.

THE BUDGET

ECONOMIC PROJECTIONS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Finance. According to the estimates contained in the Minister's Budget, by 1990-91 Government borrowings will fall to $11 billion based on a growth of only 2.75 per cent. I was wondering, inasmuch as every major economic forecaster from the Royal Bank through to Data Resources and Informetrica have all indicated—

Some Hon. Members: Order, order.

Mr. Speaker: The Member's preamble is too long. Just a question, please.

Mr. Blenkarn: With respect, Mr. Speaker, I was in my question. Why did the Minister use—

Mr. Speaker: Order. The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

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YOUTH

SENATE COMMITTEE REPORT ANALYSIS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment. Does the Minister agree with the analysis in the Senate youth report that there are more than 700,000 unemployed youth in Canada who require specially designed employment and apprenticeship programs? Does the Minister agree with that analysis?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I told the Hon. Member yesterday, we agree with the fact that the young people of this country need to have greater job opportunities, need to have more training opportunities. It is for that reason we have introduced the programs which benefit some 218,000 young people in this fiscal year. That will involve some $700 million of expenditure by the federal Government, almost 40 per cent of the total budget of the Department.

CANADIAN JOBS STRATEGY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, if the Minister agrees with the findings of the Senate youth report how can she be content with a Budget that has no provisions whatsoever for youth unemployment? I must tell her that under the Jobs Strategy Program not one job is under way in my constituency, and the program was announced last June. Does she realize—

Mr. Speaker: Order, please. The Hon. Member has asked one supplementary now. Was it a preamble, or was it a question? The question has been put.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I realize that the Hon. Member does not fall into the youth category, but I would be—

Mr. Benjamin: Neither do you.

Miss MacDonald: —pleased to extend the training programs in the Department to allow him a training course in how Estimates and programs are handled.

* * *

THE BUDGET

UNIVERSAL ACCESS TO SOCIAL PROGRAMS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. Since November, 1984, the Government has been chipping away our social programs while at the same time increasing taxes to the average Canadian family by over $1,300. What does the Minister mean on page 12 of the Budget when he says that he intends to introduce measures which will provide universal access to social programs? What does he mean exactly, specifically, precisely, and concisely?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, exactly, precisely, and concisely, since November, 1984, we have created something close to 580,000 jobs.

Mr. Deans: Oh, no. Sit down.

Mr. Wilson (Etobicoke Centre): We have introduced so many changes in social programs that have been widely approved by Canadians from coast to coast—the acceleration of the child tax credit, the increase in the child tax credit, pension reform, and a wide variety—

Mr. Speaker: Order, please.

GOVERNMENT POLICY

Mr. John R. Rodriguez (Nickel Belt): I have a supplementary for the same Minister, Mr. Speaker. Does the Minister intend to eliminate universality for social programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, precisely and concisely it says on that page in the Budget that we will maintain universal access—very simple and very concise.

[*Translation*]

EMPLOYMENT IN QUEBEC—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Finance. As a result of the Minister's May 23, 1985 Budget, 580,000 jobs have been created, including 156,000 in Quebec. Can the Minister say whether the February 26, 1986 Budget will have such a spectacular impact in Quebec?

Hon. Michael Wilson (Minister of Finance): A very good question, Mr. Speaker. I would suggest that my Budget contains a number of measures designed to encourage small- and medium-sized businesses. I think that small- and medium-sized businesses should be aware of the fact that 20 pages of the Income Tax Act have been deleted to simplify the legislation. This is a positive factor which will encourage small businesses.

* * *

INDUSTRY

PRATT & WHITNEY—GOVERNMENT INVESTMENT—EMPLOYMENT IN QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the President of the Treasury Board. On February 14, you were in Montreal with the Minister of Regional Industrial Expansion to announce with Pratt & Whitney an investment of $575 million. Could the Minister confirm to the House that at the time he neglected to inform members of the press, Montrealers and Quebecers, that 40 per cent of the jobs created by those projects would be outside Quebec?

Hon. Robert de Cotret (President of the Treasury Board): Yes, Mr. Speaker, on February 14 we announced that 2,500 new jobs would be created in Montreal. I think the Hon. Member for Montreal-Sainte-Marie should stand up and applaud our initiative and be glad about the new jobs being created throughout the Montreal metropolitan area.

REQUEST FOR CLARIFICATION OF JOBS TO BE CREATED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, we want to know the truth, and they all seem to be suffering from the same disease as the Prime Minister. Could the President of the Treasury Board confirm to the House that 40 per cent of the jobs created by these three projects will be outside Quebec? Perhaps the Minister could stop going off on a tangent and tell us what good this is going to do!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, perhaps the Hon. Member for Montreal-Sainte-Marie would care to hear about the history of Montreal, the history of the past twelve months during which we created 60,000 new jobs, when jobs were being created in Quebec thirteen times as fast as they were under the previous Liberal government. We are creating 2,500 jobs in the aerospace and aeronautics industry, and if there are spin-off jobs that go to other provinces, that is a bonus. But we have created 2,500 jobs in Montreal, in addition to what has already been done.

Oral Questions

YOUTH

REQUEST FOR DETAILS OF NEW PROGRAMS ANNOUNCED BY GOVERNMENT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Secretary of State. Katimavik, Challenge '86 and the Canadian Jobs Strategy have all been affected by budget cuts. Furthermore, Canada's youth and its department have been left out of the Budget. Could the Secretary of State describe the new programs the Prime Minister has promised us, which are supposed to prove that our young people will not be treated in as cavalier a fashion as their Minister?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I am in favour of programs that create jobs for young people. In fact, the Minister of Employment and Immigration has created 5,000 jobs per month more than the average achieved by our hon. friends opposite, who lost 5,000 jobs per year. Canadian young people want jobs and they want training, and that is what we are giving them, and I think you should congratulate the Minister of Employment and Immigration on the programs she is introducing.

• (1450)

[*English*]

GOVERNMENT POLICY

Mr. Howard McCurdy (Windsor-Walkerville): In giving the boot to the Ministry of State for Youth, is the Government also giving the boot to the National Youth Forum, the Youth Advisory Committee, and any prospect for a coherent youth policy?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, last year, the Ministry of State (Youth) co-ordinated an exemplary International Youth Year.

In my opinion, the Minister did a tremendous job across this country. She met with thousands of young people. She did what a Minister of State (Youth) who has a co-ordinating role within a Government does, since all our departments have earmarked very substantial funds for young people. That is basically what she is asked to do, and once again, she has done a marvelous job.

* * *

[*English*]

NATIONAL DEFENCE

LOW-LEVEL AIR DEFENCE CONTRACT

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, my question is directed to the Minister of National Defence. It was inferred on Friday by one of the national papers that low-level air defence may not now be going ahead because it had not appeared as a separate line item in the Main Estimates. Could the Minister clarify this, and if the program is to proceed could he give an indication when a contract may be let?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is one of the reasons why it did not appear in the Estimates is because as the Hon. Member knows, there are deadlines within which decisions must be made in order to be included in the Estimates and in the Supplementary Estimates.

The direct answer to his question is that a decision with respect to the winning contender on the short list has not yet been made.

* * *

SHIPBUILDING

EFFECT OF BUDGET ON INDUSTRY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. The Minister will know that the Canadian shipbuilding industry is in its worst economic slump in 40 years. I appeal to his sense of fairness and ask if he believes it is fair that communities in British Columbia, Atlantic Canada and Quebec must see the subsidy to this sector of the economy reduced by 17.4 per cent as a result of his Budget, when other countries are increasing their subsidies to their shipbuilding industries?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that is a question that should most appropriately be directed to the Minister of Regional Industrial Expansion, who is responsible for that area. I believe the Minister will be back either tomorrow or the next day.

PURCHASE OF VESSELS BY CN MARINE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Will he give an undertaking to the House that CN Marine, in its subsequent purchases of vessels, will ensure that Canadians will build those ships in Canadian shipyards and that it will not go offshore for those vessels?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member knows that probably more than 90 per cent of the activity of the Canadian shipbuilding industry is the result of activity generated by the Department of Transport under CN Marine and the Coastguard Acquisition Program.

I know that the Hon. Member's interest in this matter is very genuine and sincere, and I will certainly take his representations into account when a decision is being made.

EXPO 86

REPORTED EXPULSION OF VANCOUVER TENANTS TO ACCOMMODATE TOURISTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the same Minister, who is responsible for Expo. Canada is hosting the world in Vancouver, while Expo is forcing the eviction of hundreds of poor people in downtown Vancouver and hotel rents are escalating by up to 400 per cent. Since the province will not act, what action will the Minister take to alleviate this disgraceful situation and restore our reputation as a country that really cares about its poorest citizens?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that question might be more appropriately addressed in the provincial Legislature since this question involves the administration of Expo 86.

I am responsible for the Canada Harbour place Corporation. I am not sure whether I am in a position to do anything precise, but I will certainly take the Hon. Member's representation into consideration and get back to her later.

* * *

HOUSING

NON-PROFIT HOUSING—TRANSFER OF RESPONSIBILITY TO BRITISH COLUMBIA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the Minister responsible for CMHC. Will he reconsider his decision to transfer responsibility for non-profit housing to the uncaring British Columbia Government and immediately increase the allocation of social housing units for downtown Vancouver residents?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member is aware, the negotiations with all provincial and territorial jurisdictions on the new and improved social housing program will allow the requirements of those Canadians who are in core need to be addressed twice as fast as they had been under the old program. I am sure the Hon. Member would not want the people of British Columbia not to benefit from increased social housing units through co-operation between the federal Government and the provincial Government.

* * *

NATIVE ECONOMIC DEVELOPMENT PROGRAM

USE OF FUNDS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of State for Small Business. Does he believe it is fair or right that the Native Economic Development Program should be slashed so dramatically, by 47 per cent, as a cost-cutting measure? Why did he withhold $90 million last year, and why has he refused to respond to the application from the Yukon Indian Development Corporation?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, the Government is firmly committed to development for native people, and I can assure you that in the past few months, we have approved more than 90 projects representing a budget of over $30 million, and we have created more than 2,000 permanent jobs for native people. So I don't think I have any regrets today about the job I did.

[*English*]

PROSPECTS FOR PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, will the Minister admit to the House that if the Native Economic Development Program is not yet dead, it is certainly terminally ill?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I think the program is still alive and will continue.

COMPLAINTS BY NATIVE GROUPS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Prime Minister. Since several native groups have complained of lengthy delays and even complete stalling of applications to the Native Economic Development Program, and at least one has now publicly advertised that it has no confidence in the Minister, what steps will he take to make sure that this program is put on an effective and business-like footing?

Mr. David Kilgour (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Member is aware, the Minister is not here. I will take note of his question and get back to him.

Mr. Speaker: The Hon. Member for York West.

Mr. Parry: A supplementary, Mr. Speaker. That is a falsehood. The Minister is here.

* * *

IMMIGRATION

ALLEGED PRACTICES USED BY OFFICIALS AT TORONTO AIRPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the practice of her departmental officials at the international airport in Toronto using computer terminals to trick immigrants into believing they are lie detector tests.

Given that two officials have said at least six officials are using this type of intimidating practice, will she stop the delay

and get on with an investigation so that this repugnant practice can be put to an end?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I said to the Hon. Member yesterday, Immigration management has not been apprised of any of the details. If he has details of these practices which we have said are abhorrent, I wish he or anyone else would provide them to me. We will see that action is taken.

REQUEST FOR MINISTERIAL GUARANTEES

Mr. Sergio Marchi (York West): Mr. Speaker, since her own Ontario Regional Director has refused to deny the reports, will she categorically tell the House that this repugnant practice is not happening? Can she give us that guarantee?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that directions have been placed everywhere not to allow in any way practices such as that to exist. If I find evidence to the contrary, we will certainly take steps to stop them. However, I need to have definite information in order to do that.

* * *

THE BUDGET

GROSS NATIONAL PRODUCT GROWTH FORECASTS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Finance. Why did he project his Budget consideration to 1991 on the basis of 2.75 per cent growth in the GNP when most economic forecasters are projecting a 3 per cent growth? You see, Don, that is how you ask a question.

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thought there was a familiar ring to that question. In fact I think most people will find that the economic assumptions that are used in the Budget are quite conservative.

Some Hon. Members: Oh, oh!

An Hon. Member: You are right.

• (1500)

Mr. Wilson (Etobicoke Centre): With the result, I think, that the confidence and the credibility which people have in the numbers are well founded because we have based these assumptions looking at—

Mr. Turner (Vancouver Quadra): Come on!

Mr. Wilson (Etobicoke Centre): If the Right Hon. Leader of the Opposition—

Mr. Speaker: Order, please. It is three o'clock.

POINTS OF ORDER

DISALLOWANCE OF SUPPLEMENTARY QUESTION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise on a point of order which arises out of the Question Period. I raise my point of order not to impugn the integrity of the person who rose to respond to my question, because I have every confidence in him, but because of the statement that the Minister was not in the House. My question was directed to the Prime Minister (Mr. Mulroney). It concerned the responsibility of the Minister of State for Small Business (Mr. Bissonnette) and was with regard to the Native Economic Development Program. I would like Your Honour's ruling with respect to whether or not I was legitimately entitled to a supplementary question since an answer was given by someone who bore no responsibility for the matter raised.

Mr. Speaker: I think the Hon. Member may not realize this. When he puts a question he puts it to the Ministry.

Mr. McCurdy: No!

Mr. Speaker: Order, please. Hon. Members may not realize it but questions are actually put to the Government. The Government decides who will answer. If the Chair is faced with a Parliamentary Secretary indicating that the Minister who should answer the question is not present, then the Chair has no choice but to take the Hon. Member's word. Questions are directed to the Ministry, which I think is a point the Hon. Member may not realize.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on the same point of order. I am sure Your Honour can visualize the problem which will arise if the practice pursued today were to be allowed to continue. It would then be possible for other than the Minister in charge to rise and say that the Minister is not here, even though he or she is sitting in his or her place. That is exactly what happened today. The Minister in charge of the program was sitting in his place when we were informed that he was not present. Surely to God that cannot be allowed.

Mr. Speaker: Order, please. I will check that if the Hon. Member likes.

Mr. Deans: That was the answer.

Mr. Speaker: The answer from the Government was that the Minister in charge of responding to the question was not here. That was the answer from the Government.

Mr. Deans: It was wrong.

Mr. Speaker: The Hon. Member cannot be suggesting, surely, that the Chair has any obligation with regard to whether or not a question or answer is relevant or irrelevant, or right or wrong. It is simply not possible for the Chair to be involved in such a discussion. I suggest that Hon. Members know that when a question is taken on notice the Chair's practice, which I think is reasonable, is to say that if that is

what is being done then it does not make much sense to allow Supplementary questions. That is all the Chair did in that circumstance.

[*Translation*]

LANGUAGE USED IN THE HOUSE

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I realize French is not your first language, and I also realize that occasionally you may not understand exactly what the other French-speaking Members are saying.

This afternoon, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) proved that his language was both unparliamentary and unworthy of all Canadian Francophones. I wish that from now on you would be particularly careful about the kind of comments the Hon. Member for Montreal-Sainte-Marie makes in this House.

Mr. Speaker: Order. I have a problem here, because the Hon. Member seems to have a complaint about a speech, but not about a specific word or comment made by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). We have no rules on how something is said, but if the Hon. Member has a complaint concerning . . . Does he mean that something unparliamentary was said?

Mr. Malépart: No, Mr. Speaker.

Mr. Speaker: Order. Order, please.

Mr. Malépart: That is cowardly.

Mr. Chartrand: Mr. Speaker, once again, you were saying whether a word was . . . Well, there you have one! I do not think calling people cowards in the House is very parliamentary and I insist it is not only insulting to the person concerned but also to all Francophones in this country.

Mr. Speaker: Order. Which word?

Mr. Chartrand: The word "lâche".

Mr. Speaker: "Lâche"? What does that mean? It must be a "joual" term or something I am not familiar with. What does it mean?

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, my colleague has tried to bring to your attention a complaint which has been made to me with respect to certain terminology used in the House in a language which is neither your mother tongue nor mine. I believe my colleague has very properly tried to caution the Chair and suggest to Your Honour that there may be language and terminology being inappropriately used by Members opposite. For that reason his point is general. However, I think it is up to all of us to try to upgrade our language in this Chamber. My colleague has quite rightly brought up this point. No one is suggesting that the Chair is missing it.

Mr. Speaker: He is missing it.

Mr. Lewis: If the Chair agrees that he is missing it, then I will go along with that.

However, I think it is a liberty that may be being taken, and my colleague has quite properly brought it to your attention.

Mr. Speaker: I accept the point the Hon. Member is making. However, he should also know that it is one thing for me to hear a representation on a point of order, if that was what was meant. However, the Member rose, I took it—

[*Translation*]

I thought he was raising a point of order about the specific language used by a Member.

[*English*]

If that is what he wants to do, then I have to hear it in terms of specific language and not in terms of a general complaint. I think the Hon. Member knows that that is the case.

Need I say that if a Member believes another Hon. Member's language is inappropriate, that does not correct it? It does not correct it by responding in a way which the Hon. Member himself thinks is improper.

Mr. Gauthier: Withdraw!

Mr. Speaker: Order, please. The Hon. Member for Ottawa-Vanier (Mr. Gauthier), order, please.

Mr. Gauthier: I am just trying to be of help.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006).

Mr. Speaker: When the House rose at 1:27 p.m., the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) had the floor. Resuming debate with the Hon. Member for Qu'Appelle-Moose Mountain.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, when the House adjourned for the luncheon recess I was at the point in my remarks where I was giving a general perspective of the Budget Speech of this session as compared to the two previous budget statements. I went on to mention that it was the responsibility of Members of this House to

realize that when a budget statement has been made in the form of a ways and means motion, or in any other form, that is only the start. All that that indicates to Hon. Members is the direction which the Government is taking. It takes about a year or so before we fully understand what the announcement means because, in the meantime, there will have been an Order in Council which will have set up the power to make regulations and definitions and place it in the hands of the Department.

It is at this point in time that the greatest danger to Government policy exists. I think there are over 1,000 examples of this before a committee which has been in existence for a good many years. I refer to the Joint Standing Committee on Regulations and Other Statutory Instruments. If Parliament thinks it has done something, then all Parties may agree and it is accepted by the Government and put into practice. We can then find out years later that it has been ignored.

A classic example of this in recent decades goes back to the fact that after 10 years of discussion the House agreed that universality should be maintained with respect to family allowances. This was concluded by the simple reasoning that it would cost us more to put a means test in place than what we would be able to collect, if we were to take back something from those who did not need it. Ever since that legislation came in, orphans have been barred from receiving family allowances. As a Member of Parliament, when I finally found about it, I took it up with the then Minister. He was shocked and referred me to his Department, which told me it could not be done for various thechnical, logical but silly reasons. I have been interested in this subject for nearly 13 years, but not one Government has ever tackled the critical problem of how we control the regulations and definitions which are made after we have done our duty in Parliament. I suggest that Members of Parliament, instead of looking at the centre of attraction, the Minister of Finance (Mr. Wilson), spend a little time looking at the regulations on something they are interested in as soon as they come out so they can see where things stand.

• (1510)

I can quote many examples but I will just give one. The Government is very proud of the fact that it gave to the farmers, the foresters, the miners and all of the people in the production industry a 21.6 cents a gallon rebate on fuel used in production. Why is it not then being used by the farmers and those people in various types of industry? The answer is that when they finally see the regulations and the application forms they have to fill out, most of them do not have the time or the will to try to understand them. The regulations state that you should list every vehicle you put on a public highway. If we consider all of the farmers, foresters, miners, fishermen and all of the other people affected by this regulation, we can understand why they do not want to fill out the applications. Instead of the Government receiving credit for having fulfilled its promise in giving the rebate, all we catch is "hail Columbia". It is always blamed on the Minister of Finance. But I blame it on myself, and I can say with some seriousness to the farmers, fishermen, foresters and miners who receive all of these rights, that they have to do some work for themselves. They must let their Member of Parliament know what the problem is.

According to these detailed regulations, if someone has three trucks, three tractors, combines, this, that and the other thing, it must be stated how much each of them was on a public highway. They have five years sometimes to make out these applications, but no farmer is going to remember things like that. A lot of them do not even keep their receipts, and if they do not, they are dead ducks. I am simply suggesting that if we simply watch the regulations and definitions as they come in, we can stop a lot of these things by making some practical suggestions.

This Budget is aimed at getting interest rates down, which is the number one factor in our cost-push inflation of today which is breaking banks, small businesses and everyone else. Once we pay over 6 per cent, we are dead ducks as far as the credit system is concerned. We have a Government that is pledged to address this problem. It announced the small business development bonds in 1985 and has renewed this program in this Budget, but not a loan will go through under this program because they forgot to take out a few little words, and we all know what they are, "only for those in financial difficulty". No right-minded person is going to ask a bank, trust company or other lender to lend money to people in financial difficulties, which means there are no loans at all going out. But who gets all the blame? The Minister of Finance does. I am simply saying that we have a responsibility as Members of Parliament to watch for these things.

We do not have to change the law. All we have to do is to change the definition and I am sure we can all come up with the right words to correct that problem. All we have to do is to define it as "any person who is paying too much interest". That would get around everything. We can then give the loans to farmers, to the homeowners and to the small businessmen, those who are almost guaranteed the right under the legislation of 1983. The legislation is in place. Let us make certain that we back up our Minister of Finance by taking some action on these things, not on the monetary side, not on the gambling side, which goes on all over the world, but on the fiscal side, about which those gamblers do not care.

We care at home. So let us get this Budget through, and get our interest rates down. I would think there would not be a farmer, a small businessman or a big businessman who does not know that once we get interest rates down, we keep the economy moving and we receive the extra revenue in our coffers. I am simply saying that as Members of Parliament we have to help, regardless of our politics, because when it comes to interest rates, we are killing off our enterprising businesses.

We have the legislation in place. Let us clean up the words in the regulations and their forms. That can be done by a simple matter of changing the definitions. If we do these things, if we take advantage of the amendments to the Farm Credit Act in 1983 and the National Housing Act in 1983—which all Parties supported—if we get to where the trouble is, we can force the banks and lending agencies to compete with every other agency we can provide. That means that the banks

can sell the agribonds and so can trust companies and government agencies at both federal and provincial levels. Any responsible person can sell them. Then we will get all the money we want to pay these debts and get this country back on a solid basis. If we get this country moving, the taxpayers will not begrudge—and they are not begrudging it now—a $300 or $400 increase in taxes a year. We will get the deficit cleaned up and we will get this country working and going ahead.

Let us watch these gamblers operating around the world, but let us just watch them. We should leave it to the pros. Let the pros win or lose. Let us not get into it because we are not big enough. That is my pitch.

This is a good Budget. It is as good as we can expect. I am only saying that for, gosh sakes, let us not slip back because we are not paying attention to the small print. I would like to congratulate the Minister of Finance for having the patience to take what he has to take day after day. Life and death Budget! Good Lord, it is simply a slow step towards cleaning up a heck of a mess. We are slowly getting out of it. Let us take it step by step and, as Tommy Douglas would say: "We will find our Jerusalem sooner than we think".

Mr. Orlikow: Mr. Speaker, I would like to direct two questions to the Hon. Member. When he spoke earlier this morning, he quoted approvingly from what he called the most prestigious journal in the United States, "*The Public Interest*". I would agree with him in the sense that it is the most prestigious journal of neo-conservatism in the United States. The Hon. Member quoted its words of approval of the attempts of the Conservative Government to cut the Budget. Is the Hon. Member not aware of the fact that the idol of that magazine, President Reagan, in the eight years he will be in office will double the public debt? In the 200 years until President Reagan became the President of the United States, the public debt created was $1 trillion. Eight years later in 1988, when President Reagan leaves office, the public debt will be $2 trillion. Was that magazine not saying to us: "Do as we say but don't do as we do"?

The Hon. Member talked about how business and Governments have to gamble in this world of ours. Does the Hon. Member not agree that the biggest gamblers in the country are farmers? They plant their crops, protect them from insects, watch the weather, add fertilizer and eventually harvest the crops and hope for a price which will at least let them break even. How are our farmers supposed to compete with those so-called good friends with whom we are supposed to have free trade when the United States Government is subsidizing the sale of wheat for export? Every bushel sold for export will be subsidized by $3.50. How can Canadian farmers compete with our so-called friends in the United States?

• (1520)

Mr. Hamilton: Mr. Speaker, the Hon. Member has asked me two questions. One dealt with what the Hon. Member called Reaganomics. That is the wrong name for that type of economics. The economics which he quoted, supported by neo-Conservatives, are Canadian economics. They are supported by men like the present Minister of Finance and that is why this neo-conservative group supported them. Who started this concept?

The way one decides what to do is to look at the quantitative analysis of the figures. Let us take a look at the Kennedy Budget of 1963 and at the Reagan Budget of 1983 and then take a look at the amount of money which was brought in by reducing taxes. No one ever mentions this in Canadian newspapers. It is not considered news in Canada. It is a policy different from the one to which we are accustomed, the Keynesian concept that spending money is the only thing that is God's truth. The hon. gentleman is widely read. I suggest that he should take a look at all Canadian newspapers and name one newspaper or magazine that has ever printed how much more money was brought in as a result of the Kennedy Budget of 1963. I have not seen reference to that in a single newspaper, and yet I read as much as the Hon. Member. I am simply pointing out that the philosophy of quantitative analysis was started in Canada by a man named Mundell. He went to Chicago and he tried to get into the White House. I am sure that every Party in the House has talked with this gentleman. We all know about it but we do not dare mention it because we would be crossing the type of opinion expressed by the Hon. member, that all we have to do is to look at the quantitative analysis and pour money into the problems to make us all better off.

The Hon. Member's second question concerned farmers. Farmers are gamblers. They gamble on the weather, price and other things. However, I want to make clear that farmers know they are gamblers and they insure themselves against the weather. We are insuring them now on the stabilization of their income, for which they pay. They are bothered by the question of pricing. They hear the stories in the press about the great target price of the Americans. Farmers know that the inducements are sending American Farmers into a trap into which they were sent years ago, that is, taking them out of production and, as a return for going out of production, being given the target price. If the American farmer wants to have his throat cut from ear to ear with the same philosophy of 25 years ago, that is his business. However, as far as Canada is concerned, our job with grain farmers in the United States is not to humiliate them, but to go down there and offer to sell their grain for them too. If there is a policy in Washington that leaves it to private enterprise and the markets of Kansas City and Chicago to sell their grain, it will not be sold. They have also come out with great inducement policies under public law 480, and every other country asked for them. We have found out, as have American farmers, the results of this type of Government interference with world markets and not paying attention to the job of getting out and selling grain.

I should like to take a little time on this because it is a key point. When I first began to negotiate with the Chinese in 1961, and I knew there was a big sale coming up, I went to the American President here in Ottawa and then in Washington and said that we would give half our sales to the Americans if they would not send troops into Vietnam and instead talked

with the Chinese. I also said that they should realize that the Americans and the Chinese had a great deal in common and had one common enemy, and Kennedy agreed. All this is on the Congressional record of the United States.

My point is that the farmers and producers of Canada have a tremendous opportunity to market all over the world. If we market all the products which we can produce in the United States and Canada, we do not have to worry much about the Keynesian types who try to run any type of industry. That is my answer. We will survive this. If the Americans do not give the Russians the same deal as they give the Third World countries, the Russians buy from us. We signed an agreement approximately two months ago for up to 350 million bushels per year to one country, and the Americans would have liked to obtain that market. It is the same situation with China and all other countries with which we deal. We deal with them on the basis of mutual advantage to both sides. We live up to our word and have expanded into all sorts of markets by using that principle. We are getting into South America now. There is good co-operation. For any farmer who has hope for the future, it will not be based upon what the Americans do price-wise. It will be based upon whether we can sell all the grain we produce and help Americans to sell all the grain they produce, and the world needs it. Then we are both better off. That is the only way to go ahead.

Mr. Orlikow: Mr. Speaker, is the Hon. Member not aware that Canada's customers for grain, which it had for probably close to 100 years in western Europe, are now no longer our customers and are in fact our competitors for the sale of wheat because the countries in the European Common Market have established very substantial subsidies for their farmers? If the United States Government, in its new agricultural policy, is to subsidize the export of grain by $3.50 per bushel, as was indicated in its new program, how will the Canadian farmer be able to compete? Surely that is not fair market competition.

Mr. Hamilton: Mr. Speaker, I do not want to be harsh but that type of nonsense is really beneath the dignity of this place. The French subsidize their farmers by $9 per bushel and they are exporting; the British do not subsidize their farmers and they are exporting. I simply point out that we are just as smart as the British. If they can raise their productivity up to 148 bushels per acre, so can we.

Mr. Orlikow: By subsidy.

Mr. Hamilton: We can take on the British, the French and the Americans any day of the week and we can whip them any time.

Mr. Benjamin: We cannot, and you know it, Alvin.

Mr. Hamilton: I am not talking to the labour man over there. I am talking about the facts of life. We object very strenuously to the fact that we tie ourselves up to the American price. We do not deal with these other countries purely on price. In the case of grain to China, the Chinese buy our grain because they know that they make more money from buying our grain than they do buying from anybody else. Why is that? It is because we help them sell their products around the world. If the Hon. Member wants to look at this from the Chinese point of view, I would be glad to provide it to him. the Chinese calculate that for every dollar which we made out of the sale of wheat to China over the last 25 years, they have made double as much my selling their food products in world markets. The Hon. Member asks how we can compete against these subsidies. We do it by showing how we sell grain. We sell around 1,200 million bushels per year. When I first started, it was 300 million. The point I am trying to make is that all this nonsense is unworthy of a literate person in the House.

• (1530)

Mr. Les Benjamin (Regina West): Thank you, Mr. Speaker, for recognizing me. I am willing to take part in the budget debate, but perhaps depressed about it. I want to say to my friend, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), that I will have a word or two to say about what he has just finished saying in a few minutes. I also want to say that I am glad I did not send a memo around telling Hon. Members on all sides that I was speaking today, otherwise there would be nobody here but you and me.

Some Hon. Members: Oh, oh!

Mr. Benjamin: This Budget and the previous one reminded me of some of the Liberal ones I have had to suffer through since 1968. I have concluded that what the French philosopher had to say is sort of reinforced, believed in and supported by these last two Tory Budgets, that is that a rich man has as much right to beg on the streets and sleep under a bridge as a poor man.

I have looked under a few bridges and looked in the line-ups at food banks and at those who panhandle for loose change outside of stores on the streets of Ottawa and I could not find a single rich man. I have looked at the Government's attempts to deindex old age pensions and at its successful attempt to deindex family allowances and whatnot. It reminded me of another old adage of the Conservative bent, "that old age pension just destroys the incentive to work".

I listened carefully today to my friend, the Minister of State for the Wheat Board (Mr. Mayer). He asked us to give him, his Party and his Government some credit for what is in the Budget and for some of the things they have done. He even cried and pleaded for some credit.

I am a magnanimous fellow. I will give the Government some credit. For instance, that drop in unemployment is nice. I will give the Government credit for that drop, although there has not really been a net increase of 580,000 jobs. There might have been an increase of 580,000 jobs in certain areas of the economy but when you substract that from the over-all figures there may have been a net increase in jobs of maybe 150,000—let us say 200,000. That is good. I will give the Government credit for that.

I agree with the Minister responsible for the Wheat Board that if unemployment had gone up, his Government would

have got all the blame. We will give the Government credit, all the credit in the world for the drop in unemployment.

I am sure my good friends on the Government side will agree that whether unemployment is 9.8 per cent, 10.8 per cent or 11.8 per cent of the workforce, even if it is down to 9.8 per cent, that percentage is still a bloody national disgrace. I hope there is no disagreement on that score.

The child tax credit refund measure is nice. A starving man will take half of loaf of bread or half a slice any time. I will give the Government credit, but I do not know why the Minister would plead for thanks on something that was so obviously and desperately needed that even the Tories had to recognize and make some modest moves about it. If that is what the Government wants thanks for, we will give it thanks for crumbs.

The hysteria of the Conservatives and the business community, both national and international, about the deficit has hypnotized them. I would have liked to have seen more measures in the Budget not only to create more jobs but to save jobs.

I received a telex today addressed to myself and my colleagues, the Hon. Member for Regina East (Mr. de Jong) and four colleagues from the Conservative Party: the Hon. Member for Mission-Port Moody (Mr. St. Germain), the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), the Hon. Member for Red Deer (Mr. Towers), and the Hon. Member for Calgary East (Mr. Kindy). It is a modest request, Mr. Speaker, which has been made of this Government for the last two years and the previous Government for Lord knows how many years. It has to do with the tariff on steel and steel products from South Korea. They are asking for a measure that deprives South Korea of reduced tariffs on steel afforded that country under the general preferential tariff. Incidentally, this telex shows management and labour co-operation. The telex is from Mr. Phillips, President of the Interprovincial Steel and Pipe Company, and Mr. Stevens, Director, District 3 United Steelworkers. They point out:

> No other major industrial country gives Korea such special treatment on steel because they recognize that Korea has the most modern steel industry in the world.

I do not blame Korea for that. Following the Korean war many countries, including Canada, helped Korea rebuild its entire economy, including the steel industry. The Koreans deserved preferential treatment then, but they certainly do not anymore.

Without the preferential treatment we could save jobs as well as create jobs in Port Moody, Red Deer, Edmonton, Calgary and Regina. There are only 1,400 people working now in the steel industry there and there could be at least 2,400.

This telex is asking, and I am asking on behalf of my colleagues from Regina East and my colleagues from the four Conservative ridings, Conservative for the time being, the Hon. Members for Mission-Port Moody, Edmonton-Strathcona, Red Deer and Calgary East, that the Minister or some other appropriate member of the Government amend the ways and means motion on customs and tariffs to withdraw the general preferential tariff privileges on Korean steel and steel products and revert those items to normal tariff treatment. Because of all the talk we have heard about free trade in this place and outside from the business and corporate community as well as from the Government, the question is not whether it is free trade but whether it is fair trade. That and many other items are not fair trade. I include in that trade with our friends to the south of us.

The Hon. Member for Qu'Appelle-Moose Mountain was questioned by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), about the United States Government and the European Economic Community and its respective Governments subsidizing grain, dairy and livestock producers. In this instance grain was the question. The Hon. Member for Qu'Appelle-Moose Mountain missed the point entirely, and so did the Minister of Agriculture (Mr. Wise) when speaking at meetings of farmers in Western Canada just last weekend.

What the Government of Canada and what this Budget are saying to western grain producers is, in effect, produce more, according to the Hon. Member for Qu'Appelle-Moose Mountain. Increase our efficiency and produce more. He knows better than I do that our grain producers have produced more. They have produced themselves into losses. They have become so efficient they have put themselves out of business. There are no grain producers and farmers anywhere in the world who have become more efficient and productive than Canadian farmers. The thanks they got for it was the response of the Minister of Agriculture to grain producers in western Canada last weekend. He said that they do not understand the international market. Our grain producers damn well understand the international market and they are sick and tired of having this Government and the previous Liberal Government telling them that they, on their own, either through the Canadian Wheat Board or by themselves, are expected to compete with the Treasuries of the United States, the European Economic Community, Argentina, and Australia.

● (1540)

It is not proper for a Government of any political stripe to subject our grain producers to the will of the so-called market forces when the Treasuries of other nations subsidize their farmers to the tune of $9, $20, and $24 a tonne. We cannot ask our grain producers to deal with that on their own. That is patently unfair and is patent discrimination against our grain producers. Regardless of free trade and free market forces, the national Treasury must support our primary producers by making the competition equal.

The present Government is hypnotized by the deficit, as was the previous Government. At the end of World War II, in 1985-86 dollars the deficit in Canada was twice as high as it is now, regardless of how you measure it. I was reading an article the other day which indicated that the national deficit in 1933, translated into 1986 dollars, was three times as high as it is now, whether measured on a per capita basis or as a percentage of the Gross National Product.

There are two kinds of deficits, Mr. Speaker. Right now we have a dead weight deficit. It is a continual vicious circle of borrowing money to pay interest on previous borrowings. There is also what is called a constructive deficit, which is self-liquidating. Such a deficit provides for public investment coupled with private and co-operative investment which creates employment. The Government forgets, as did the previous administration, that if you reduce unemployment to 6 per cent, which is not asking a lot, the increased taxes paid by the people who have been put to work and by the companies which hired them would pay off our present deficit within three years.

I would like to quote from a column written by Ruben Bellen, a professor of economics at St. John's College at the University of Manitoba. This article was in *The Toronto Star* on May 21 last year. He points out that in 1984 the federal Government paid $21 billion in interest on the national debt. Financial experts emphasized the enormity of the amount by a number of additional measurements. It constituted 5 per cent of the Gross National Product. It required nearly one-third of the Government's revenue which amounted to $2,500 per taxpayer.

That is a shocking figure at first blush, but, as he says, the people who so dramatically present that figure forget something. Ninety per cent of the $21 billion which had to be borrowed by the Government of Canada to pay the interest charges on the current debt was paid out to Canadians, as that is the portion of federal Government bonds that are held in Canada by individuals, by corporate and institutional investors and, most important, by the Bank of Canada itself. The Canadian investor who took up borrowings by the Government of Canada got back nearly all of his $2,500 share of the $21 billion worth of borrowings in interest.

There is another slight oversight in the hysteria about the deficit. Our central bank, the Bank of Canada, which is responsible for regulating the national money supply, is the largest single buyer of federal Government bonds. In 1984, of the $21 billion borrowed by the federal Government, $17 billion, which is about 10 per cent of the total outstanding federal government debt, was held by the Bank of Canada.

The Bank of Canada is wholly owned by the federal Government and at the end of each calendar year turns over its net revenue to the Department of National Revenue. It received $1.981 billion in interest payments from the Government of Canada on the bonds that it held. Its operating costs were $129 million. Therefore, of the nearly $2 billion which the Bank of Canada charged the federal Government, it got back $1.852 billion. Therefore, the Government got back about 93 per cent of the money it paid out as bond interest to the Bank of Canada in 1984. That is like buying a $100 suit, getting a $90 rebate, and insisting that it cost you $100. The deficit—baloney!

At the end of World War II the country overcame a deficit twice as high as the one we have now. We had low unemployment, high investment, and consumer spending. We probably had as many taxpayers in the late 1940s and early 1950s as we have now, because many people have now dropped off the tax rolls since they have insufficient income even to pay taxes. This Government plans to do some things over the next four years as indicated in the economic statement of the Minister of Finance. In the five most important areas having to do with reducing unemployment, increasing food production, making agricultural producers and farmers more self-sufficient and making them all tax-paying members of our society again, in health and welfare and transportation, the Government plans to reduce investment in our economy through reduced Government spending by $12 billion.

When the Member for Qu'Appelle-Moose Mountain wants to compliment the Minister of Finance (Mr. Wilson) he should remember that there is $500 million less for the farmers of Canada. If he wants to applaud that, he is welcome to do so, but he should go to the folks in Saskatchewan and tell them that. There will be $500 million less over the next four years. We are spending $3.61 billion less on transportation when we are 20 years behind in the modernization of our transportation system, whether it be urban mass transit, railroads, airports, airlines, shipping or whatever. Spending that money is what I call contributing to a constructive deficit. You put people to work, they pay taxes, you reduce unemployment to 6 per cent and wipe out not only the current deficit but the national debt. We did it before. I am thinking of relatively recent history during World War II, or the Korean War when Mr. St. Laurent was Prime Minister.

• (1550)

In 1969-70, as the Hon. Member for Qu'Appelle-Moose Mountain well knows—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member but the period—

Mr. Benjamin: May I have one minute to conclude?

Mr. Hamilton: Yes.

The Acting Speaker (Mr. Charest): The Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) says "yes", so I presume there will be unanimous consent for one more minute.

Mr. Benjamin: What we did on the three occasions I mentioned was to slap on foreign exchange controls. That way speculators could not run hundreds of millions of dollars back and forth across the border overnight in order to make one-tenth of 1 per cent more interest. If this country is good enough to make a profit in, it is damn well good enough to invest in. They should not be able to flee from here to tax havens in order to make a fast buck somewhere else when this country desperately needs more investment.

During World War II and the Korean War the Canadian dollar was pegged at 90 cents U.S. When Mr. Diefenbaker pegged it at 87.5 cents the Liberals ran around with what they called the Diefenbuck. He also pegged interest rates. On those three occasions I referred to we did not give a darn what the American dollar or Russian rouble or anything else was worth.

We did our own thing. In spite of some mistakes, in spite of maybe taking longer that we should have, it worked. I am not reciting Party policy but it seems to me that my Party and the other two Parties in this place had better start thinking about that all over again. I hope that this is the kind of constructive attitude we will take about deficits. We should borrow money to put this country back to work and challenge the nation with a declaration of peace as we did with a declaration of war.

* * *

[*Translation*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Charest): I have the honour to inform the House that a communication has been received as follows:

RIDEAU HALL
GOVERNMENT HOUSE
OTTAWA

March 4, 1986

Sir,

I have the honour to inform you that The Right Honourable Brian Dickson, the Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 4th day of March, 1986, at 4.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,

A.P. Smyth
Deputy Secretary, Policy and Program

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Capilano (Mrs. Collins)—The Constitution—Entrenchment of property rights; the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Niagara River—Dioxin discovered in United States chemical dump; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Social Security—Child care services—Government aid—Government's position. *b*) Groups' request for funds.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006).

The Acting Speaker (Mr. Charest): Questions and comments.

Mr. Hamilton: Mr. Speaker, I appreciate the fact that the Hon. Member indicated he was going to take a shot at my views because it gives me a chance to remind him that what he has said is exactly the same thing they said here 30 years ago. I recall when all 10 farm organizations on the Prairies forgot their tribal differences and got a petition going. Out of 150,000 farmers they got 300,000 names on that petition. That is close to 100 per cent. The petition asked for a subsidy. All the leading people in the West were saying exactly what the Hon. Member was saying here today just now. I happen to have been the poor devil who went out to oppose that. The Prime Minister asked me to go out and speak on this all over the place. I made some 225 speeches in nine weeks. I took the position that any time you had to subsidize farmers when there were hungry people in the world someone needed a boot in the hind end. I said that I would like to see no get out and sell the stuff and then prices would go up. We should not take a subsidy from a hard-pressed Government in a desperate situation as we thought at that time.

As we all know, the election finally rolled around. I think it is fair to say that when all the dust was settled, out of the 45 or so seats in the West at that time, about 40 of them went with the Conservatives on this policy of getting out and selling our products. I am simply pointing out to the Hon. Member that once you learn a lesson like that, you should not repeat the same mistake of trying to scare the living daylights out of people by saying they cannot exist when all these great things are happening.

Mr. Benjamin: Mr. Speaker, I appreciate what my colleague has said, but with all due respect, the petition in the 1940s, and also the one in 1959, two years after Mr. Diefenbaker was first elected, did not ask for a subsidy. They asked for an increase in the price of grain. All they wanted in 1940 was $1 wheat. They thought that would be reasonable. They got 10 cents a bushel more and $1 wheat. In 1959 I was part of that petition when my hon. friend was the Minister. They did not ask for a subsidy. They asked for an increase in the price of grain. They also asked for protection from the Treasuries of other countries in the international market.

That is the point I think my hon. friend is missing. You cannot expect one sector of the Canadian economy, whether it be grain producers or steelmakers, to compete against the Treasuries of other nations by themselves. That is impossible.

It is economic stupidity. Our grain producers are damn efficient and grow the best quality grain of any country in the world. They do not mind competition on a fair and equitable basis. However, when they are asked to compete against the Treasuries of the U.S. and the EEC countries, then that is the time for the Government to step in. That is the point we are making. If everything is equal, they will not ask for anything.

It is not just I who am frightened. I reflect a heck of a lot of frightened grain producers, as the Hon. Minister of Agriculture found out just a few days ago.

Mr. Hamilton: Mr. Speaker, the Hon. Member is quite right. They asked for 10 cents or 20 cents more a bushel, but who is going to put it up? It was the Government, and that is a subsidy. As well, there is no change in the situation at all today. There are so many people out there who need grain and all sorts of other things that there is no need for us to back into a circle in order to protect ourselves. You have living proof of that in Europe where they subsidize their farmers to the degree that they are the most unhappy farmers in the world. You think we have trouble in western Canada? Go to France and see trucks lining the road with $12-a-bushel wheat. Why are they so unhappy? It is not hard to find out why when you talk to them. You start spending money like mad and your costs go up. Cost input is the biggest problem we have today with farmers. The point that I was trying to make in my main remarks was that our main job is to get at the first element of those costs, which is the interest rates. The interest rates are 10, 20 times more important when you are talking about giving a subsidy to farmers. If you put this fairly to the farmers, who are pretty fair people, I know what the answer will be.

● (1600)

Mr. Benjamin: Mr. Speaker, I will agree with my hon. friend that input costs have been a major problem, whether it is interest rates, fertilizers, sprays or farm fuels. If the Government wants to be really helpful in this Budget it will abolish all excise and direct and indirect taxes on farm fuels; it will abolish any and all federal taxes on other input costs, whether it is fertilizers or sprays; it will allow the immediate implementation of the sale and dispensing of generic farm chemicals and will cut the price at least in half. If my good friend wants to move some amendments to that effect in the Committee on Finance, Trade and Economic Affairs or in this House in Committee of the Whole, my colleagues and I will be most happy to support him, and, I suspect, so would a lot of other Members on all sides of this House. If he can persuade the Minister of Finance to do the very things he has just been complaining about, boy, you will hear me applauding him and the Minister of Finance—I will be first in line.

The Acting Speaker (Mr. Charest): Debate.

Mr. Penner: Thank you, Mr. Speaker. Mr. Speaker, since the—

The Acting Speaker (Mr. Charest): Before the Hon. Member for Cochrane-Superior (Mr. Penner) starts, I think I should have recognized first the Hon. Member for Huron-Bruce (Mr. Cardiff), if the Hon. Member has no objections. By unanimous consent may we revert back to the Hon. Member for Huron-Bruce and then go on to the Hon. Member for Cochrane-Superior?

Mr. Penner: Mr. Speaker calls the shots.

The Acting Speaker (Mr. Charest): With unanimous consent from the House, I now give the floor to the Hon. Member for Huron-Bruce.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I thank you and my colleague in the Opposition for allowing me to speak at this time. This is a Budget that I am very pleased to speak about. I know that Canadian farmers, indeed all Canadians, have waited anxiously for this Budget. I do not feel we have let them down in any way. It would be most difficult to have a Budget that pleases everyone. We have come a long way to meeting some of the needs and we are endeavouring to meet all of the needs in the future.

I would like to read into the record an article in the London *Free Press* written about Ontario Treasurer Robert Nixon. The article reads as follows:

Ontario Treasurer Robert Nixon said he supports the aims and objectives outlined in the federal budget but will have to wait and see whether Finance Minister Michael Wilson's various financial moves will achieve the desired results.

"I want to join with him, frankly, in hoping that his announcements are going to achieve what he said they would—that is, bringing down interest rates, reducing unemployment and giving us real growth," Nixon told reporters after listening to Wilson's budget announcements.

He resisted pressure from reporters to describe the budget as good or bad for Ontario, but his initial reaction to Wilson's initiatives was generally supportive.

He was critical of federal Government policies which in recent months allowed interest rates to rise to the 13-per-cent level. He said this had been a "wet blanket" on the provincial economy.

"We're hoping those interest rates will fall in the next few days to the 10-per-cent level," Nixon told reporters.

Despite tax increases year after year both federally and provincially, Nixon said he could make no commitment that his next provincial budget in early May will not also reach deeper into the taxpayers' pockets.

He went on further to say as follows:

Although he shared some of Wilson's objectives, Nixon saw a danger of Ottawa and Ontario developing overlapping programs and duplicating bureaucracies. For example, a new federal program to help tobacco farmers diversify into other crops was "well intentioned" but similar to provincial assistance.

That is an area where we have to be cautious. We do not want to duplicate services already provided by a provincial Government. A situation such as we have in the tobacco industry in Ontario makes it somewhat easier to help them through those problems.

The Budget asked Canadians to understand the need for restraint and deficit reduction. The Budget still goes an extra mile for Canada's farmers. Canada's farmers had some bid setbacks in the last few years. I think what really started a lot of it was high interest costs. Not only farmers but all Canadians have suffered some hardship because of high interest rates.

Unlike others such as homeowners who are caught with a major borrowing, floating interest rates, and no control over their interest costs, farmers owed an acceptable amount of money at a set rate and they knew that they had some cash flow. We all know what happened a few years ago when interest rates started to climb. As a result, it was not very long before farmers could not pay their interest costs. The next thing they had to do was to capitalize those interest costs. They were paying interest on accumulated interest and it just expanded very rapidly. Today many of those producers are unable to meet their interest costs. Some of them still have equity left, but are unable to generate enough cash flow.

We have many, many small communities across Ontario and throughout Canada that depend on agriculture. Because of the hardships and the lack of money in the farming community we have seen a real depressed agri-business sector. We know that in the Province of Ontario many of the farming machinery dealerships have been unable to keep doing business because some farmers would go into receivership of bankruptcy. Next thing you know many of our machine dealers were doing the same thing. Part of the reason for that has been the cost of machinery. As interest rates rose, we saw the price of machinery rise very rapidly. You had to have a pretty good 100-acres farm to pay for a combine or something like that.

What we have found as well is that many farmers have been repairing and rebuilding machinery that would ordinarily have been taken out of service a number of years ago. Because of lack of capital they have had to repair them and make do with what they had. It is not all bad to do those things. It is one way to cut costs. Then when we are out buying new equipment, whether it is a tractor or machinery or whatever it might be, that means employment. It is very important to have a viable agricultural sector because we are going to have job creation as well.

As I said before, all of our small towns and communities which depend on agriculture or agri-business have suffered greatly. I know that in the village of Brussels where I live we have had many of the small businesses close. It is not a manufacturing town. A lot of the towns in my riding do not manufacture goods, they are retirement communities for senior citizens or people who have left the farm to spend their lives in those small towns. The tax burden has been much greater for those people as well because of the lack of business opportunities.

As well as seeing all those costs and problems on that side of it we have also seen falling commodity prices. We experienced declining net farm income last year, and all predictions for this year do not look that much better. Without doubt this is the most difficult time farmers have had in 50 years. No question about that.

I want to talk to you about the special measures for farmers contained in the Budget. Let us put these initiatives within the context of the over-all economy. Beginning with our Economic Statement in November, 1984, this Government set a clear course for economic recovery in Canada. We have every indication that we are on the right track. Inflation has held steady at around 4 per cent since the 1984 election and we have had the most stable price environment since 1971. Economic growth during the past months has been outstanding. We saw the creation of 580,000 jobs.

• (1610)

Business investment finally began to grow in 1985 and consumer spending has been a driving force for economic growth as well. We accomplished this by striking a balance between the need for firm action to reduce the deficit and our goal to create a good climate for development.

Every Canadian has a stake in deficit reduction. Let me give a few reasons why. The cost of paying the interest on our debt has become so great that there is little room for undertaking costly new programs. Lowering the deficit also means lower interest rates, and if we can reduce the Government's demands for borrowed money by bringing down the deficit, interest rates for farmers and all Canadians are bound to come down. Finally, as the Minister put it, cutting the deficit is not an end in itself, it is a means to achieve lower interest rates, higher growth and more jobs.

Let us not kid ourselves about the deficit. It is large and it will not go away overnight. However, the Government has the courage to act. We have trimmed Government expenditures over the past 18 months and we have announced further reductions in this Budget.

For the first time in years, the deficit is declining. By taking firm measures now we are breathing life and hope into Canada's economy.

We know that Canadian farmers have not shared fully in the recovery enjoyed by other sectors of the economy. It always seems in agriculture that whenever the economy declines agricultural commodities are the first to go down and the last to recover. I have farmed all of my life and that has been the story. My father always told me that agriculture was the first to suffer and the last to recover.

The Budget reflects this situation with new measures that build on the initiatives we have taken already to assist the farm community. Furthermore, we have taken initiatives not only with the United States but with other countries in the world to develop more export opportunities.

My hon. friend, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), mentioned China. I also believe there are opportunities for us in China. For example, as a result of negotiations with China for an animal health agreement and quarantine agreement, we have been able to export live animals and seeds and many other Canadian agricultural products to that country.

The Budget contains a farm financial package worth $195 million over the next two years. This includes the cost of a $700 million commodity-based loan program with interest rates as low as 6 per cent. The program has two components; a full indexing option for Farm Credit Corporation clients with 40 per cent or less equity; and a partial indexing option for clients with up to 55 per cent equity. Under the program, loan

payments will be indexed to changes in a particular farmer's commodity prices.

This accomplishes two important goals. It targets our resources where the money is needed most, that is, to farmers in low equity positions who can still be viable if they are given a chance. The program also allows farmers to spend less on financing in years when their cash flow is lower as a result of commodity price declines.

The commodity-based loan program is just part of the farm financing package. The Budget also provides additional funding to the FCC for other purposes.

First, there will be a new injection of capital financing so that the corporation does not have to borrow as much money in order to meet the demand for loans. In this way, the Farm Credit Corporation can continue to hold down interest rates to the lowest level possible.

Second, the Budget provides the Farm Credit Corporation with the money necessary to participate in a new debt review process. With this new funding, the FCC will be able to negotiate debt restructuring or even debt reductions with farmers, through a review process, without asking other Farm Credit Corporation borrowers to absorb the losses through higher interest rates. Previously, when the Farm Credit Corporation made loans and incurred losses, increased interest rates were necessary to reflect those losses.

We also know that the Farm Credit Corporation has primarily dealt with producers who have been unable to raise capital from other regular sources. I am encouraged that the Farm Credit Corporation will have a balanced loan portfolio so that in the future more farmers will be able to avail themselves of the Farm Credit Corporation financing and, therefore, give a balance to its loan portfolio.

That brings me to the next component of the farm finance package, legislation to create debt review panels. This legislation will give farmers facing insolvency a stay of proceedings. During this time they will be fully protected against action by their creditors. At the same time, they have the option of going before an impartial panel in order to work out alternative arrangements with their creditors.

In regard to the debt review panels, Jack Wilkinson, second Vice-president of the Ontario Federation of Agriculture, said: "All we want is a fair third party review of foreclosure actions".

The intent of all these measures is to keep farmers in the business of farming. However, as we all know, some farmers are simply unable to do so. That is why the Minister of Employment and Immigration (Miss MacDonald) is working on a Canadian Rural Transition Program. The Budget contains funding for this program and details will be forthcoming. The aim of the program is to ease the pain of transition by providing counselling services, job retraining and financial assistance.

Another announcement in the Budget of special interest to farmers was the extension of the Farm Tax Rebate Program for an additional year to the beginning of 1988. This will save primary producers about $120 million on input costs.

In addition, we have heard and responded to farmers' complaints about too much red tape in this program. The Minister of National Revenue (Mr. MacKay) will soon be announcing details of a new method of filing for the rebate, particularly in relation to the accounting procedure for on-highway fuel use.

The Minister of Agriculture (Mr. Wise) will also be announcing measures to assist tobacco farmers to diversify their production to alternative crops.

These many actions on behalf of Canada's farmers stand as proof of the Government's commitment to agriculture. Our record on agriculture takes a back seat to no one.

When drought took its toll on prairie farmers, we responded with a $150 million drought assistance program. During the last federal election, we made 16 commitments to Canada's farmers and we have taken action on those programs. We promised to abolish capital gains tax on the sale of farm property and we delivered with a $500,000 exemption.

We promised new financing initiatives. They have been delivered in this Budget. We now have an $80 million interest rate conversion program, a shared risk mortgage program, lower FCC interest rates, and the new initiatives included in this Budget.

We promised to amend the Western Grain Stabilization Act in order to trigger earlier pay-outs and we delivered to the tune of $522 million, most of it in the spring, prior to seeding.

We have a long-term dairy policy. It is the first time we have had such a policy since 1980 when, I believe, the former dairy policy expired. The dairy farmers of this country have been working on a year-by-year basis until very recently and we are pleased that the Government was able to introduce a five-year dairy policy that offers security and a future for the dairy industry.

I believe it is an industry in which we can take much pride in this country, not only for the quality of the product but for the development of the Holsteins that are renowned throughout the world. We have been able to provide excellent stock to other countries and that is also opening many doors for us.

We have provided dual labelling on all farm chemicals. The list goes on.

The Government has acted on behalf of Canada's farmers with more than 180 initiatives worth more than $3.8 billion. The Government will continue to act. We will continue to work with the farm community toward achieving better and more prosperous times. I believe the food producers are ready to take up the challenge. We know that food producers supply the most basic of commodities. They produce something which we all need to have and use. I am very proud of our food producers because of the quality of their products and the excellence of production which they have achieved. They do not take the back seat to food producers of other countries in terms of the quality and devotion they put into the production of food. In achieving this end they have also initiated and put

into place programs to conserve and preserve their soils for the future. I believe all food producers should be congratulated for the faith and vision which they have. I know that without such a vision we would all perish. I congratulate our farmers.

• (1620)

The Acting Speaker (Mr. Binns): Are there questions or comments? The Hon. Member for Moose Jaw (Mr. Gottselig).

Mr. Gottselig: Mr. Speaker, I would like to compliment my colleague, the Hon. Member for Huron-Bruce (Mr. Cardiff), on his excellent presentation dealing with the Budget and the agricultural policies which are in existence today. He highlighted some of the problems faced by food producers. I think we would all agree that the biggest single factor affecting agricultural producers is high interest costs. That problem is followed closely by issues concerning chemicals, fuel and parts. All input costs have escalated while commodity prices have declined. I was happy to hear the Hon. Member deal with the fuel tax rebate provision which is to be extended for another year. In Saskatchewan we have a similar type of program which became effective on January 1, 1986. In Saskatchewan the rebate is 4.6 cents per litre of fuel used by primary producers. I am told that it was just a coincidence that on the same day the rebate was to take effect all fuel companies, including the small local co-ops, increased their prices by about the same amount or even a little bit more. They increased the price to about five cents a litre. I think this is an area which should be investigated.

The Hon. Member also mentioned in his remarks the simplification of the forms for off-on highway use. The real meat of his remarks dealt with the Farm Credit Corporation commodity mortgage. The Government has taken the lead in dealing with this farm financing problem. The setting up of review boards is the next step in the process. There is a provincial review board in existence in Saskatchewan. I was happy to see that in the Budget special mention was made of measures which would be taken to ease the transition of farmers who must seek alternative forms of employment. I think it is responsible of the Minister to recognize the fact that although we would like to save all agricultural producers we simply cannot do it. We already know that.

What role does the Hon. Member see other financial institutions playing in this scenario? The Farm Credit Corporation is really a small player in the game of farm financing. There is far more involved in farm financing by banks, credit unions and trust companies. What does the Hon. Member see as their role in the process?

Mr. Cardiff: Mr. Speaker, I would like to thank my colleague for his question. The major lending institutions hold a tremendous amount of capital in agriculture at the present time. We must ask them for their co-operation in terms of helping us through the stressful times in which we are at present.

It is my understanding that in discussions which the Minister of Agriculture is having with the major lending institutions he is asking them for their co-operation in this regard. I know that in many cases the financial institutions have given their co-operation. In some cases it has not been to the extent which the borrower would like to have seen. However, I know that in my riding there have been times when co-operation has been given. I know that it really is a matter which must be resolved between the borrower and the lender. We know what happens when there are personality conflicts between the borrower and the lender and communication breaks down. I feel that the review boards will play a meaningful role in bringing everyone back to the bargaining table. They will provide the climate and opportunity for everyone to get together to try to restructure an individual's debt. It does not matter from whom the money is borrowed, each one has to be dealt with on an individual basis. I see us as having good co-operation from the lending institutions. I know they want to work through this program and they will help and assist us in that way. As a Member of Parliament I am often called upon to help facilitate bringing borrowers and lenders together in order to work out programs.

I believe Hon. Members know that the first debt review board was established as a pilot project in the Bruce-Grey area which is part of my riding. It was a successful program. We can build on parts of what happened through that process in order to put a new review board in place.

The Hon. Member for Moose Jaw (Mr. Gottselig) mentioned the transition of farmers. That is a difficult situation with which to deal. I have never really been in favour of a program which assists someone out of a business. However, sometimes we have to face facts and look at the circumstances as they exist. We must realize that some of these people may wish to leave farming because of what has happened in the past. We should be thankful that there is something in place which can be set aside for this transition program. The Province of Ontario has a transition-type program in place. I would like to see more money targeted to keep people in agriculture rather than help them out of it because of the circumstances.

Mr. Benjamin: Mr. Speaker, I would like to ask the Hon. Member for Huron-Bruce (Mr. Cardiff) a question arising out of a point brought up by the Hon. Member for Moose Jaw (Mr. Gottselig). We have had some bitter experiences over the years both at the federal and the provincial Government levels. When Governments have removed an excise or sales tax there has never been a legislative requirement put in place which would require a manufacturer, processor, wholesaler or retailer to pass the reduction on to the consumer. Would the Hon. Member support a requirement in law to the effect that any reduction in sales or excise tax on farm fuels, or anything else, be passed on to the consumer? Would he support such a measure even if it were necessary to amend the ways and means motion? If the Minister of Finance (Mr. Wilson) were to present another Bill to the House in this regard, would he support it?

Mr. Cardiff: Mr. Speaker, if it would be within the legal limits of the House for the Minister to do so and if it could be

passed on to the consumer, then I would support such a measure.

Mr. Caldwell: Mr. Speaker, I too would like to compliment the Hon. Member for Huron-Bruce (Mr. Cardiff) on his presentation. We have heard a great deal about the problems associated with having a low Canadian dollar. I knowing that the Hon. Member has been involved for many years with the export of white beans in his riding. Has the lower dollar been an advantage in the export market? Would these markets be better with a higher or a lower dollar?

● (1630)

Mr. Cardiff: Mr. Speaker, I thank my colleague for that question. I think we have learned how to live with the 70 cent dollar extremely well. One of the major commodities which is produced in my riding is white beans. We have been successfully exporting that commodity to the European markets. It is one of our main exports to Europe. Certainly, the value of our dollar has assisted us there. Mind you, there is not as there was much difference between our Canadian dollar and the Eurodollar as in the past, but even with the closing of that gap, we are still doing extremely well in exporting to Europe.

I think that with any export markets to China or to any place in the world, our dollar has been on advantage to us and has allowed us to compete probably better and more fairly with the United States. It has certainly helped us in our dealings with the United States, which is one of our major markets for agricultural products.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, since the Budget Speech of last week, I have tried to spend as much time as I can in carefully going over the written text and looking at the accompanying documents, and I have come to three inescapable conclusions about the Budget. I certainly do not want to sound like a crabby, cranky, negative opposition Member because I heard that for long enough in this House of Commons. However, my conclusion is that the Budget we received is, first, a pretentious Budget. I understand there has been a very elaborate communications strategy constructed to help government Members sell the Budget. I would have to say that this is a Budget which needs to be sold. It is certainly not one which can very ably stand on its own merits. The Budget is pretentious and false in many respects.

Second, I have concluded that the Budget is unfair. It places the obvious burden of deficit reduction on the backs of those who are struggling now to make ends meet in their personal and family lives. I am talking about the lower and middle income Canadians.

Third, I have concluded that this is a Budget which is counterproductive in terms of the effect it will have on economic growth. Rather than serving to fortify our economic recovery which is now under way, it applies the brakes to that growth. Instead of surging ahead, as it appeared we were going to do last year, it seems we are now limping along. The Minister himself predicts that we are going to have a decline in our rate of growth, and I will come back to that in a moment.

I want to elaborate on those three points. I have described the Budget as being pretentious because in introducing it, the Minister of Finance (Mr. Wilson) laid claim to its considerable merit and great importance. For a good part of his speech, we had to listen to the Minister patting himself on the back for all of his past endeavours. He heaped praise on the Government for its performance during the past 18 months. In a good part of the speech there was considerable political rhetoric and not very convincing Party propaganda. I think there are very few Canadians who are all that impressed with the way in which the Government so far has conducted our national affairs or tried to deal with the economy. I believe this pretentious Budget was designed to try to impress the currency traders in Chicago, London and New York, but it certainly failed to impress them. All we have to do for an indication of that is to look at our poor, sad dollar.

The Budget pretends to come down on Government expenditures. It is true that there are some decreases, some that hurt very badly, but there are also some increases. Over all, this Government plans to spend more than $116 billion, closer to $117 billion. That is a much larger amount of money than any Liberal administration ever dreamed of spending. And we were never pretentious about it. When Government spending increased, Canada was suffering from a world-wide recession.

The previous administration did spend money in order to ward off the worst effects of that economic downturn and, by and large, I believe it succeeded in doing that. Now we are into a moderate recovery, but the Government is still unable to control its spending. There was a last-minute decision to cut $500 million from a spending program which is going to total nearly $117 billion. Would you not agree with me, Mr. Speaker, that that is rather pretentious?

The Government has discovered just how difficult it is to make deep, deep cuts in spending. Politically, it is just not very acceptable. Here in Ottawa there are many powers and forces always at work to prevent any special advantages from being taken away or any significant decreases in spending from occurring. They are called lobbies, pressure groups or influential individuals. They have a way of affecting the decision-making which goes on in those areas. But not the average Canadian, the person who earns a lower or middle income, the person who comes from the less developed regions of this country, not some of our more disadvantaged citizens. They lack influence in Ottawa. They are the ones who, generally speaking, work the hardest. They have precious few benefits, certainly, from the tax system, and they carry most of the tax burden, municipally, provincially and federally.

That leads me to my second point. The stated aim of this Budget is to reduce the deficit. I think there is hardly an Hon. Member who would not say that this is a worthwhile goal. We do have to reduce the deficit. However, the Budget proposes to do so, first, by spending more than has ever been spent before and by taxing much more heavily those citizens who, as I indicated earlier, are not in a position to pay that additional money.

If we take this Budget in conjunction with the Budget of May of last year and combine the two, we have one of the heftiest tax increases of any time in our history since the Second World War. Corporate rates are going to be reduced and at the same time personal taxes are going to go up. That is not fair. This Budget is not fair. The capital gains tax exemption remains in effect but working men and women are going to be hit with a 3 per cent surtax, plus another 1 per cent hike on the federal sales tax. That is the third increase in the sales tax since the election of 1984. When the Liberals left office, the federal sales tax was 9 per cent. It now stands at 12 per cent. This is an unfair Budget.

As a result of this Budget, and the previous Budget, personal taxes, that is, income, sales and excise, will increase by a whopping 61 per cent. That is five times as much as the increase in the corporate taxes. The percentage of revenue which comes to the Government from individual Canadians will go up by an unbelievable 164 per cent while the percentage of revenue which comes in from corporations will actually decline by 22 per cent. Does that not indicate to you, Mr. Speaker, that this is an unfair Budget?

I would like to illustrate to the House just how this Budget is going to affect some of my constituents because I do not want my comments to be just theoretical.

• (1640)

In Cochrane, Ontario, there is a single parent, a woman with two children, who earns a $20,000 income per year. She is not finding life all that easy, financially. Last May the Budget took from her $350. She could not afford it. She did not have it to give. She had no option; it was taken at source. This year the Minister of Finance came back to that same woman and took from her another $70, for a total in less than a year of $420. Is that fair?

In Kapuskasing, Ontario, there is a mill worker, a tradesman, who has four children. His wife does not work outside the home in an income earning capacity. The man earns $40,000 per year and has a take-home pay of just over $2,000 per month. With very careful budgeting—for example, he walks to work rather than using his automobile—at the end of the month this family has somewhere between $175 and $180 in discretionary income which it can do with as it pleases, provided there are no emergencies such as unexpected dental work or provided the refrigerator does not go on the blink and needs to be repaired. Last May the Minister of Finance took $566 out of this man's pocket. That was taken away from him and his family. This year he came back and took another $177, for a grand total or a grand grab of $743. That is about four months of this man's discretionary income. It is not fair. It is too bad the man does not earn $50,000. If he earned that amount, and if we take into account the increased RRSP limits and the capital gains exemption a $50,000 earner may have, he could get away with only paying out an additional $575. That is not fair.

In the same mill there is a general employee, not a tradesman, who is married and has two children. He earns $28,000 per year. Each month, after all his commitments are met, he has left in his pocket $95. Last May the Government came to him and took away from him $505 of his hard-earned dollars. This year it came back and took another $125, for a total of $630. That is more than six months of his discretionary income.

In Geraldton, Ontario, there is an elderly single gentleman with an annual income of $18,500. Last May the Government came to that man and took from him $243 of his spending dollars. It came back again in February, in less than a year, and took away another $57, for a total of $300. He wrote a letter to me in which he said that that was not fair.

In Marathon, Ontario, there is an elderly couple living in a senior citizens' complex. The combined income of these two people is $17,366. Last May the Minister of Finance told them to give up $352. He came back again in the dead of winter and took another $36. It is not fair.

The Budget is also not fair because it savagely attacks the spending envelope for regional development. This affects the regions in which the people I have just described live. The regions have looked to the federal Government for regional development programs, and the envelope has been savegely attacked. The Minister of Finance bragged about the Atlantic Enterprise Program, and I will leave that to my colleagues from Atlantic Canada to judge. I gather that it is somewhat overblown and pretentious, but I will await judgment on it. Do we really want a nation where we have regions which must look continually to a grim future? Do we not really believe, all of us in all political Parties, in regional economic development? We come from all regions of the country. Are we to allow this to happen? It is not fair. One of the reasons I came to the House of Commons was that I saw in the sixties, living in northern Ontario, a need for regional economic development, and there was a promise that there would be new programs. When I got here, they did not come easily. We had to fight for them, but we finally got them. That is a story I will tell another day. Is it fair to try to tackle the deficit by reneging on programs like the Native Economic Development Program which was designed to help people get off social assistance and into entrepreneurial activity to create jobs? Last year there were $90 million in that program, approved by Parliament, which were not spent. This year the program will be slashed by 47 per cent, and it is a program to help native people become self-sufficient. Is that fair?

Finally, the Budget is not only pretentious and unfair; it is also counter-productive in terms of serving as an engine for economic growth. One year ago on CTV *Question Period*, the Minister of Finance said something with which I agreed. He said: "A general tax increase puts a dampening effect on the economy, and I don't want to see us do that". I watched that program and I cheered. I said: "Good for you, Mr. Wilson". He was right a year ago but he was dead wrong last May in what he did to taxpayers and was dead wrong again in this February Budget.

Many analysts have pointed out that when taxes are raised, consumer spending is reduced and economic growth is slowed

down. In his speech the Minister admitted that that would happen. We are to go from 4.5 per cent in 1985, down to 3.7 per cent in 1986 and down to 3 per cent in 1987. It is difficult to deny that the economic recovery we are starting to enjoy is fragile. This is not a time to discourage consumer spending; that is a threat to economic growth. We must remember that a one-half of one per cent reduction in economic growth means the loss of 50,000 jobs. I wonder whether the Minister of Finance really believes that he can reduce the deficit by raising taxes. The so-called new economics about which we hear so much make clear that lower taxes can spur economic growth and thereby generate more, not less, Government revenue. Why do we not see that kind of economics being practised in the country? Tax cuts are one of the most effective ways of creating new jobs and reducing the rate of unemployment. The Budget will retard economic growth. It also recognizes high unemployment rates which are still around 9 per cent. I know they are getting better, but they are still unacceptably high and will stay with us for a very long time. That is discouraging for young people whose rate of unemployment is not 9 per cent but some 15 per cent or 18 per cent depending upon whether one is talking about young men or young women.

I conclude simply by saying that I am sorry, but representing a region and constituents who will be hard hit, I am unable to support the Budget. It is a pretentious, false Budget. It is unfair and will result in slower growth, not better growth. Therefore, I have to oppose it and say that it is not the right Budget for these times.

[*Translation*]

Mr. Harvey: Mr. Speaker, we have clearly the impression that we are hearing exactly the same speeches and getting exactly the same reaction from the Official Opposition as last year.

Following our first Budget, we heard exactly the same prophecies of gloom and doom, and got the same negative reaction; yet, one year after our first Budget, hundreds of thousands of new jobs have been created, which means that the Official Opposition has certainly not demonstrated much originality in its reaction. They keep making the same comments. My impression is that the New Democratic Party and the Liberal Party are the only two groups which still insist on talking about the Budget. For the first time in 25 years, Canadians generally realize that they can trust a Minister of Finance (Mr. Wilson) who creates the impression, based on facts, that he definitely knows where he is going.

The previous Government would have us believe that an increased deficit would create jobs. If we check the figures since 1970, we realize that there was 300,000 unemployed, and in the 1974-1985 period, the deficit increased from 0 to $38 billion. This did not create one single job, Mr. Speaker. On the other hand, the number of unemployed increased fivefold.

Unfortunately, Mr. Speaker, the Official Opposition is very careful not to tell Canadian taxpayers where in fact our Government will find the money to create jobs and support small businesses. It will not take it from the poor; it will find it in part in the nearly $900 million which it will collect by eliminating tax shelters. It will get it also from a minimum tax on the affluent. Ours is the first Government which has decided to levy income tax on same people who had never paid any before. That's a fairly progressive measure.

Mr. Speaker, I suggest that the people who need help most will realize over the next few months that our Government has done something for them. I refer for instance to the $300 per child in tax credit advance payments for families whose income is $15,000 or less. I am sure they will realize that the Government has done something for them.

Mr. Speaker, I think also of the various programs. No other Government has ever invested so much money in them: $4 billion over a two-year period. And this Budget has confirmed our direction by investing an additional $800 million in job creation, and the results are positive, because the 600,000 new jobs created in this country over the first eighteen months is a record.

Personally, Mr. Speaker, I hope that the negative effects foreseen by the official Opposition will continue to be felt and that we will end up creating between 500,000 and 600,000 new jobs over the forthcoming year.

• (1650)

[*English*]

Mr. Hopkins: Mr. Speaker, my hon. friend, the Hon. Member for Cochrane-Superior (Mr. Penner) rightly mentioned the subject of regional development, which is extremely important in eastern and northern Ontario. People take a look at Ontario and think that every part of it is rich. We happen to be 250 miles from that golden horseshoe. Like the people in the northern part of this province, we know what it is to be in real need of a regional development program.

The Hon. Member knows that that development program was reduced by 38 per cent. Could he give us some examples of how this will affect some of the resource based industries in northern Ontario, for example?

Second, how does he feel about the Prime Minister (Mr. Mulroney), and the Minister of Finance (Mr. Wilson) and all members of the Tory Government going around the country putting the blame for the national debt on the Liberal Party? Since September, 1984 when the Tory Government took office, to the present time, the cost of servicing the national debt of Canada has increased by $8 billion under a Government that was to be so dynamic and take everything under control.

At the same time, would the Hon. Member comment on the fact that the Government has allowed the national debt to increase by 23 per cent since it took office, 23 per cent of the entire total that it increased from Confederation to September 1984?

Here we have the Prime Minister, the Minister of Finance and all members of the Government running around Canada

blaming everything on everybody else but themselves. The Government does not have its act together. The Government is bringing in heavy taxation on middle and lower income earners who cannot afford the burden.

Would the Hon. Member explain how the Prime Minister, the Minister of Finance and the Tory Party can rationalize what they are saying at a time when the facts do not prove it?

An Hon. Member: The facts prove it.

Mr. Penner: Mr. Speaker, it is well recognized that the economics of recession are different from the economics of recovery. The last administration, a Liberal administration, had to face a world-wide recession. We did not cause it in Canada. We suffered from it.

Since the advent of 1985, we have moved into a period of economic recovery. Again, it was not caused by the Government in Ottawa. It is a recovery that is going on around the world. It is propaganda either way to say the last administration caused the recession, built up the deficit and increased the national debt. It is equally propaganda and pretentious to say that since the election of 1984 we have had leadership at the federal level that has brought recovery. We know that this is simply not the case. We know these are world-wide effects.

I argued in my speech that the Government and the Minister of Finance are not in tune with the economics of recovery. The Minister is missing the boat by putting the heavy, heavy tax burden on lower and middle-income Canadians.

In terms of regional economic development, I will say very briefly that northern Ontario would be a much poorer region, much less self-sustaining than it is today if it had not been for those regional development programs. It meant that small industries in the forest product sector were able to remain competitive. Small communities like Hearst and Dubreuilville and many others that had encouragement in their main industry or in a subsidiary industry using forest products to make a manufactured product were able to keep going.

I was shocked when I asked a question of the Minister of Finance about regional development and I heard my friend, the Hon. Member for Western Arctic (Mr. Nickerson) refer to those programs as hand-outs. We are going to end the hand-outs, he said. Northern Ontario never received a hand-out under any regional development program. What we received was an advance payment to get our economy moving and then we paid back many, many times. What we received in tens, we gave back in hundreds. That is what economic development does. It is not a drain on the national treasury or the national economy, it is a way of adding to it. Regional development spurs the economy in that region and generates new wealth, which contributes to national prosperity. It does not detract from it.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to have this opportunity this afternoon to speak in the Budget debate. I agree with my hon. friend from Chicoutimi (Mr. Harvey) that even after eighteen months experience, it is hard to have to listen to the same redundancies on the part of the official Opposition, which is using the same images of gloom and doom and the same scare tactics as last year.

Mr. Speaker, after last year's predictions when they tried to scare us, today they are still unable to see the very definite advantages and the incredible and unique results of last May's Budget and the economic message of November 1984. They cannot get used to good news. They just cannot get used to it. I wonder why. Mr. Speaker, I can assure you they will have to get used to good news, because we are going to be in power for a long time. Canadians realize that this Government is working very hard, and has been since it came to power, to bring concrete measures before Parliament that will enhance the well-being of the people of this country.

Mr. Speaker, as far as agriculture is concerned, this Government has taken some very concrete measures in the past year and a half to deal with certain problems confronting the agricultural industry. We have taken a pragmatic approach, which is quite different from what I was hearing earlier from the Hon. Member for Regina-West (Mr. Benjamin) who managed to use the term: positive deficit. A new expression is born. Deficits can now be bad or good. The Canadian people and Government Members all agree that there is no way a deficit, and the Hon. Member for Chicoutimi said as much a while ago, there is no way that a deficit could have been positive in the past.

For months we have been hearing: Increase Government spending. We know we are spending billions across this country. We know where we are now: we have to pay our debts. If I were in their shoes, I would be ashamed, but they have no shame. They do not know the meaning of the word. They do not like good news, and they are not ashamed of the state in which they left our public finances. Well, we are just going to keep on working and reminding you of what happened and how it happened. We are going to straighten out our public finances, in spite of the mess you made. Don't worry. We will take care of it.

Concrete measures, well the Budget is full of them. Twenty minutes is not enough to talk about all of them, so I will limit my remarks to agriculture, Mr. Speaker. I met with western agricultural producers, and again yesterday I was talking to a number of producers in various localities in my riding, and I can say that theirs is a very positive reaction. They know we have delivered the goods. What have we been doing for the past year? We helped farmers who had sustained crop losses in the east, in Quebec. We also helped western agricultural producers who had experienced difficulties as a result of the severe draught. We helped Ontario grape producers.

The Official Opposition had five years to come up with a long-term dairy policy, but they failed to do anything at all in those five years. It took us only a few months to get all

Canadian milk producers around the table and propose a long-term dairy policy under which we will inject $1.5 billion in the agricultural dairy sector. All those people were quite satisfied, Mr. Speaker.

● (1700)

THE ROYAL ASSENT

[*English*]

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

And being returned:

[*Translation*]

The Acting Speaker (Mr. Charest): I have the honour to inform the House that when the House went up to the Senate Chamber the Right Hon. Deputy of Her Excellency the Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census—Chapter No. 8.

Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof—Chapter No. 9.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (Saint-Henri-Westmount) (p. 11009).

The Acting Speaker (Mr. Charest): When we left, the Hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) had the floor.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I shall resume immediately. A while ago, several of my colleagues told me how impatient they were to hear the rest of my comments. In fact, I am sure that some of the Members opposite are also dying to hear what I have to say.

The initiative announced by the Minister of Agriculture (Mr. Wise) in January not only allowed us to stabilize dairy production in Canada since, in Quebec alone, this sector accounts for about half of all farm income, but the injection of $1.5 billion to stabilize this sector is also very important for the rest of the country.

It also shows exactly what you can achieve in a few months if there is agreement among the provinces, the producer federations and the various groups involved, including the Canadian Dairy Commission and the processing industry.

This is what our Government does, Mr. Speaker: we consult, we set objectives and we meet them. That is what it takes. People had forgotten that public affairs could be managed in this way. After 20 years of haphazard management, the people were no longer used to this type of administration, but they are now getting used to it again thanks to things like the Western Accord, the agreement with the Maritime provinces and Newfoundland and agreements providing $1.5 billion for regional development in Quebec. These are practical achievements.

As concerns agriculture, the Government took another initiative last year, and I think that it is important to mention it, Mr. Speaker. All Canadians have been asked to do their share, and especially the agriculture industry, under a cost recovery policy which has impacted on expenditures in all sectors of Government activity. It was an important aspect, perhaps the most important one, that all sectors of the farm industry agreed on how those costs should be recovered, on how the increases in the cost of Government services should be paid by those who used them. That is another aspect, not just cost recovery but agreement by those concerned and consultation to achieve that. That is something again we were not used to, Mr. Speaker.

In November 1985, at the First Ministers' Conference, the Prime Minister and the Premiers of all the Provinces agreed to call as early as possible in January a conference of Ministers of Agriculture, because agriculture was identified as a national priority. Immediately, task forces were established and the conference was indeed held at the end of January, at which time the committees reported on their respective areas. That consultation with provincial Ministers of Agriculture is now an almost ongoing process in Canada. Every day there is a federal-provincial conference, and if you remember those years under the previous Government, people always looked forward to a federal-provincial conference with excitement, for even on the day before it opened and the minute the Ministers put down their briefcases, both federal and provincial, the fight would start. People were looking forward to it as if it were a boxing match or a great hockey game, an exciting event at any rate because we knew there would be people in the penalty box all through the game. Such were to some extent their federal-provincial conferences. Now there have been more of them

over the past year and half than during the five previous years, and they were productive. Perhaps they arouse less interest generally because there are fewer brawls, but the results are there.

Mr. Robichaud: The Provinces have never lost that much.

Mr. Blais: The Provinces say they are satisfied, and there is no way they would like to go back to what they experienced during those 20 years of darkness, as you should remember. Besides, Mr. Speaker, consultations have also been held by Members of our party, and I had the privilege of chairing a committee of our party on farming matters that furthered those consultations with hundreds and thousands of farmers all through the year. We made recommendations to the Minister of Finance (Mr. Wilson) and to the Minister of Consumer and Corporate Affairs (Mr. Côté), and we are pleased to note that in last week's Budget, Mr. Speaker, concrete proposals were made by the Minister of Finance that very soon will have tangible results. The mortgage introduced by the Farm Credit Corporation, which is based on the price of farm commodities, will have a 6 per cent basic rate. This is what had been advocated by farm producers and by Members of this House, and this is what the Minister proposed in the Budget. This is a very progressive initiative which will allow 5,000 Canadian farmers to get back on their feet and to go on.

Without going into too much detail, these mortgages will be offered to farmers who, while having debt problems, also have satisfactory potential in the long term, which is what we need not only in agriculture, but in all sectors of the Canadian economy. There is also an initiative which was welcomed by the Minister of Consumer and Corporate Affairs (Mr. Côté), namely the creation of farm debt review panels. This was also requested urgently and unanimously by the provincial Ministers of Agriculture. These panels will make an in-depth and objective review of the financial position of farmers threatened by insolvency. We shall try to facilitate if possible agreements between the farmer and his creditors. We shall be able to provide advisory services to the farmers. These initiatives will allow us to save many Canadian farmers from bankruptcy and keep them in farming.

Mr. Tardif: Especially in the West.

Mr. Blais: Not only in the West, but everywhere in Canada. There is no doubt about it. This is how the previous Government tried to govern the country, by always creating divisions between the West and the East. That time is past. This will no longer take place. We have achieved reconciliation among Canadians. In spite of your attempts, we represent all Canadians, which is something that you were unable to do as a Government and as a political party for 20 years. As for us, we represent all Canadian provinces and we are going to represent them well. I am not worried. Not western Canada more than eastern Canada or central Canada. All parties are now represented at the table and can have their say. We are in a position to meet their expectations, something you were never able to do.

• (1720)

Some Hon. Members: Hear, hear!

Mr. Blais: With respect to other measures, Mr. Speaker, through the Rural Transition Program we will try to implement measures to retrain farmers who are in trouble and cannot make a go of it. That is important as well. Often times we come across farm producers over 40, 50 and even 60 who need retraining to be able to earn a decent living.

Other measures have been announced in the Budget to retrain other middle-aged people, but I will not comment on them. These are all important measures which prove that we are concerned about the future of Canadian society. We simply do not accept your description of this Party as the Party of large corporations, of businessmen. That is not true. We are the Party of everybody and the Government of everybody, which is more than you could ever do. You have been sticking labels on our Party for years. That is over. You can rest assured that those labels will not stick.

We have maintained the fuel tax rebate of three cents a litre and it will be extended until January 1, 1988. This is another measure which will make it possible to save between $100 and $120 million, I believe. Another progressive measure, because we are fully aware that people find it difficult to pay their oil bills. Considering the oil mess in which the previous Government left us it is quite amazing that we were able to manage to come up with concrete measures to enable people to catch their breath. If they had fully assumed their responsibility when they had both the time and resources to do so, a few years ago, we would not be faced now with the need to reduce their deficits.

Mr. Speaker, I should like to deal with a last budgetary item in the agriculture area, namely, the Tobacco Growers Assistance Program. It is of course a delicate issue. The Minister of Agriculture (Mr. Wise) has actively consulted tobacco growers and his provincial counterparts concerning a Tobacco Growers Assistance Program. The Standing Committee on Agriculture will continue to look into this over the next few weeks. Tobacco consumption in Canada has markedly decreased, mostly because Canadians are increasingly aware of the health hazards associated with it.

As the Government, Mr. Speaker, we are constantly faced with a major ethic and social problem. We are aware on the one hand of the health hazards of cigarette smoking and, on the other hand of the importance of the farming community involved in tobacco growing. This is a very difficult dilemma indeed.

The Minister of Agriculture will continue his consultations with the tobacco growers and, together, we will look for ways

for tobacco growers to get involved gradually in other areas of agriculture. We will seek various ways to keep these people in agriculture and to diversify our production without any negative effect on tobacco growers.

These are concrete and specific measures to show the Government is determined to help farm producers. I would even go so far as to say that the Government, in the past year and a half, has shown a particular concern for farm producers, because if we look at the Budget, the amount of money invested in the agricultural industry has been increased. We had to cut Government spending, and I think it is fortunate, and I imagine farm producers were very happy to see, that there were no substantial cuts in the agricultural sector in the Budget brought down by the Minister of Finance a few days ago. I imagine farm producers—I have more than 1,200 in my riding, and I met several on the weekend—realize this and are thankful, and I do not think the kind of twisted comments we have been hearing in the last few days in the House and across Canada from representatives of the official Opposition are going to change their attitude. People have told us: We are sensible enough to realize what can be done and what cannot. They understand about the legacy we were left by the previous Government, and they also understand that we as a Government have acted responsibly. That is what people want.

In any event, Mr. Speaker, the Canadian people will be the judge.

The Acting Speaker (Mr. Charest): Questions or comments? The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I have the following question for the Parliamentary Secretary to the Minister of Agriculture. He is no doubt aware, and if he is not, he should be, that the Farm Credit Corporation has a number of operations, and that proportionally, not many of them are in Quebec. In other words, the Farm Credit Corporation is more popular in the other provinces than in Quebec.

The Budget contains a number of interesting measure, and I think one of the few interesting ones was that additional funds will be injected into the Farm Credit Corporation, thus making it possible to offer preferential interest rates.

Could the Parliamentary Secretary give us some indication of how Quebec farmers can expect to obtain their fair share of these measures?

Mr. Blais: Mr. Speaker, I am very pleased to hear the Hon. Member for Richmond-Wolfe (Mr. Tardif) ask me this question. When this Government came to power in 1984, the Farm Credit Corporation had only about 75 loans outstanding in the entire province of Quebec. I do not think this Government is responsible for the situation. It is all because you never acted responsibly. As soon as we came to power, we proceeded with a complete review of the mandate of the Farm Credit Corporation. The Minister and several Government members travelled across Canada to meet with farm producers and with the people working in the Farm Credit sector in order to—

Mr. Tardif: In Western Canada.

Mr. Blais: You want the answer, or not? Then listen. This is something else you had forgotten during those 20 years: to open your ears, to listen when people are talking. To listen not just here in this House, but when you were in Government. You plugged your ears. You closed the doors and you stopped listening to Canadians. See where you are now. Maybe you should start listening again. That might help you.

Concerning the Farm Credit Corporation, I am not worried about the surveys. Do not worry. You can sleep on both your ears, I am not worried.

We have a constituency that is up for grabs in the Province of Quebec. We are going to get a candidate from our party elected in Saint-Maurice. We will try to recoup Saint-Maurice, and then we will be 59. And if you resign in Richmond-Wolfe, then we will be 60. This is the way we will go on. We have no reason for concern, I am not worried.

Mr. Rossi: In Rivière-des-Prairies, she will not be elected, find something else!

Mr. Blais: You see how the Opposition is reacting, Mr. Speaker? I am asked a question on the Farm Credit Corporation, and that does not even interest him. You know how many people in your constituency have loans with the Farm Credit Corporation? Do you know whether some of your constituents made applications that were either turned down or accepted? Do you know how many farm producers have diffciulty becoming eligible under the existing program? Did you take the trouble to get out of the House of Commons and visit your constituency to see how this initiative could benefit your producers? Did you take the trouble to do so and to find out how many could benefit from the 6 per cent interest rate which farmers have been requesting for years? Did you take the trouble to find out? You should. It is your duty as Members of Parliament. You should start by doing your duty.

Mr. Tardif: Do not worry. I have come through the wave.

Mr. Blais: You are going to see what a wave is. It is your responsibility to go and see your farmers, listen to them and take the trouble to read the press release which gives an outline of the program. I am not going to read it because I think that the time of the House is too precious for that. However, you will see what this program involves and whether people in your constituency will benefit from it. The 5,000 people who will be able to obtain these loans are farm producers, and they will benefit from the progressive policy our Government, and more specifically the Minister of Finance, announced a week ago. This is progress. You are not aware of

it. You are even able to quote me a single figure and to answer one of my questions.

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

• (1730)

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, in my contribution to this debate I would like to report to the House on the spontaneous reaction I received from my constituents in my riding this weekend. People on the street were stopping me to indicate what they thought of the Budget. Individuals calling my office on other matters were asked their opinion of the Budget that was brought down last week.

Frankly, I was somewhat shocked by the language and concern that was expressed.

My comments today are based partially on the reaction of my constituents and partially on my reading of the Budget. My constituents summed up their reaction in two words. Some said quite clearly that the Budget stinks and others went a little further to use a word which my children refer to as the "s" word to describe the actions of the Minister of Finance (Mr. Wilson). In any event, my constituents felt very strongly in voicing their concerns directly to me about the Budget.

Those who elaborated stated that they were disturbed by the lack of fairness and that they as average Canadians with average families were being asked to pay more than their fair share for deficit reduction. They see the corporate sector getting greater breaks in the long term while they are being forced to pay more and more just to stay where they are today.

The greatest concern felt by these average Canadian families was that they would not be any further ahead as a result of the actions of the Minister of Finance. While they may make some gains in terms of income and greater savings to buy consumer goods, the Minister was taking it away through the imposition of additional sales and income taxes. This action reawakened past memories among my older constituents who reminded me, as they did during the 1984 election, that Tory times are tough times. They wonder why the Conservative Party has not realized that when they impose tough measures on the Canadian people whenever they are elected they are gone from power as quickly as they arrived.

This Budget is an indication of that concern. Let us consider the impact of the Budget on the average Canadian family. The 3 per cent surtax will take another $170 from their pockets. The sales tax increase will amount to another $150, while cigarette and alcohol taxes will increase by $20. The total increase is $340.

The cost to the average family as a result of the previous Budget includes $100 for the elimination of the federal tax reduction; $115 in the modification to indexing; $22.50 for the cut in family allowance payments; the cigarette and alcohol tax increase of $75; $150 for the broadened sales tax base and $50 in the gas tax increase. The total amount taken from the pockets of the average Canadian family as a result of the previous Budget is $512.50. Some people are beginning to see the effects of those changes as they fill out their current tax forms.

The increases as a result of the November 8, 1985 Economic Statement include $200 in increases in oil and gas prices; up to $102 in increased unemployment insurance premiums; and $150 in increased sales tax, for a total of $425.

The total increase to the average Canadian family since the Conservative Party came to power in September, 1984 is $1,304.50. That is not the kind of change they voted for. Those Canadians thought they were getting a better deal and some fairness.

They believed the Prime Minister (Mr. Mulroney) when he said that the rich would be made to pay. However, not only is that not happening, on January 1 of next year the surtax on the rich will drop from 5 per cent to 3 per cent while a surtax of up to 3 per cent is applied on all other Canadians. That is not fairness.

Let us look at other cuts contained in the Budget. Not only are Canadians facing increased taxes, those taxes are for services that are being reduced.

For example, the Deparmtent of Regional Industrial Expansion faces a cut of $2.05 billion over the next four years. The Department of Regional Industrial Expansion is important to an area like northern Ontario which has not received its fair share over the years. The Government is cutting the Department back even further.

Employment and Immigration will face a cut of $1.78 billion over the next four years. One must view these cuts on a year-by-year basis. While the Government will spend $800 million on this Department this year, we must consider that it spent $900 million last year. The year before it was more than that. In fact, it has gone from $1.4 billion to $800 million in a very few years. Jobs cannot be created by reducing the amount of money available.

• (1740)

With respect to Agriculture Canada the figure is $502 million. With respect to the Department of National Health and Welfare some $4.82 billion will be reduced. In terms of the Department of Transportation the figure is $3.61 billion.

One thing Canadians were looking for in the Budget, some in terms of a worry that the Government just might do it and others in the hope that it would provide some type of relief, was with respect to the issue of gasoline prices at the pump. Unfortunately, the fears of a great many Canadians were confirmed when the Minister of Finance added a 0.5 cent a litre increase to the price of gasoline. He did not do this in an upfront way by changing the specific taxes on gasoline but he did it by an across-the-board increase in terms of the sales tax. This at a time when Canadians had been patiently waiting for gasoline prices to fall. The week before the Budget we saw a drop in the price of a litre of gasoline at the pumps of one cent or two cents. What did the Minister of Finance do? He turned

around and grabbed some more. He pulled another 0.5 cents out of the pockets of Canadians. Canadians are becoming aware of the realities of the gas industry in Canada. For instance, they know that Canadian companies are selling gasoline to American companies at seven cents to nine cents a litre less than what they are selling it to Canadian gasoline stations. Thus we have a situation in which gasoline stations a quarter of a mile apart, but on different sides of the border, are selling gasoline at seven cents to nine cents a litre less than what it is being sold for in Canada. This gasoline being sold in American gas stations close to the Canadian border is gasoline which is coming from the same Canadian supplier. Hundreds of thousands of Canadians are driving across the border to fill up their tanks. That hurts Canadian gasoline retailers through the loss of business.

Last weekend members of my riding association and myself distributed a number of letters to shopping malls in the community of Thunder Bay. Another quantity of letters was mailed to the community of Atikokan. They call upon concerned Canadians to respond in writing in the form of a petition. The letters went out on Friday night and Saturday morning and were designed as a mail-back. Today, which is the first day on which we could expect to receive mail back after a weekend pick-up, we had over 85 replies. That type of volume received that quickly indicates the concerns which Canadians have with respect to this matter, particularly Canadians in the riding of Thunder Bay-Atikokan.

I now wish to turn for a moment to a system which ensures the viability of the community of Thunder Bay, the Port of Thunder Bay and communities throughout eastern Canada. I refer to the St. Lawrence Seaway. At a time when the Welland Canal was involved in an unfortunate accident, which may or may not relate to the quality of maintenance and the structural integrity of the facility, we find that the Government of Canada is reducing the amount of money available to the St. Lawrence Seaway Authority for the ongoing maintenance of that facility. In 1984-85, the Authority spent $13.5 million. In 1985-86, it spent $13.15 million. What is the Government's plan in terms of spending for 1986-87? It plans to spend $10.657 million—a reduction of over $2 million. When we are so concerned about viability I would have thought that there would have been assurances that the money would be there to ensure that the facility, whether it be for the Welland Canal or other components of it, would remain in a structurally sound condition in order to continue operations. However, the Government does not seem to care about that at all.

One area which I had hoped the Minister of Finance would address was with respect to the need for a major municipal rebuild program. This is a matter I have raised in the House a number of times, as did representatives of the Federation of Canadian Municipalities in meetings which they had with the Minister of Finance, the Minister of Employment and Immigration (Miss MacDonald) and the Minister of the Environment (Mr. McMillan). The federation conducted a study about two years ago, the results of which showed that Canadian municipalities are deteroriating at a rapid rate.

The study also showed that in order to protect what exists today $14 billion would have to be invested in our roads, bridges, sewers and waterlines just to protect our investment. The study was conducted in terms of the impact of that type of expenditure. It was found that anywhere from 222,000 to 285,000 jobs would be created as a result of such an investment. It was also found that anywhere from 84,000 to 91,000 jobs would be created in terms of the actual construction of projects and that 42,000 to 73,000 jobs would be created in the manufacturing sector if such an investment were undertaken. These are figures which I feel show quite clearly how one can invest money to create employment and services to protect an investment which is already in place. I suppose the Government was scared off by the $14 billion figure.

The federation conducted a further study. I would ask Hon. Members to keep in mind that such an investment program would be a tri-level program involving federal, provincial and municipal Governments. It would be a program in which everyone would pay their fair share. The federation estimated that of this $14 billion $8 billion would be recovered from the initial expenditures through improved economic activity. Thus the net cost to be shared between the three levels of Government would be $6 billion. An important fact to consider is that the facilities would be in place for years.

We often hear in the House a great concern with respect to the deficit. Conservative Members would like us to believe that their attempts of reducing the deficit are made so that our children do not have to pay for it. The reality is that if we do not move quickly enough to rebuild our cities now, our children will have to pay for that rebuilding. They will have to pay 10 times what it would cost today to provide replacement facilities.

The other topic I wish to touch upon is the area of cost recovery. Following in the footsteps of the previous administration the Government is moving more and more into the area of cost recovery and user-pay. In this respect I refer Hon. Members to page 4 of the *Budget Papers* where Table 1 is set out. It is entitled "Gross Impact of Expenditure Reduction Measures Undertaken Since the Fall of 1984". The table sets out some interesting figures. For example, between the 1985-86 and 1986-87 budget years cost recovery will increase by 3 per cent. Between the 1986-87 and 1987-88 budget years it will increase by 41 per cent. Between 1987-88 and 1990-91 it will rise by 26 per cent. That is a 245 per cent increase in the amount of money to be collected from users. Some people will say that if they use it then perhaps they should pay for it.

In committee we have been dealing with Bill C-75, which is a Bill to amend the Canada Shipping Act. One of the chief components of the Bill is a cost-recovery scheme for the Coast Guard. In discussions with the marine industry, we found that of the fees paid to the Government by that industry, the net return is 48 cents on the dollar. In other words, its effective tax rate is 52 per cent or 53 per cent. Of every $10 million it pays in fees, $5.2 million is deducted from income tax owing. The net gain to the Government of Canada is $4.8 million, less whatever it costs to collect it. It is going to look great in the

books of the Coast guard because it will show up as $10 million, but when it comes to the books of the Minister of Finance (Mr. Wilson), it will be a lot less. I would strongly suggest that the Government reconsider this kind of approach because areas like the Seaway are of importance to all of Canada. Whether it is coal moving from British Columbia, grain and potash from the prairies, iron ore from the Great Lakes and Quebec or products moving through Atlantic Canada, everyone benefits from having a viable Seaway. Everyone benefits from low cost for the Coast Guard and for the Seaway.

• (1750)

In conclusion, I will say that the Government had a number of alternatives, but it chose the ones which will hurt the majority of people. For that reason, I suggest, ultimately it will lose.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I want to take some time this afternoon to outline to the House, to my constituents and to the people of Canada why this Budget is easily as bad as the previous efforts of the Minister of Finance (Mr. Wilson). I would like to place emphasis on three areas which are of particular concern to my constituents and which relate directly to my duties as opposition critic for National Defence. These areas include the support this Government is providing for science and technology, agriculture and national defence.

The Budget attacks those people in our society who are least able to bear the burden of extra taxes and makes virtually no effort to try to ease their plight. The Minister of Finance in the last 18 months has raised the tax burden of the average family in this country by more than $1,300. That may not seem like a lot of money to Hon. Members opposite who support the boys from Bay Street, but to the average family which is struggling to make ends meet, this extra tax bite means very tight planning. My friend and colleague, the Hon. Member for Cochrane-Superior (Mr. Penner), pointed out something which I believe, and that is the fact that the national debt must be curbed and brought under control. However the Conservative Government has chosen to use a lot of rhetoric in that regard instead of producing results. The fact is that the national debt has increased this present fiscal year alone by one sixth of the amount the debt has increased in total from Confederation to 1984, and this was done in a period of 18 months of Conservative Government. That is not a very proud record.

During that 18 month period, the national debt has increased by approximately 23 per cent. The cost of servicing the national debt has increased from $18 billion to $26 billion. Government Members opposite say: "Oh, yes, but that is interest on the national debt". The Minister of Finance admitted in the House that the $1 billion the Government used to pay off the banks when they were in trouble was added to the national debt, and that is on the record of this House of Commons. The Prime Minister of Canada (Mr. Mulroney), the Minister of Finance, and hordes of Tories with their packsacks on, are running around the country telling everyone that everything that is happening today is the fault of the previous Liberal Government. As the Hon. Member for Cochrane-Superior pointed out, thank God this Tory Government was not in power during the recession years of the early 1980s, which was world-wide and had to be contended with by the Government of the day. If this Government had been in power then, the people would not have been looked after as well as they were. The plan should be to help Canadians during periods of world recession when times are tough, and build up revenues when the economy is good.

There is nothing in the Budget for youth. There is nothing in the Budget for forestry. I mention these because I heard all of those promises which were made day after day during the last election campaign. There is an increase in the tax on gasoline for the trucking industry and, of course, for the average consumer. During our agricultural task force hearings around the province of Ontario and across Canada, we heard demands that taxes be removed from farm implements, fertilizers and so on, but none of these things were addressed. The rebate of 3 cents per litre on gasoline was extended for one year, but why was it not done on a permanent basis if the Government was really interested in helping the farming community?

The Minister of Finance on several occasions has attempted to sell his Budget to Canadians as a tough but fair Budget. Well, it might be a tough Budget, but it certainly is not fair. For example, I and two of my colleagues in the Liberal Party met two weeks ago with some of the victims of the unemployment insurance policies of the Government. After our meeting with the Armed Forces Pensioners' Association, we called upon the Government and the Minister of Finance, in the spirit of fairness, to use the Budget as an opportunity to revoke the Order in Council regulations that changed the way in which unemployment insurance eligibility is calculated and which has resulted in thousands of Canadians being denied benefits to which they were entitled—and to which they were forced to contribute, incidentally.

As a result of this measure, many are forced to live below the poverty line. Some are in danger of losing their homes and some have even lost their homes. They can no longer maintain their homes with their severely reduced incomes. A member of the Armed Forces during his years of service has no choice but to pay unemployment insurance premiums. When I asked the Minister of Employment and Immigration (Miss MacDonald) about this on March 31, 1985, she said she knew enough to be sensitive to people in that position. A member of the Armed Forces must retire at a particular age. He or she has no choice. Unemployment insurance benefits to them must be a bridge from the time they leave their job in the Armed Forces—many of them in their forties—until they get a new job.

• (1800)

However, the Minister of Employment and Immigration included their severance pay and pensions as income. As a result, they were taken off the UIC rolls or their payments were reduced to insignificance. That is what the Minister did

first. It is as if she burned down her horse stable and then called in the Kingston Fire Department to investigate what happened. She brought in the changes first and then appointed a commission of inquiry to look into unemployment insurance inequities.

I see you looking at the clock, Mr. Speaker. I will call it sic o'clock and continue next day.

The Acting Speaker (Mr. Charest): It is very generous of the Hon. Member to call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CONSTITUTION—ENTRENCHMENT OF PROPERTY RIGHTS

Mrs. Mary Collins (Capilano): Mr. Speaker, it gives me great pleasure today to say a few words in connection with a question which I recently asked in the House about the possibility of entrenching property rights in the Constitution. Of course I was very pleased with the response I received that day from the Minister of Justice (Mr. Crosbie) which gave support and hope for such an opportunity. I have been even more pleased by what I have seen come out of a recent meeting of the Minister of Justice along with his provincial colleagues held in Vancouver earlier this month, in that they are prepared to set up a working group which will look at the various issues involved in the possible entrenchment of property rights in the Constitution. Certainly that is a very favourable move forward. Of course I was pleased when our own Prime Minister (Mr. Mulroney) last fall wrote to Mr. David Humphreys of the Canadian Real Estate Association stating: "I want to assure Canadians of my Government's support for the inclusion of property rights as an item for discussion at the next round of constitutional discussions with the provinces". I believe things are moving in the right direction.

What are we asking for at this time? As we know at the moment, under Section 7 of the Charter of Rights and Freedoms, three of our four fundamental democratic rights—those of life, liberty and security of persons—are now included and constitutionally protected. However, the right to property has not been so included. It is my position—and I know it is that of many of my colleagues—that we would like to see the enjoyment of property added to Section 7 of the Charter of Rights and Freedoms.

This is a position which is held very strongly by my home Province of British Columbia. The Ministers of that Government have been working with their colleagues to persuade them that such entrenchment would not bring about some of the concerns which have been raised by some special interest groups. I am pleased that we now have the support of New Brunswick and the Yukon Territory. I recognize that for such a constitutional amendment to go forward, we would need the approval of seven provinces with 50 per cent of the population. I hope this will work and will proceed in the near future.

Countries which already have the right of property constitutionally entrenched include the United States, Australia, Italy, West Germany, Sweden and Finland. It is a concept not unknown in western countries. Of course it is a concept which goes back hundreds and hundreds of years, really back to the time of King John and the Magna Carta. When the barons came to see King John and talk about what they wanted in the Magna Carta, one item was that no man should be deprived of his property except by the legal judgment of his peers or the law of the land.

That was the first historic statement of property rights and the right to due process. It is something which we are now asking again to be entrenched in the Constitution. Although it has been a practice in common law, we do not yet have the protection of the Constitution in this respect. It is a point of view that has also been supported by a number of national organizations. The Canadian Bar Association, at its annual meeting in Halifax last year, passed a resolution in support of the entrenchment of property rights. This point of view has also been supported by the Canadian Chamber of Commerce, various real estate associations including the National Real Estate Association and a number of municipalities. There is a great deal of support across the country.

• (1805)

There are some specific concerns. While I do not have time today to deal with them all, I did want to touch on several. Some of them come from provinces such as Manitoba and Prince Edward Island which are concerned because they now have laws which restrict the purchase of certain kinds of real estate to persons in those provinces. They are concerned those laws might be considered unconstitutional. We are all aware, we have Section 1 as a safeguard with respect to Section 7. It seems to me Section 1 would provide adequate protection to those provinces as well as to the concerns which are often raised by environmental groups.

Perhaps the most serious concerns, however, have been raised by women's groups. I can assure this House of my great interest and desire to ensure that women's concerns are fully addressed. The concern is somehow the entrenchment of property rights might act negatively against the division of property in matrimonial disputes. Again, my own feeling is that Section 1 could apply in terms of the reasonableness.

I hope that the working group, which the Minister of Justice and his colleagues across the country have set up, can look at that kind of an issue and find the wording or a way that would deal with those concerns. In some respects, the entrenchment of property rights could work to the advantage of women. I really feel that is an issue we can look at and work together on, and I hope we will be successful in the not-too-distant future.

It would be a very significant accomplishment for the Government, hopefully in its first term of office, to be able to support and put through such an important constitutional change, such as one that in opposition we put forward in 1983, so all Canadians could be secure and know their right to property was entrenched in the Constitution.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I listened with great interest to the Hon. Member's speech. I can tell her that nothing she has said does the Government disagree with. This Party remains committed to the notion of entrenchment into the Constitution on property rights. As she has stated, in Vancouver the Attorneys General of the provinces and the Attorney General of Canada, the Minister of Justice (Mr. Crosbie) agreed to establish a working group to look at the implications of entrenchment. Whether it be native groups, women or people concerned about the environment, there are certain apprehensions that are legitimate that people care about, and we have to put those matters to rest.

I can give the Hon. Member the assurance that the Government remains committed to the entrenchment of property rights into the Constitution and we hope soon to have a report from the working group established by the Attorneys General.

ENVIRONMENTAL AFFAIRS—NIAGARA RIVER—DIOXIN DISCOVERED IN UNITED STATES CHEMICAL DUMP

Mr. Alan Redway (York East): Mr. Speaker, as you know, there are some 105 hazardous waste chemical dumps around the shores of the Great Lakes. About 10 of those are located in Canada. All the rest are located on the United States side of the Great Lakes. About five of those chemical dumps are serious, serious problems.

Up until recently, generally speaking, one would think there might only be four serious chemical dump sites along the Niagara River on the American side. Recently, however, another one has been identified, the Necco Park site which is owned by the Dupont Company. The other four which have been identified for some time are the Love Canal site, the S area dump, the Hyde Park site and the 102nd Street dump, all, as I have indicated, on the Amercian side of the Niagara River.

Just about a week ago, dioxin was identified as being located in the 102nd Street dump. That dump contains about 22 acres. It stretches along the Niagara River for about 300 metres, or almost 1,000 feet. It contains, as I understand it, about 123,000 tonnes of hazardous waste chemicals, chemicals put there by the Olin Corporation and the Occidental Chemical Corporation, formerly known as Hooker Chemical. They were dumped at this site between 1948 and 1970. In 1970 the United States Government ordered the dumping to stop at the 102nd Street site because the river bank was starting to erode.

• (1810)

Within the last two weeks it has been discovered that this site contained TCDD dioxin, which is considered to be the deadliest synthetic chemical of all time to date. In the 102nd Street dump, dioxin has been identified at a level of 630 parts per billion. That is just below the level already identified in the Love Canal site. It has been established for some time that at least some of these chemical dumps, including Love Canal and Hyde Park, are oozing chemicals through the soil which are slowly draining down the Niagara gorge into the Niagara River, Lake Ontario, and the St. Lawrence River.

It apparently has not yet been established whether the dioxin from the 102nd Street dump is also leaking into the Niagara River. In response to my question to the Minister on February 24, he denied that any dioxin from the 102nd Street dump was leaking into the Niagara River and Lake Ontario. That may be so, Mr. Speaker, but it is somewhat difficult to comprehend when all of these other dumps are apparently leaking chemicals and, therefore, must be leaking dioxin because dioxin is soluble and carried by solvents. Therefore, it goes without saying that dioxin is following the path of these other chemicals down the gorge into the river and into the lake.

It is said that a mere shovelful of dioxin could destroy the drinking water in Lake Ontario for virtually all time. It would make it unfit for drinking for the 4 million Canadians who draw their drinking water from Lake Ontario. As you know, Mr. Speaker, there was a general proposal made to Canada by the Environmental Protection Agency in the United States for cleaning up all of these dumps along the Niagara River. That proposal was put to the Canadian Government some time prior to the Christmas break. To the best of my knowledge, there has not, as yet, been any public response by the Canadian Government to that proposal. In addition, a specific proposal was made with regard to the Hyde Park dump. There has, as yet, been no public response to that by the Canadian Government.

The Canadian Government has stated several times that it wants, not only to contain the chemicals in those dumps, but to actually destroy them. There are methods used in other countries for doing just that. There is one method used in the Netherlands and another in West Germany. Experiments have been performed at Queens University for destroying chemicals of this nature rather than just containing them in dump sites where they can ooze through the ground and, inevitably, contaminate drinking water.

It is time that we took some action on this. It is time that we at least made public our responses to the general proposals made by the U.S. for a clean-up. It is time we made a response to the specific proposals made to the U.S. courts concerning the Hyde Park clean-up. It seems to me that tonight, at long last, we should be hearing from the Parliamentary Secretary exactly what Environment Canada intends to do with respect to the sites.

• (1815)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is a Herculean task to try and respond to those specific questions, but there are some

specific answers. As usual, the Hon. Member for York East (Mr. Redway) has his facts correct. His information is excellent concerning what has gone on and the danger which exists.

I would make one point on the dioxin. I think it is important that the general public understand there are different kinds of dioxin. The 2, 3, 7, 8 dioxin isomer which we are talking about here is indeed the most deadly chemical substance we know of. The other dioxins found in drinking water along the St. Clair, for instance, are far less deadly and are not found in concentrations anywhere in waterways which are used for drinking water which would, at least to this point in time, give anyone cause for concern.

The specific point I would like to make regarding the 102nd Street chemical waste landfill site is that there have been some delays in the tests. I was the U.S. Army Corps of Engineers who stopped any further chemical disposal on this site when they built a dike back in the early 1970s. From 1979 on there have been surveys and tests of the soil. In the summer of 1985, dioxin was found in the neighbourhood of 630 parts per billion. Anything over one part per billion is considered by the EPA to be potentially hazardous and remedial action is necessary. Where we are at right now with this dump is that the ongoing tests will determine whether there has been any migration of the chemicals. The Hon. Member is quite right to say it is reasonable to assume this could have happened. We are right now at the stage of determining whether or not this is the case and whether any further remedial action is necessary.

As to the Hyde Park site, we have responded to the American court. We indicated very clearly that our opinion is that the action suggested thus far will not accomplish zero discharge. We suggested technical changes in their approach and we have urged them to take action on what they have before them. We are hopeful they will take into account our suggestions so that we will have at least proof that what they are doing is adequate and we will then be able to determine what further remedial action might be necessary.

[*Translation*]

SOCIAL SECURITY—CHILD CARE SERVICES—GOVERNMENT AID—GOVERNMENT'S POSITION. (B) GROUPS' REQUEST FOR FUNDS

Ms. Lynn McDonald (Broadview-Greenwood): On February 12, Mr. Speaker, I raised a very important question concerning child care services. During the election campaign the Prime Minister (Mr. Mulroney), then Leader of the Opposition, responded favourably to two representations from groups working in that field.

First, he promised to appoint a parliamentary committee to look into this matter. That he has done. Second, there is the matter of money, in other words the $300 million for child care services that need immediate assistance.

In answering this request the Prime Minister did not mention a specific amount, but he showed he was aware of problems in that sector and promised financial assistance. But what has he done to live up to that promise? Not even a nickel in the Budget. In answering my question the Minister of National Health and Welfare (Mr. Epp) was quite satisfied with having to wait for the report of the parliamentary committee, even though the need is urgent and immediate.

The objective of the committee is to consider a new assistance plan, a restructuration. We should not wait for that report to improve the situation, critical as it is: shortage of affordable places, minimum wages for men and women who work in child care services, unequal access to services throughout the country.

The Minister of National Health and Welfare (Mr. Epp) has too much confidence in the study committee—as yet undeserved confidence.

We in the New Democratic Party fear that this committee will simply duplicate the work already done by the task force, that it will be a convenient excuse to put off implementing the recommendations of Mrs. Cooke's task force.

What this committee should do is to begin by considering the recommendations of the task force with a view to setting up the structure of a child care service system.

• (1820)

[*English*]

What do we want to see, what kind of system? We want to see a national system, one that is worked out with the provinces, one that is jointly funded on the same basis as medicare and other social programs. We want to move from a welfare-based program where recipients have to prove need to a system where there are provisions for all. Quality child care is expensive, as are quality schools. We have moved to accepting the burden collectively for the provision of schools. We must do the same for child care. This is what the movement for child care wants, and it is what the NDP has been recommending for many years.

Many parents want to look after their children at home and do not want day care centres. They do not get the assistance they need either. It should be an option. It should be possible for parents to have a shorter work week and for both parents to share the care of children at home as a child care option. We need flexibility so that parents do not have to make the choice of full time at home or full-time child care, so that these tasks can be shared and different possibilities worked out for families as they wish them.

Tax support for child care is inadequate. The deductions do not permit coverage of full costs. The system is regressive, giving the greatest assistance to highest income earners. We have a long way to go to put in place a really good system.

The Cook task force which is reporting this week, cost three-quarters of a million dollars. It commissioned more than 20 studies. It made international comparisons and looked at the tax system. It even had some public meetings before they were called off. A very comprehensive study was made of the system. We are expecting good things in those recommenda-

tions. If a new parliamentary committee on child care is to play a useful role, it must start from those recommendations and get right down to working with the provinces to come up with a system that will be acceptable to all those who have jurisdiction in this area. Parents have been waiting a long time for it.

One of the studies for the Cook task force report on the task force on child care shows that Canada ranks number 22 out of 23 for paid maternity leave and parental leave of provisions for child care. I might point out that number 23 was the country of Greece under its previous Conservative Government. It has since improved considerably the provisions for parental leave. I suspect if these figures were redone, we would see that Canada is number 23 out of 23 countries. That is not acceptable. We have a very long way to go before we see that parents get support and that provision is made for parental leave and adequate child care.

The Canadian Child Care Advocacy Association is waiting. They are tired of the excuses and so are we. We need legislation, we need programs and we need the $300 million as an immediate infusion into the existing system.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to answer the Hon. Member's question about the Government's promises and commitment concerning child care.

It is clear that because of changing family needs, child care has become one of the major items on the social agenda. However, a number of questions have yet to be answered about how best to respond to the pressing need for day care services.

That is why, as promised in the Throne Speech, the Government decided to set up a parliamentary task force that will be responsible for defining Canada's future policy in this area.

• (1825)

The task force will play a major role in developing Government policy on child care by inviting the public to participate and by preparing feasible recommendations for future alternatives.

The parliamentary task force will provide a forum for useful and constructive public debate on questions and concerns that are essential to an understanding of our commitment as a society in this respect. To help reach a consensus, we have asked that the public's attention be focussed on child care within the general context of the changing needs of the family. By considering family needs from this perspective, we can try to understand how Canadians perceive the need for providing day care services for all children, not just the children of working parents.

We have also asked that the work of the task force focus on the respective roles of parents, employers, persons in charge of day care services and other parties, in order to determine what role Governments should play and the appropriate fundamental measures they should take.

To fulfil its mandate, the parliamentary task force would have to go beyond philosophical discussion and seek practical solutions to the problem of providing child care. It should remember it is the provinces' responsibility to provide day care services, and it will have to consider the financial capabilities and constraints of all public authorities concerned.

If we let the members of the parliamentary task force have a frank and open approach to the task they have undertaken, I am convinced that the result will be a broad range of valid options for meeting the commitment of Canadians to providing child care. I believe that the discussions and conclusions of the task force will be of vital importance to the Government and its commitment to establishing a Canadian child care policy that will respond to the needs of all Canadians.

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

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, March 5, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

SITUATION OF SUGAR-BEET PRODUCERS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the sugar-beet producers are in great trouble. Today is March 5 and Canadian farmers are wondering if they will be able to grow a crop this year. This lack of action on the part of the Government is affecting farmers particularly in Alberta, Manitoba, and Quebec, and nothing has yet been done to reassure the hundreds and hundreds of Canadian producers.

[*Translation*]

Mr. Speaker, in Quebec this will have a very definite impact, because if the Government does not announce very shortly the kind of policy it intends to introduce for the benefit of sugar-beet producers, we can expect farmers to stop growing this crop, and then the Government of Quebec will be in a very tough spot with the Saint-Hilaire sugar refinery.

I would therefore ask the Minister of Agriculture (Mr. Wise) and the Conservative Government not to wait until all sugar-beet refineries are shut down to announce the sugar policy they have been promising us for more than ten months.

Mr. Speaker, this is an urgent matter, and action will have to be taken very shortly.

* * *

[*English*]

IMMIGRATION

NEEDS OF IMMIGRANT WOMEN

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the needs of immigrant women continue to demand action by the Government. These women often face a series of barriers to meaningful employment. They may be preoccupied with family responsibilities and immersed in the language and culture of their community. They are often unfamiliar with both of the official languages, but can find little language instruction. They have few of the skills being sought in the labour market and face severe competition from those desperate for any job they can find.

• (1405)

To be an immigrant women is often to be a member of the target group of visible minorities as well as women. Such a coincidence does not assure them of action by the Government. The Government aims to spend more on human resource development, but it has not increased funding to organizations which want to assist in improving the employability of such special groups.

Government appears unconcerned about the inadequacies of the employment equity Bill, and the affirmative action staff within Treasury Board faces lay-off. Immigrant women provide—

Mr. Speaker: Order, please. Sixty seconds, please.

* * *

HOUSING

RURAL AND NATIVE HOUSING PROGRAM

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, the Rural and Native Housing Program is designed to assist low-income people to purchase a home. The program is funded 75 per cent—25 per cent by the federal and provincial Governments respectively.

The administration of the program in the past has left a lot to be desired. At no time has the Minister or his officials sought opinions from local authorities. As a result of this grave lack of sensitivity, many people are now angry, frustrated, and hostile toward the program and the people involved. I can understand this frustration which many hard-working Canadians feel. They pay the full price of a house, including interest rates on conventional mortgage payments, while others receive subsidies for above-average housing.

Such animosity could be avoided if more local consultation and participation were encouraged in the selection process. I urge the Government and the Minister to consult with Members of Parliament and to seek municipal and local opinions before implementing any further projects under the Rural and Native Housing Program.

S.O. 21

[*Translation*]

WOMEN

INTERNATIONAL WOMEN'S WEEK

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, during International Women's Week, let us rejoice in the progress made by Canadian women towards economic equality, since that memorable day when for the first time in North America, New York garment workers rose up against the unfair practices they were subjected to at work.

At the last Conference of Federal and Provincial First Ministers, it was agreed to develop a strategy that would help women achieve economic equality. In this strategy, professional training and development were identified as activities that were particularly important to women.

Across Canada, the Ministers responsible for the status of women have committed themselves to developing an intergovernmental plan with the same objective in mind.

Mr. Speaker, on International Women's Day, I would urge my colleagues to continue to support our efforts to achieve equality and economic security for women.

* * *

FISHERIES

CONSTRUCTION OF LABORATORY IN NEW BRUNSWICK—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, in 1984, the Government promised to build a new fisheries building in Shippegan, New Brunswick. When the Hon. Member for Vancouver South (Mr. Fraser) was Minister of Fisheries and Oceans, he also made a commitment to have the laboratory built.

In fact, tenders were made and the necessary funding totalling $1.7 million had been released. The Minister had also informed the Chamber of Commerce of Shippegan that the project would start in May 1986.

However, when the Deputy Prime Minister took over the Fisheries Department, he soon put a stop to the project.

Mr. Speaker, the Minister should immediately proceed with construction on this laboratory which is vital to the fisheries industry in New Brunswick.

Mr. Speaker, I think this is just another example of how this Government has decided to ignore the Atlantic region and the fisheries industry.

[*English*]

PEACE

MESSAGE FROM BAHA'I UNIVERSAL HOUSE OF JUSTICE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on October 24, 1985, the Universal House of Justice, the supreme governing body of the Baha'i faith, addressed a statement to the people of the world on the theme of peace. I have a copy of the message which was presented to me by the Baha'i community of East St. Paul, Manitoba. I recommend it to Hon. Members of the House who are concerned about the peace issues, and I should like to quote from it briefly:

> Whether peace is to be reached only after unimaginable horrors precipitated by humanity's stubborn clinging to old patterns of behaviour, or is to be embraced now by an act of consultative will, is the choice before all who inhabit the earth.

* * *

REGIONAL ECONOMIC DEVELOPMENT

PROGRAMS TO ASSIST ATLANTIC CANADA

Mr. Pat Binns (Cardigan): Mr. Speaker, Atlantic Canada is now the place to do business. The Government is providing greater opportunity to the Atlantic region than at any time since John Diefenbaker. The newly announced Atlantic Enterprise Program will guarantee term loans up to 85 per cent of their value, and will provide an interest write-down of 6 per cent for new and expanding operations. Business ventures in areas such as tourism, manufacturing, and processing, related service sectors, and primary industries, will qualify.

Another new program is the Atlantic Opportunities Program administered through the Department of Supply and Services. It will create 20,000 man-years of employment. It will increase Atlantic purchasing by 40 per cent and spend $600 million over the next four years to achieve this goal.

• (1410)

Regional development incentives also continue. In my riding of Cardigan, 50 per cent investment tax credits are available this year to manufacturers, and will continue at 40 per cent.

It is time to take ideas off the shelf. It is time to put them into action. Atlantic Canada is going to boom again, thanks to the Mulroney Government which is creating a new spirit of enterprise. We now have the program to match the opportunities. I urge the business community to respond to the challenge.

Mr. Speaker: Sixty seconds, please.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

ATLANTIC ENTERPRISE PROGRAM

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, as the Member for Kamouraska-Rivière-du-Loup, I want to say I am proud to be on the Conservative team.

Our Minister of Finance (Mr. Wilson) and our Minister of Regional Industrial Expansion (Mr. Stevens) have recognized the economic potential of the region east of Quebec.

The Atlantic Enterprise Program was received with great enthusiasm by all economic partners in the riding of Kamouraska-Rivière-du-Loup, eastern Quebec and the Atlantic region.

Thanks to this program, regional development initiatives which until now had been frozen will finally be able to come to fruition. It is a sensible initiative that was necessary, since this region had been neglected under the Liberal Government. Programs had been set up where the emphasis was on bureaucracy rather than economic impact.

The Atlantic Enterprise Program will provide job opportunities for my constituents in the very near future.

The Conservative Government deserves praise for acting responsibly, and it is certainly a change from the inertia of the previous Liberal Government.

* * *

THE BUDGET

SOCIAL ASSISTANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the future of low-income Canadians is of great concern to this Government.

Further to our commitment to direct social programs to those who need it the most, in the Budget brought down by the Minister of Finance (Mr. Wilson) the Government is proposing to pay in advance a substantial portion of the child tax credit, to assist Canadian families on low incomes and to reduce the need for tax discounting.

From now on, prepayments amounting to $300 per child will be paid in November 1986 to families with incomes of $15,000 or less in 1985.

This new prepayment system will reduce the waiting period for eligible families by several months. About one million families will benefit from the system.

This measure is in addition to recent changes in legislation which limit the percentage of tax refunds that may be taken by discounters. Now the poor, single mothers and welfare recipients will no longer have to resort to their services.

S.O. 21

YOUTH

REQUEST FOR RESIGNATION OF MINISTER OF STATE (YOUTH)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, International Youth Year is over, and the champagne is flat!

Some Hon. Members: Oh, oh!

Ms. Copps: We know we have about 700,000 unemployed young people in Canada, and Mr. Wilson's Budget contains not a single word about the problems of the young unemployed.

Mr. Speaker, I would like to ask the Prime Minister (Mr. Mulroney) where the Minister of State (Youth) (Mrs. Champagne) is at this time? Is she here in the House? Is she in her riding? Is she speaking for youth? Obviously she is not, because we know that her Budget has been at least cut in half. This Government which promised so much to unemployed youth has done nothing about jobs in Canada.

I ask the Minister of Finance (Mr. Wilson) to create jobs for young people. I ask the Prime Minister to request the resignation of the Minister of State (Youth), because she is not fighting for our young people. She is only fighting for her limousine and her bureaucracy.

* * *

[*English*]

PORNOGRAPHY

CALL FOR IMMEDIATE EXCISE TAX INCREASE ON IMPORTED PUBLICATIONS

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, as Members of this House will know, the struggle to impose workable restrictions upon the importation, distribution, and sale of pornographic material in Canada has been a difficult one, not least because of the question of freedom of speech under the Charter of Rights and the absence of acceptable definitions of what is and is not obscene, offensive, and dangerous to the community. Meanwhile, this material continues to pervade our country.

I, therefore, urge the Government of Canada to consider introducing an immediate increase in the federal sales and excise tax applicable to such offensive material to a rate of not less than 2,000 per cent of the average retail price of such publications. If people want or need such forms of stimulation and degradation, they can at least be prepared to pay for them.

* * *

CANADIAN JOBS STRATEGY

PROJECT GUIDELINES—ELIGIBILITY OF INDIAN BANDS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, a number of Indian bands and native organizations within my riding have expressed concern about the strict and, at times,

counter-productive guidelines for job development projects under the Canadian Jobs Strategy. Specifically, these guidelines require the project participants must have been jobless for at least 24 of the last 30 weeks. This means that in seasonal and high unemployment economies some well qualified unemployed may be denied the chance to compete for new jobs.

In two cases, the Big Trout Lake training program and the Wawatay television training program, flexibility is a necessity to recruit the best possible candidates for these ventures.

• (1415)

I realize that guidelines offer valuable consistency and fairness to a program, but they should not retard or limit any group's potential for success. I ask the Minister to consider exempting these organizations from guidelines and to review similar concerns as they may be brought to her attention. In the interest of successful job creation, this suggestion is worthy of positive consideration and prompt action.

ORAL QUESTION PERIOD

[*English*]

REGIONAL ECONOMIC DEVELOPMENT

PROVISIONS IN BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. The largest cut in the federal Budget is that of $6 billion in the regional development envelope for 1987. That is the envelope which helps create jobs and opportunities in the less wealthy regions of the country.

Why are the areas of the country with the worst economic problems being asked to bear the majority of the regional burdens imposed by the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker I hate to point it out again, but the Leader of the Opposition is wrong.

Mr. Crosbie: As usual.

Mr. Wilson (Etobicoke Centre): I think he should get new researchers if he is not going to do the work himself. In 1985-86 the amount was $12.465 billion. This is on page 31, Mr. Speaker. In 1986-87 the figure will go down to $11.080 billion. I think that is a reduction of about $380 million.

The cause of that reduction is the elimination of unnecessary subsidies to business which are primarily focused on the more well-off regions of the country. We did everything we could possibly do to avoid cutting spending in the worse off areas of the country. I am sure the Hon. Member realizes that through the Atlantic Enterprise Program we have put a greater focus on Atlantic Canada because of the high unemployment rates there.

GOVERNMENT POLICY ON DISADVANTAGED REGIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the figures I was quoting were the 1984-85 figures of the previous Government which projected $14.7 billion for 1987. That has been reduced by the present Government to $9.8 billion. Those are the facts which I happened to look up myself, Mr. Speaker.

[*Translation*]

Why must the poorest regions of our country bear the brunt of deficit reduction? If the Minister is unable to treat taxpayers and individuals with fairness, why does he not extend fair treatment at least to the many poor regions of Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the philosophy and policy of the Government are to provide funds to those who are greatest in need. That is the philosophy which flows through the management of our economic and regional development programs. We have removed subsidies which are no longer necessary in the better-off parts of the country and directed the savings to those parts of the country which need them most, such as Atlantic Canada. The Atlantic Enterprise Program is the best example I can give of what we have done in the Budget to reinforce that philosophy.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I will have an opportunity to deal with that later in the afternoon.

PRINCIPLE OF REGIONAL EQUALITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Canadian Constitution now provides for regional equality as part of the substance of our Confederation. Why is he abandoning the principle of equal opportunity for our regions in the recent Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is quite clear that the Leader of the Opposition was not able to adjust the questions which he prepared before he came into Question Period. The responses to his first two questions clearly indicate that we have done no such thing. We have not abandoned any emphasis on regional development. Far from that, we have increased it through the Atlantic Enterprise Program as well as through the benefits which we are providing to those in northern Canada.

Ms. Mitchell: What about British Columbia?

* * *

[*Translation*]

THE BUDGET

REQUEST FOR CLARIFICATION OF REVENUE AND DEFICIT PROVISIONS

Mr. Raymond Garneau (Laval-des-Rapides): Since the Budget speech, Mr. Speaker, several facts have contradicted

the figures of the Minister of Finance, thus affecting his credibility with respect to revenues and particularly the deficit. Here is my question, Mr. Speaker: How can the Minister of Finance explain that, on pages 27 and 28 of his Budget documents, he expects a real investment growth of 7 per cent, that is plus inflation, 11 per cent, whereas Statistics Canada figures released this morning show that the growth in business investments is forecast at only 2.5 per cent in current dollars? How does he explain this decline from 11 to 2.5 per cent in only a few days?

• (1420)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would just ask the Hon. Member to think back to about a year ago. Investment intentions were about four percentage points below what the actual result will be. Right now the Conference Board is saying that business confidence is 20 percentage points higher than it was last year. That tells me that business investment activity will be at a record high this year.

[*Translation*]

INQUIRY WHY STATISTICS CANADA FIGURES WERE NOT USED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the Minister of Finance has no confidence in Statistics Canada figures, he should abolish the agency. Otherwise, why did he not take into account this survey made among 25,000 businesses which indicate that their investment will grow by only 2.5 per cent in current dollars? Why did he not use those figures which come from a Government agency?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the answer I gave to the first question is the answer I would give to the second question. Judgment is required.

Mr. Garneau: You are right and StatsCan is wrong.

Mr. Wilson (Etobicoke Centre): The StatsCan numbers are from a narrow survey of investment intentions. Last year the same survey underestimated the growth in the economy and I think it is going to happen again.

* * *

FINANCE

INCREASE IN EXCHANGE RESERVES—SIZE OF GOVERNMENT BORROWINGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. The average family, knowing that they are going to pay some $1,300 in increased taxes as a result of the present Budget, the previous Budget, and the budget statement in the fall of 1984, are fed up. We learned this morning that because of the Government's incompetence the Minister had to borrow $2.5 billion last month. That was the largest amount borrowed in a month, in the history of this country. Can the Minister tell the average Canadian how much it will cost him or her for this increased borrowing by the Government of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows we discussed the $1,300 figure yesterday. I pointed out in three precise areas where his figures were all wet, as they normally are. We will probably talk about that again later today.

As far as the use of exchange reserves is concerned, let me draw to his attention that drawing down reserves in U.S. dollars to buy Canadian dollars just shifts the money from our U.S. dollar account to our Canadian dollar account where it will be used to finance Government purchases of goods and services in Canada. There is no loss of money so far as the Canadian taxpayer is concerned.

Mr. Broadbent: Mr. Speaker, I will deal with the Minister's challenge to the figures later when I speak in debate.

Mr. Hnatyshyn: Don't empty the House, Ed.

Mr. Broadbent: I would simply point out that he blamed Marc Lalonde for the 1 per cent federal sales tax increase. I say to him that he had an option. He did not have to impose that tax. However, I will deal with it later.

Mr. Hnatyshyn: Make up your own lines.

COST TO TAXPAYERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister made a decision to build up our reserves by borrowing $2.5 billion in Europe, Japan, and elsewhere. Is he now saying that that borrowing will not cost us a cent?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, funds have to be borrowed to finance a deficit which, fortunately, is going down under this Government but which was built up in previous years to record high levels. Those deficits have to be financed. They can be financed by borrowing U.S. dollars, or yen, as was the case. They are then converted into Canadian dollars which are used to finance the purchase of goods and services by the Government of Canada. There is just a shift of those resources from one account to another, and no loss of money.

EXCHANGE VALUE OF DOLLAR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, again the Minister did not answer the question. There is a shifting of funds from one account to another but when the Government of Canada, like the people of Canada or anywhere else, borrows money, it has to be paid for, and the people of Canada understand that.

Some Hon. Members: Right!

Mr. Epp (Provencher): That is right. Finally!

Mr. Broadbent: Yes.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Question, please.

• (1425)

Mr. Broadbent: I ask the Minister in a straightforward fashion again, considering that since the Budget has come down there has been nothing but negative pressure on the Canadian dollar, and considering that he probably guessed that in advance and he was building up his reserves, will he come clean with the people of Canada and tell them how much it will cost for the $2.5 billion dollars that he borrowed last month, which is the largest increase in the reserves in one month ever in the history of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the basic truth has finally come through to the Leader of the New Democratic Party. When we have a deficit we have to pay, and it costs money to borrow that money. That is a fundamental truth, and that is a fundamental reason why we are trying to get the deficit down.

Some Hon. Members: Oh, oh!

An Hon. Member: How much?

Mr. Wilson (Etobicoke Centre): He says I did not answer the last question. I did answer the last question and I will explain it to him again, slowly.

Mr. Broadbent: Stick around for the debate.

An Hon. Member: It couldn't get much slower.

Mr. Wilson (Etobicoke Centre): Moneys are borrowed in either U.S. dollars, Deutschmarks, Swiss francs, or yen, or Canadian dollars, got that?

Mr. Broadbent: That's very good; one B, very good.

* * *

THE BUDGET

REQUEST FOR NEW PROJECTIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister has put the dollar on a life-support system because the Budget is wrong on oil prices, it is wrong on interest rates, and we learned this morning that it is also wrong on investment intentions. Will he agree, that being the case, that his growth number is wrong, his revenue numbers have to be wrong, his deficit projection has to be wrong? Will he bring us realistic projections based on the real world and not on the world as he would like it to be?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess the Liberal Party must know quite a bit about life-support systems.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have discussed these questions about estimates that are in the Budget, and projections. My hon. colleague from Mississauga South tried to get the question out yesterday, but it was quite clear from his question that the projections that we are using in this Budget are conservative projections. The 9.5 per cent level of interest rates I think is going to be proven to be right on the mark. I do point out to the Hon. Member that, as I indicated, the dollar has been strong these last couple of days.

Mr. Speaker: Order, please. This is getting too long.

CRUDE OIL PRICE PROJECTION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am going to have to go elsewhere for some answers. I want to go to the Minister of Energy, Mines and Resources for my supplementary question. She knows West Texas oil has slipped below $12 a barrel. Would she rise in her place and tell us whether she has advised the Minister of Finance that his $22.50 price is nuts, and that, in fact, oil prices are going to be much lower and his revenues may be reduced as much as $1 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have the Conference Board of Canada indicating that its projections of oil prices are not that far off our projections. I have talked to a number of oil companies which have also indicated their projections for the price of oil are not that far off ours.

Mr. Riis: Name them!

Mr. Wilson (Etobicoke Centre): As I indicated, the bottom line that he is referring to is the impact on the deficit. The impact on the deficit of lower oil prices is balanced by a healthier economy because of lower interest rates, lower inflation, better growth in the country, and better growth in our trading partners. The net effect and the bottom line are slightly positive to the federal Government.

IMPACT OF TAX INCREASES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Finance. The Minister refuses to deal with the cost to the Canadian public of the borrowing that has just taken place in the last month. He said that the $1,305 figure is wrong. Will he produce for the House the figures showing the impact of not only the income tax increase but three sales taxes, three gasoline taxes, two alcohol and tobacco taxes, UI premium increases, and sundry other taxes and fee increases which have taken place since he took office in September of 1984?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have told the Hon. Member that it is important that we share the load of these tax increases so that the load of reducing the deficit is not borne just by those Canadians who are disadvantaged, or by those Canadians who live in the less advantaged regions of the country.

However, I would point out to him that personal disposable income in 1985 rose by 8 per cent, and it is forecast to rise by 6.3 per cent in 1986, and again by 5 per cent in 1987.

Mr. Broadbent: Now answer the question.

Mr. Wilson (Etobicoke Centre): All of these include the impact of those taxes.

IMPACT ON AVERAGE FAMILY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me try to put the question to the Minister as simply as I can. I will do it slowly. Is it possible for the Minister to produce for the House the impact figures of all the tax increases on the average Canadian family, introduced by the Government since it took office, in order to show that our figure of $1,305 is somehow in error?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I can share a phone conversation that I had with the Leader of the New Democratic Party—

Mr. Deans: Why don't you tell me the number?

Mr. Wilson (Etobicoke Centre): —he has included in his $1,300 figure the effects of the sales tax increase brought about by the Liberal Party in the 1983 Budget, I believe.

Mr. Deans: Which you implemented.

Mr. Broadbent: You brought it in. What are you talking about?

Mr. Wilson (Etobicoke Centre): As well, there are the unemployment insurance premiums which, by legislation, we are bound to bring in, plus the petroleum compensation charge which we have eliminated but was required under the legislation.

Mr. Broadbent: No, it was not.

Mr. Wilson (Etobicoke Centre): That is the reason why I believe about $450 of that figure of the NDP was fictitious.

Mr. Speaker: Order, please.

Oral Questions

ENERGY

CRUDE OIL PRICE PROJECTIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Finance. In his Budget document entitled *Towards a Sustained Expansion: Canada's Economic Prospects, 1986-1991*, he says on page 23 that his budget forecasts are based on a crude price for 1986 of $22.50 a barrel, yet in the same document at page 20 at table 4, he says that the 1986 price for crude oil will be $23.88 a barrel. Why is there this discrepancy in the Minister's own budget documents?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure I would agree with those figures because the Party that the Hon. Member represents sometimes misuses figures. I will check the figures and give the Hon. Member a response.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, there is a definite contradiction and the Minister does not know what figure he is using. In any event, both of them are out of line. Will the Minister admit this and acknowledge that it is time to get back to the drawing board?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the drawing board has produced a masterpiece.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I can see from the look on their faces that the Members opposite agree. I have answered that question before.

* * *

FINANCE

IMPACT OF TAX INCREASES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. Why will the Minister of Finance simply not come clean with the Canadian people and table in the House the total impact of the tax increases he has imposed on the Canadian people since his Government was elected?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, these figures are set out clearly in the various documents that have been presented in the House and I encourage the Hon. Member to read them himself.

CALCULATION OF TAX INCREASES

Mr. Neil Young (Beaches): Mr. Speaker, does the Minister of Finance agree with the calculations made by my Party that the total tax impact of the Minister's three Budgets on the Canadian people is $1,300 for the average Canadian family?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, for the third time, I believe. There are three parts of that calculation with which I do not agree. You can lay them on the back of the previous Government or you can attribute them to the fact that legislation required them, but do not blame them on me—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —because legislation dictates what we must do.

I have said that there are increases in taxation of some $800, which I make no bones about. Those increases are there for a specific reason, so that those parts of the country that can least afford it do not get hit by higher spending cuts—

Mr. Speaker: Order, please.

* * *

REGIONAL ECONOMIC DEVELOPMENT

EFFECT OF BUDGET

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. He will know that British Columbia, Atlantic Canada, and parts of Quebec and Ontario have exceptionally high levels of unemployment. Will he explain to the House the fairness in gutting the regional economic development envelope, thereby depriving Canadians in those regions of jobs, industry of assistance, and communities of some sense of stability and optimism? Why has he taken this ruthless action toward the poor regions of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member should be very pleased with the Atlantic Enterprise Program which is an initiative in this Budget.

However, I have answered the precise question which the Hon. Member asks. We have not done what he has said. We have weeded out from the regional economic development budget those subsidies to business which are no longer effective or doing the job that was originally intended for them. We are trying to clean up the mess that was left in place by the previous Government.

REQUEST FOR EXPLANATION OF CUT-BACKS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, does the Minister not realize that cuts of 12.4 per cent for DRIE, 9.8 per cent for Transport, 11 per cent for Fisheries and Oceans, and 42 per cent in Energy, Mines and Resources will be such a devastating blow to many of those poorer regions of the country that they will fall even farther below the poverty line? Will he explain those cut-backs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, employment has gone up in Atlantic Canada and it will go up further. Surely the Hon. Member is not saying that he wants the Government to keep pumping money into southwestern Ontario, where we have practically full employment, at the same time as we are running up interest rates to the extent that all parts of the country will suffer. We are following a fiscal and industrial policy that makes sense, and that is a nice change.

* * *

UNEMPLOYMENT INSURANCE

POLL COMMISSIONED BY DEPARTMENT—DISCLOSURE OF RECIPIENTS' NAMES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am holding a copy of a questionnaire and manual that was used in a poll of unemployment insurance recipients by the private firm of Peat Marwick. This is a poll commissioned by the Minister's Department at a cost of $187,000. Will the Minister admit in the House that she did not authorize her officials to give Peat Marwick the names and telephone numbers of 1985 U.I. recipients? Will she also apologize to those recipients whose names were disclosed in violation of Section 114 of the Unemployment Insurance Act dealing with confidential information?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that I was not aware of the precise design of that particular survey. However, I want him to know that research work goes on in the Department all the time. Surveys of unemployment insurance exhaustees were done in 1982 and 1984. I am, nevertheless, concerned about whether or not there is any breach of privacy and I have immediately asked that this matter be investigated. In that regard I will certainly take the advice of the Privacy Commissioner.

REQUEST FOR CONFIDENTIALITY ASSURANCE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, since this is a clear violation of Section 114 of the Act, being without the authorization of the Minister, will she give us and, more important, U.I. recipients, the assurance that this kind of breach of confidentiality will never occur again in that Department?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I have informed the Hon. Member, I am indeed determining whether or not there has been a breach of confidentiality. I do not want to see that happen any more than he does. That is why I have said I will accept the advice of the Privacy Commissioner in this regard. As soon as I have that advice, I will get back to him and other Members.

• (1440)

COLLECTION OF BENEFITS BY BRICKLAYERS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Reports in recent days have indicated that some 1,400 Metro-Toronto bricklayers are collecting unemployment insurance benefits while builders have set up an emergency manpower committee to help find qualified bricklayers to meet the demands of the current housing boom. Are these reports true and, if so, what action does the Minister intend to take to ensure that the unemployment insurance system is not abused and that only those who are genuinely unable to find work receive benefits?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to assure the Hon. Member that I believe that if there is work available and if people can find work in their field, then they should not be drawing unemployment insurance benefits. However, I also want to advise the Hon. Member that we do have agreements with hiring halls. They advise us whether or not there are people who are unemployed in a particular field.

Regarding the Toronto situation, I have asked departmental officials to find out immediately whether or not contractors are giving work to the hiring halls, whether or not the hiring halls are referring that work to bricklayers, and whether or not the bricklayers are accepting the work offers that are made. As soon as I have that information, I will be able to take appropriate action.

DEPARTMENT'S ARRANGEMENTS WITH HIRING HALLS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the same Minister. Regarding the hiring halls, can the Minister tell the House why the bricklayers' and other hiring halls have these special privileges to by-pass the unemployment centres in reporting, and just how many unions or organizations have these special privileges?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it has long been a practice of the Department of Employment and Immigration in working with the labour force to have arrangements with hiring halls across the country. That has been in effect for some time. We have found it to be of very beneficial assistance in making sure that proper flows of work are channelled through the hiring halls. I would hope to see that practice continue.

* * *

EQUALITY RIGHTS

ELIMINATION OF MANDATORY RETIREMENT AGE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Justice. As a result of the new equality law, the Minister has announced the elimination of mandatory age of retirement for public servants but not for the tens of thousands of workers in the federally regulated private sector. Could the Minister tell us why these workers do not benefit right now from non-discrimination based on age?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, apparently the Hon. Member simply refuses to read the details of this report. In the report we indicate that the same rules are going to apply to the private sector, but to give it time to adjust its affairs and labour contracts and to make arrangements, there will be a transitional period. Exactly the same principle will apply. The Public Service can act more quickly because the President of the Treasury Board has already been taking steps that can be put into immediate effect. The private sector has not had that advantage. If the hon. lady will read on, she will discover just what is going on.

INDUSTRY STANDARD

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I can assure the Minister that I know exactly how to read his document and that his document is certainly not clear. I would like to know what kind of fairness and equality can bank clerks, airline stewardesses, and rail workers expect from the Government when decisions for retirement are not going to be based on their performance ability but on their age, and normal age of retirement is an industry standard.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I refer to page 9 of this historic document tabled yesterday which indicates the following:

> However, since abolishing mandatory retirement will have an impact on labour relations in the private sector, the Government will consult with private sector employers and employee organizations before taking any action,—

The previous Government did not consult with anyone about anything. We consult first, and then we act.

Some Hon. Members: Hear, hear!

* * *

FINANCE

IMPOSITION OF TAXES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have listened with great care and much amazement to the answers given by the Minister of Finance today with respect to the oil compensation fund tax and the sales tax increase that came into effect in October, 1984. My question is very simple. Who was it who put these taxes into effect, the Minister or Darth Vader?

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): Darth Vader from *Star Wars*. He's the guy who has taken over from them.

Mr. Turner (Vancouver Quadra): He's working for you.

Mr. Speaker: Order, please.

Mr. Broadbent: Do you have to think about it, Michael?

Mr. Speaker: Order, please.

Hon. Michael Wilson (Minister of Finance): He is a Member of the New Democratic Party. Mr. Speaker, Marc Lalonde put in a sales tax increase. I believe it was Allan MacEachen who put in the petroleum compensation charge, and the unemployment insurance premiums have been around for a long, long time.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

REQUEST FOR WITHDRAWAL

Mr. Langdon: Mr. Speaker, clearly it might have been R2D2 who reached out beyond the grave here.

Mr. Steven W. Langdon (Essex-Windsor): I have a serious question to ask the Minister. In view of the attacks on every assumption on which the Budget was based, is the Minister now prepared to withdraw this Budget and start all over again?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess the Hon. Member is out in that other world with Darth Vader.

Some Hon. Members: Hear hear!

Mr. Wilson (Etobicoke Centre): The simple answer—

An Hon. Member: He's spaced out.

Mr. Wilson (Etobicoke Centre): Yes, he is spaced out. The simple answer is that I stand by the bottom line of those projections. The 9.5 per cent interest rate will, I think, prove to be quite realistic. The bottom line on the oil price assumptions, as I have said I think seven times already, is that as the oil price goes down there are two offsetting—

Mr. Speaker: Order, please. Order. I think the Minister has had enough time to answer that.

* * *

[*Translation*]

WOMEN

REQUEST FOR EXPLANATION OF PROGRAM CONCERNING PROMOTION OF WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Secretary of State.

Last week's Budget provided for cuts in departmental spending. Mr. Speaker, I wish the Minister would give us the assurance that the Women's Program in the Department of the Secretary of State will not be abolished, as some people fear will be the case.

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, at the present time we are analyzing the Budget cuts and when this has been done, we will be able to inform the House and Canadians how my Department's budgets have been able to respond to these cuts.

REDUCTION OF BUDGET FOR PROMOTION OF WOMEN PROGRAM—GOVERNMENT INTENTIONS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Minister has cut at least twelve per cent from the Women's Program for 1986-87, allowing for inflation.

Could the Minister inform the House how far he is prepared to go? How much is he prepared to concede to the Minister of Finance, to reduce the budget for the Women's Program even further?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I can give the Hon. Member no assurance other than the fact that usually I am not the one who concedes anything to the Minister of Finance. The Minister of Finance makes the concessions.

* * *

[*English*]

FINANCE

EXCHANGE VALUE OF DOLLAR—EFFECT ON FOOD PRICES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. Low and middle-income families are paying very dearly for the lack of confidence in the Government's economic policies. Is it fair that an average family will pay an extra $100 for food as a result of the falling dollar and this will be put on top of the extra tax burden as well as slashes to services for these same families?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is a well know fact that, if the NDP policies had been followed by the Government, the falling dollar would have been dropping through the floor. That is why we have taken action in the Budget to steady the dollar.

I would say to the Hon. Member that low-income families are benefiting from the increase in the child tax credit, the acceleration of the payment of the child tax credit, the low-income refundable sales tax credit, and the $100 million that we are redirecting to help those Canadians who are on welfare find work and become more accustomed to the workforce. These are things that are real benefits—

Mr. Speaker: Order, please. I know the Minister can be briefer than that.

* * *

● (1450)

SOCIAL SECURITY

REQUEST FOR FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in view of the extra burden of higher taxes which the Minister is imposing upon families, the higher food costs resulting from his economic policies—and of course these are increasing the cost of living for all families with children—will the Minister take steps to reindex the family allowance and the child tax credit to the real cost of family living?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has never really understood what we were doing with the changes in the family benefits. There are three elements of the family benefits package. The child tax exemption, which is a benefit to upper-income Canadians, was reduced. The child tax credit, which is a benefit to lower-income Canadians, was increased. We have also modified the indexation of the family benefit. However, the net effect of those three changes is to help low-income Canadians and to take that money away from upper-income Canadians. Surely that is good social policy.

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[*Translation*]

FORESTRY

SAWMILLS—IMPACT OF FREE TRADE NEGOTIATIONS

Mr. Marc Ferland (Portneuf): Mr. Speaker, my question is directed to the Minister of State (Forestry).

The experts say that the lumber industry had a very good year in 1985, the result of an impressive 18.5 per cent increase in construction starts.

Could the Minister inform the House whether the Opposition is right when it sees negotiations to improve our trade with the United States as a threat to the industry?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I appreciate very much the continued interest and concern of the Hon. Member, and indeed of other Hon. Members, in the forest products trade issue. Of course the fact of the matter is that lumber presently trades freely between Canada and the United States, to the extent where we have now captured about a third of its market. Naturally that might be expected to create and spur protectionist sentiments, which it has, despite the fact that Canada has not provided any subsidies. That has been proven by two United States studies. It is my view that freer enhanced trade with the United States will serve to offset or ameliorate these—

Mr. Speaker: Order, please.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. From the 1986-87 Environment Canada Estimates we learn with shock that the Minister has changed the policy on acid rain. Until now the Government wanted to reduce acid rain causing emissions. In this year's Estimates, instead, we learn that the Government wants to reduce the effects of acid rain on the environment.

Mr. Speaker: Order, please. This is several statements. A question, please.

Mr. Caccia: Why has this backward step been taken on the eve of the summit meeting in Washington between the Prime Minister and President Reagan?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, with all due respect to the Hon. Member for Davenport, he does not know what he is talking about.

Some Hon. Members: Oh, oh!

Mr. Caccia: Read your own Estimates.

Mr. McMillan: This Government has done more on the acid rain issue in 18 months in office than the Liberal Party did in 18 years in Government.

Some Hon. Members: Hear, hear!

MAPLE TREES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, rather than this junk, perhaps the Minister of the Environment will give us a serious answer. As a result of the policy change in his own Estimates, does he intend to equip every maple tree in the country with an acid rain umbrella?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, is the Hon. Member not aware of the fact that the Government has set aside $300 million for acid rain abatement, $150 million of which will be directly related to the abatement of acid rain through companies? Does he not realize that we have signed a general agreement with all eastern Canadian provinces to reduce by 50 per cent acid rain causing emissions by 1994, based upon 1980 figures? Does he not realize that I am about to sign individual agreements with Ontario, Quebec, and other relevant provinces? During the time when he was Minister of the Environment, he was not able to get one agreement, let alone seven.

LOCATIONS OF UNITED STATES RADIOACTIVE DUMP SITES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It also concerns the summit. The Prime Minister will be aware of the concern of the Manitoba Government that the question of potential radioactive dump sites near the Canada-U.S. border be on the agenda of the meeting between him and the President of the United States. Could he tell us whether he has been successful in getting that on the agenda and will be raising it with President Reagan?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we shall be discussing all subjects of mutual interest, including that one.

[*English*]

NIAGARA RIVER POLLUTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my supplementary question is directed to the Prime Minister. Has he also made attempts, as he indicated some weeks ago, to have the whole question of the Niagara River clean-up put on the agenda of the summit?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I mentioned that we were going to discuss all important matters with a bilateral dimension, and that of course includes the matter raised by my hon. friend.

* * *

[*English*]

INCOME TAX

TAXES PAID BY INDIVIDUALS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Minister of Finance. *The Financial Post* of this week illustrates how changes in his new Budget hurt small businesses and middle-class families. Could he explain why a taxpayer with a $40,000 income will pay $812 more in 1987, and a taxpayer with a $150,000 income will pay $5,470 less in 1987?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have a press release from John Bulloch who speaks for many small-businessmen across the country. He says that there are very profound long-term changes in the Budget of which he is very supportive. Also he says that the Government's fiscal plan has been working and will pay dividends, and is leading to Canada being the leader in growth and job creation in the industrialized world. He goes on to say that the changes we are seeing in the tax system from the last two Budgets are rewarding small business rather than established large businesses. We stand for small business in this Party.

[*Translation*]

INQUIRY WHY GOVERNMENT REDUCED TAXES ON LARGE CORPORATIONS AND IMPOSED SURTAX ON SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): I have a supplementary, Mr. Speaker. Why did the Minister of Finance reduce taxes on large corporations and levy a surtax of three per cent on small business?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has neglected to point out that we have eliminated the 12.5 per cent dividend distributions tax for small businesses, which will save them money as well as a major amount of tax complexity. It is a very major step forward as far as the Government is concerned, as part of its broad program, to help small businesses from coast to coast.

* * *

CANADIAN WHEAT BOARD

FORTHCOMING ANNOUNCEMENT OF INITIAL GRAIN PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. He will recall that some time ago in the House he suggested that Canadians applaud U.S. farm policy, even as it was driving down the price of grain to Canadian farmers. Will the Government in the next few days announce lower initial prices for grain sold by Canadian farmers, even as the Minister of Finance is increasing the taxes on farm input costs?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think it is important to set the record straight. In no way, at no time, did I ever applaud the U.S. farm policy. I had a comment on the U.S. Farm Bill; indeed, I had a comment in respect of two or three aspects of it.

Turning to the second part of the Hon. Member's question, the Minister in charge of the Canadian Wheat Board is absent today on official business. I will take notice of the question, and I am sure the Minister of State for the Canadian Wheat Board will get back to the Hon. Member for Prince Albert.

PARITY PRICING

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in order to alleviate the lower prices for farm commodities, will the Minister and his colleagues introduce legislation similar to that on parity pricing and the motion introduced by the Hon. Member for Yorkton-Melville, and bring it into the House so that we will have some security for farm prices in the future?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am informed by my colleague that indeed the Minister of State for the Canadian Wheat Board responded at least in part to the question. The Hon. Member should know that the Government did not stonewall and disregard the issue of parity prices. Indeed, we accepted the motion put forward by his

colleague, and it has now been referred to the standing committee. Personally, I much prefer the motion which was put forward by the Hon. Member for Swift Current-Maple Creek.

Mr. Speaker: Order, please.

* * *

UNEMPLOYMENT INSURANCE

RELEASE OF RECIPIENTS' NAMES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In answer to an earlier question the Minister did not say whether she or anyone in her office authorized the release of that confidential information about unemployment insurance recipients to Peat Marwick. Will she clearly answer that question?

● (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I mentioned earlier that the Department carries out surveys all the time, as it did when the former Government was in office. Certainly my office is aware that surveys are carried out. It did not know the particular research design of this survey.

Mr. Gauthier: Did you authorize it?

ROLE AND KNOWLEDGE OF OFFICIALS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, did the officials know that the law states clearly that that type of release must be made only by the Minister? Did the officials in her Department know that? Does the Minister not have any control over the people in her Department?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned earlier, I am having this whole matter investigated. I will be pleased to give the information to that Member and to other Members when the investigation is completed.

* * *

PRIVILEGE

ALLEGED SLUR AGAINST MEMBER FOR BOURASSA

Mr. Speaker: I am in receipt of a notice of question of privilege from the Hon. Member for Nunatsiaq (Mr. Suluk).

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, this question of privilege concerns the question of privilege raised by my colleague, the Hon. Member for Bourassa (Mr. Rossi). Sometimes extracurricular language used in the heat of debate is not appropriate and later regretted by all sides. Representing a homogeneous cultural group which is, nonetheless, a minority in Canada, I am well aware of this special problem.

I would be the last person to do or say anything intentionally that could be interpreted in any way detrimental to other groups. I regret that the time of the House has been taken up by this incident, and as far as I am concerned this matter is closed. Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please! The Hon. Member for Hamilton Mountain (Mr. Deans) is rising on a point of order. The Hon. Member for Windsor West (Mr. Gray) raises the same question of privilege?

Mr. Gray (Windsor West): Mr. Speaker, from what I heard the Member say, I heard no clear apology or a withdrawal of the remark.

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

Mr. Gray (Windsor West): To be acceptable—

Mr. Speaker: Order, please. Order, please. The matter has been raised on a question of privilege, which is not a matter of privilege, by the Hon. Member for Bourassa (Mr. Rossi). Clearly I can say to the Member now that it was not a question of privilege. I took it, and I think the Deputy Speaker at the time took it, as a question of order relating to language and has reserved on the matter. I have yet to come back on the matter.

It is difficult for the Hon. Member for Windsor West (Mr. Gray) to argue before the Chair has ruled in any way whether an action by another Member is required.

Mr. Guilbault (Saint-Jacques): Why let him speak then?

Mr. Speaker: Order. Because the Hon. Member rose on a question of privilege as did the Member for Bourassa. The Chair cannot tell in advance until he has heard something whether there is a question of privilege here. I, therefore, can say to the Hon. Member for Nunatsiaq (Mr. Suluk) that he has not raised a question of privilege with the Chair. Order, please.

Mr. Rossi: Can I defend myself, Mr. Speaker?

Mr. Speaker: No. Order, please. Order, please.

The Hon. Member for Bourassa raised a question of privilege. I am saying to him now, as I am saying to the Hon. Member for Nunatsiaq, that neither of them have questions of privilege.

The Hon. Member for Bourassa, if he wishes to check the record, will find that the Deputy Speaker gave him substantially more time on this matter than was just given the Hon. Member for Nunatsiaq.

Order, please. The Hon. Member for Bourassa may want to check the "blues". Therefore, the Chair still has a question on which it will be coming back to the House.

Petitions

POINT OF ORDER

FIRE IN SOUTH BLOCK—SAFETY OF STAFF

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. It is my understanding that, as a result of a fire, which took place this morning in the South Block, staff and Members who occupy those premises have been evacuated and that the building is not being occupied largely as a result of residue from asbestos being in the air.

Would you be kind enough, Mr. Speaker, to check with the appropriate persons to determine whether it is true that the security guards are being required to remain in that building without adequate breathing protection? If that be the case, could you ensure that protection be sought for them immediately, or see that they are removed to the outside of the building?

Mr. Speaker: May I say to the Hon. Member that my understanding of the facts is at variance with his. I can assure him that nothing would be done which would put any of our employees in jeopardy. My understanding is that the issue is smoke, not asbestos, but I will check the matter.

I may say to all our Members, since the matter has been raised, that arrangements have been made so that all committees may carry on this afternoon even though that building is not available.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

Mr. Speaker: May I again advise the House that I require of all Members who are rising that they are prepared to certify to me today that the petitions they are presenting have been certified. Yesterday when I made that point, the Hon. Member who rose immediately presented a petition which had not been certified. The Hon. Member for Peterborough (Mr. Domm).

GASOLINE PRICES

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker I am pleased to present the attached 675 signatures which were collected by the United Electrical Radio and Machine Shop Workers of America in Peterborough. The petitioners in the federal riding of Peterborough urge the Government to take the necessary steps to cause gasoline prices in Canada to fall in line with the drop in the world price of crude oil.

Mr. Speaker: That is certified.

Mr. Gauthier: Mr. Speaker, I have a point of order. Maybe I could ask for some direction here. Many members of the Liberal Party have come to me with petitions that people signed prior to the new rule coming in. They have asked me how they can proceed with these petitions that do not meet the requirements of the new rules. I would like to have your assistance in helping to answer these questions because I have several dozen.

Mr. Speaker: Let me simply say that some Members have come to me with that matter. The Chair is a little hamstrung on the matter since the Chair must live with the rules as they exist. I suggest the Hon. Member may have a matter he wishes to raise with his House Leader and through his House Leader with other House Leaders.

If the Hon. Member wishes to seek something by unanimous consent, he is free to do so, but he is asking what freedom the Chair has on the matter. The Chair, as far as I can tell, having examined the rules, does not have any flexibility or freedom in the matter.

Mr. Prud'homme: Mr. Speaker—

Mr. Speaker: Order. Order, please. Can I suggest, as I indicated a minute ago, that the proper procedure is that this be treated as a matter between House Leaders.

Mr. Prud'homme: Not necessarily, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Prud'homme: I rise on a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I usually do take your direction as an indication of what we should do. Members sometimes sort out problems even before the House Leaders meet. If unanimous consent could be given right away today, that matter would be solved and we would dispose of all these old petitions and we could start applying the new rules.

Mr. Speaker: The Hon. Member is seeking the unanimous consent of the House for what? That is my dilemma. I think Hon. Members know that. I think the way to leave this is for discussion among House Leaders. The Chair needs an Order of the House to know what to do.

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mr. Derek Blackburn (Brant): Mr. Speaker, I have two petitions here from residents in my constituency. Both of these petitions have been certified as being in order. The operative words here are that these petitioners call upon Parliament to require the Government of the Province of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in regard to the laying of charges under Section 251 of the Criminal Code against the operators of the premises known as the Morgantaler Clinic.

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I will indicate to you that these petitions have been signed as appropriate. I am pleased to present four petitions today. The first is signed by 82 persons, the second by 53, the third by 69 and the fourth by 57, all of whom live within my riding, some within the national capital region. They are very much opposed to the National Capital Commission's proposal to turn the Mile Circle into an embassy row.

• (1510)

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I certify that this petition has been found acceptable. It is my duty to present a petition on behalf of constituents who are of the opinion that the operation within the City of Toronto of the Morgentaler clinic is an affront to law-abiding citizens. They call on the Parliament of Canada to require the Government of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in dealing with this.

* * *

NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-264 an Act to declare Canada a Nuclear Weapons Free Zone.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, I will be introducing several Bills today. This first one, an Act to declare Canada a Nuclear Weapons Free Zone is quite self-explanatory in its title alone.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Barry Turner (Ottawa-Carleton) moved for leave to introduce Bill C-265, an Act to amend the Canada Elections Act (sale of liquor).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Introduction of Bills

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am pleased to introduced my first Private Member's Bill today. It is, as you said, an Act to amend the Canada Elections Act repealing Section 67 which prohibits the sale of alcoholic beverages during federal elections and federal by-elections. Canada's Chief Electoral Officer, the Canadian Restaurant and Food Association, and many small businesses will be very pleased as this will have a positive effect as well on our tourism industry. At the same time, it will expand the federal Treasury. I call upon the House to ensure that this Bill is agreed to by all sides quickly.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-266 an Act to protect and enhance the quality of drinking water in Canada.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, this is a very important Bill and I am sure all Members of the House will want to have it passed very quickly in light of the problems we are facing with many of our drinking water systems across the country. The title is quite clear and I urge all Members to read the Bill. As you will see, Mr. Speaker, it is a nice short one.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-267 an Act respecting political freedom for federal Government employees.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, the title of the Bill indicates my intent in introducing it. I hope all Members of the House will support this Bill in the very near future as I think public servants in Canada should long ago had this kind of political freedom.

Motion agreed to, Bill read the first time and ordered to be printed.

Introduction of Bills

NUCLEAR LIABILITY ACT

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-268 an Act to amend the Nuclear Liability Act (limitation period).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, the title of the Bill is again somewhat self-explanatory. It is very important that the present limitations with regard to nuclear liability be dramatically changed. As we are observing in both Canada and the United States, the nuclear industry is slipping downhill pretty quickly. The entire issue of liability and the long-term storage of nuclear waste and how it is transported to the repositories should be dealt with by Parliament in the very near future.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-269 an Act to amend the Criminal Code (gun control).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, I am quite confident that most Members of the House will soon be supporting this very wise piece of legislation which was overlooked by both the Liberals and the Conservatives, and perhaps even by a few New Democrats. There are some very serious problems with regard to search and seizure without warrant and also the accessibility of fire arm acquisition certificates in rural Canada. These are major oversights of which I am sure you are well aware, Mr. Speaker, which need to be remedied very soon for safe, honest gun handlers in Canada.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

INTERNATIONAL LAND BOUNDARY ACT (CANADA-ALASKA)

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-270 an Act respecting the International Land Boundary between Canada and the State of Alaska.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, I will try to keep my remarks very brief on this very important issue. I am sure you are aware that President Reagan and George Shultz have appointed Edward Derwinski as the chief negotiator on the Alaska-B.C. boundary. This goes back to 1903. I will not bore you with all of the details, other than to say that we lost an enormous chunk of our country in 1903, no thanks to the Brits who appointed Lord Alberton. Of course, the Americans took a very strong position on this.

It is important that we get this Bill passed very quickly. I am sure you have not forgotten that only 18 months ago the United States offered a piece of British Columbia for sale through the Secretary of the Interior.

Mr. Speaker: Order, please. The Hon. Member should know that the length of time taken to read the summary should not exceed the length of time it would take to read the Bill.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

BANKRUPTCY ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-271, an Act to amend the Bankruptcy Act (priority of claims).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to ensure that when an employer goes bankrupt, the employees are placed first on the priority list to protect their salaries and pensions up to $9,000 in preference to all other creditors.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Bill Domm (Peterborough) moved for leave to introduce Bill C-272, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

● (1520)

Mr. Domm: Mr. Speaker, it gives me pleasure to present this Bill for first reading. The Bill amends the Criminal Code regarding capital punishment. The Bill will be debated at the appropriate time, but its purpose is to impose the death penalty in all cases of first degree murder and, for the first time, incorporates acts of terrorism such as sabotage, hijacking and hostage taking, effectively making them subject to capital punishment as well.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. Carried on division.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, questions Nos. 429 and 494 will be answered today.

[*Text*]

DEPARTMENT OF THE ENVIRONMENT—BUDGET CUTS

Question No. 429—**Mr. Caccia:**

As a result of the cuts to the budget of the Department of the Environment made on November 13, 1984, what were the (*a*) titles (*b*) Environment Canada regions, in which studies were abandoned, truncated or not implemented?

Hon. Tom McMillan (Minister of the Environment):

Environment Canada studies affected as a result of the budgetary reductions made on November 13, 1984

	(a) Study	(b) Region(s)* Affected
(i)	Canadian Wildlife Service studies related to:	
	Surveillance of toxic substances in wildlife on the Great Lakes (partially reinstated)	Ontario
	Monitoring contaminants in bird populations within the St. Lawrence Valley (abandoned)	Quebec
	Monitoring effects of agricultural herbicides and pesticides on prairie slough habitats and waterfowl (abandoned)	Western & Northern
	Research on wildlife parasites and pathogens (abandoned)	National Capital Region
	Effects of forestry practices on wildlife (abandoned)	Atlantic, Ontario Western & Northern Pacific & Yukon
	Research on transboundary wildlife populations—George River (truncated)	Atlantic, Quebec
	Impact of energy projects on wildlife habitat (abandoned)	Atlantic
	Impact of industrial development on shorebirds of the Fraser River Delta (abandoned)	Pacific & Yukon
(ii)	Parks Canada—Canadian Wildlife Service studies related to:	
	Wildlife Research in National Parks:	
	Pine Marten reintroduction in Atlantic region national parks (truncated)	Atlantic
	Fish management program (truncated)	Atlantic
	Report on the Riding Mountain large mammals systems study (not implemented)	Western & Northern
	Aquatic surveys and investigations (not implemented)	Western & Northern
	Waterton Lakes Biosphere Range study (abandoned)	Western & Northern
	Kootenay Bighorn Sheep study (truncated)	Pacific & Yukon
(iii)	Environmental Protection Service:	
	Studies of federal and provincial landfill sites under the Waste Disposal Sites Program (studies of provincial sites abandoned; studies of federal sites will continue as required)	Atlantic, Western & Northern

* The regions given above correspond to Environment Canada's administrative regions of Atlantic (Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island), Quebec, Ontario, Western & Northern (Manitoba, Saskatchewan, Alberta, Northwest Territories), Pacific and Yukon (British Columbia, Yukon Territory) and also include the National Capital Region.

Order Paper Questions

TASK FORCE ON CANADIAN MOTOR VEHICLE AND AUTOMOTIVE PARTS INDUSTRY

Question No. 494—**Mr. Dingwall:**

1. Did the 1983 task force on the Canadian motor vehicle and automotive parts industry recommend to the Government to pursue a trade policy that would require all vehicle manufacturers in the Canadian market to make binding commitments comparable to those now made by the vehicle manufacturers operating under the Canada/U.S. automotive trade agreement and, if so (*a*) was this done and (i) if so, on what date (*b*) if not, for what reasons?

2. Did the Government introduce a technology licensing program in the automotive parts industry and, if so (*a*) on what date (*b*) what does it cover?

3. Does the Government provide incentives to encourage joint ventures that transfer foreign technological capabilities to Canadian automotive parts manufacturers and, if so (*a*) what are they (*b*) how do they work?

4. Have incentives been created to encourage the development and expansion of the number of technological personnel in the independent Canadian parts industry and, if so (*a*) what are they (*b*) how do they work (*c*) on what date were they implemented?

5. Did the Government, with or without the co-operation of the industry, conduct an analysis of the opportunities for expanded auto parts production in Canada and was a report made and, if so (*a*) what was the title of the report (*b*) on what date was it released?

6. Did the Government follow the recommendations to shift the federal sales tax to the wholesale level and, if so, on what date?

7. Did the Government reduce the general rate of tax to 8 per cent from 9 per cent as recommended by the task force and, if so, on what date?

8. Has the preferential tariff rates extended to developing countries been limited to two-thirds of the most favoured nation tariff rate for automotive goods and, if so, on what date?

9. Was the Industry, Labour Adjustment Program expanded and extended to the automotive sector for a period of five years and (*a*) if so, on what date (*b*) if not, for how long?

10. Did the Government undertake to determine human resource aspects of changing conditions in the automotive industry and was a report made and, if so (*a*) what was the title of the report (*b*) on what date was or will it be released?

11. Did the Government establish an automotive council and, if so (*a*) on what date (*b*) who are its members (*c*) what are their names, addresses and remunerations (*d*) how often has it met?

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): 1. Yes. (*a*) No. (*b*) The Government prefers to continue to encourage companies to voluntarily invest in Canada and work towards the achievement of auto pact status rather than impose a mandatory Canadian content regime.

2. Since the publication of the task force report the Government has pursued, in collaboration with Automotive Parts Manufacturers' Association, a vigorous action program to seek joint venture and licensing opportunities with foreign producers. High level business missions have been dispatched to West Germany (September 1984), France (July, 1985), Japan (June, 1983, October, 1983, November, 1985), and Korea (November, 1985). So far, the results of these missions have been most encouraging and a number of joint venture and technology transfer agreements have been established.

3. Yes. Under the Promotional Projects Program (PPP), incentives are provided to encourage Canadian companies to pursue industrial co-operation opportunities with foreign manufacturers. Canadian companies can also apply under the Industrial and Regional Development Program (IRDP) for capital and R&D assistance. Most Canadians parts companies are aware of these programs and are taking advantage of them.

4. On September 5, 1985, the Canadian Government implemented two labour training programs, the Skill Shortage Program and the Skill Investment Program, for the manufacturing sector at large. The Canadian parts industry has already started to take advantage of these programs. Details of the program are available from the Canada Employment and Immigration Commission.

5. The Government is presently conducting a review of opportunities for expanded parts production in Canada.

6. In the February, 1984 federal Budget, the Government followed the recommendation of the task force and shifted the application of the manufacturers sales tax to the wholesale level, effective March 1, 1984.

7. No.

8. Yes, effective May, 1985 for automotive parts and January 1, 1987 for motor vehicles.

9. The Industry and Labour Adjustment Program (ILAP) was not extended beyond its legislated March, 1984 termination date, but additional support for the parts sector was announced in January, 1984 when $15 million was added to the ILAP budget, bringing total funding for the sector to almost $40 million.

10. In conjunction with the motor vehicle and automotive parts industries, the United Automotive Workers, the provinces of Ontario and Quebec, the Canada Employment and Immigration Commission carried out a human resource study to evaluate the impacts of market changes and technological development on the human resource dimension of the automotive industry. The study was submitted to CEIC on January 13, 1986 and will be made public in February, 1986.

11. This recommendation was accepted in principle. The constitution of the automotive council is currently under review.

[*Translation*]

Mr. Lewis: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Tuesday, March 4, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 11006).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to begin by thanking the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) as well as representatives from all Parties for taking the necessary steps to enable me to speak at this particular time. That is an example of the civilized behaviour we can all indulge in from time to time, and it is singularly appropriate in this House.

Having said that, I would now like to speak about the Budget, a very uncivilized act as Canadians have well understood since it was announced by the Minister of Finance (Mr. Wilson) last week. I want to begin by making the point that in my judgment Canadians are neither altruistic nor selfish. The ordinary people of this land, much as the ordinary people of any country in the world, have a sense of decency and fairness about them. Certainly it is the case in Canada that, in approaching an annual Budget, the average Canadian does not expect charity. The average person does not expect a handout. However, the average person does expect a sense of fairness. There is no question about that at all.

We in the NDP, under the chairmanship of our finance critic, had a task force on taxation travel to most parts of this country in recent weeks. We heard the voice of Canadians, men and women from all over the land. If there was one thing that came through loud and clear it was that the Budget ought to be fair. This same opinion was clearly to be seen in a Gallup poll question answered in recent weeks, when well in excess of 80 per cent of Canadians expressed their view that the prevailing characteristic of a Budget, and I repeat, should not be charity or something special for them either as individuals or for their region of Canada, but they overwhelmingly felt that a sense of fairness should prevail.

In particular, we know Canadians, wherever they may live, saw the Budget as being anything but fair and they hoped that the Minister and his cabinet colleagues would have seen the light and brought in a Budget last week to redress the unfairness of the past. Well, that Budget has to be seen as one of the most unfair Budgets with which this Parliament has ever had to deal. The Conservatives imposed a tax increase on Canadians in the fall of 1984. They imposed another big tax increase

on the average family in the spring of 1985. Again in the winter of 1986 the Conservatives zapped the average Canadian. It is time this Government got off the backs of the ordinary people of this country.

I will not take a lot of time in enunciating the details, but the NDP, consistent with the social democratic traditions of this country, or indeed anywhere else, has taken the view that you not only criticize but you provide an alternative. Before the Minister brought in his Budget, the NDP finance critic, on behalf of my colleagues, outlined in considerable detail an alternative approach which ought to have been taken in 1986. It was an approach which would have dealt with the deficit and with maintaining essential programs, but overwhelmingly in its impact it would have dealt with Canadians' desire for fairness.

In the letter our finance critic sent to the Minister he specially showed how certain personal tax exemptions were not only unfair but counter-productive economically and ought to be removed. After analysis of a number of tax expenditures which provide not millions but millions of dollars to corporations, some of which are counter-productive economically, he proposed the removal of a number of them. Finally, he made certain suggestions about regulatory change. I want to underline that the net effect, had he listened to what we had to say, was an alternative way of raising $3.2 billion.

I am underlining, before I deal with the Government's approach to the question of fairness, our seriousness about providing an alternative and our recognition that there are certain serious structural problems to be faced by the Government of Canada. We offered an option to the Minister but did he listen to these proposals? Did he listen to the concerns expressed by the people of Canada since the last Budget? Not at all. Instead of closing key loopholes for the rich in Canada, instead of taking certain action to remove some of the tax expenditure programs made available for 15 years, the Minister went ahead and zapped the average family with another $350 tax increase. That brings the total to an amount in excess of $1,300 in tax increases since the Conservatives came to office in the fall of 1984. This is the largest tax grab in the history of Canada since World War II from a Government which promised to move in the other direction. It promised to give ordinary Canadians a break and I say it is time it started to live up to its promises.

We in the NDP have, since the Budget came down, attempted to make the case for fairness. We have tried to point out just how unfair and unreasonable this $1,300 burden is. Along with my colleagues, I detailed a complete list of how we reached the $1,300 figure. When I was away from the House last Friday the Minister challenged our figures. He said they were wrong. I came back on Monday and sent him another detailed breakdown. I received no comment in the first 24 hours so I sent a note asking him if they are wrong what is wrong. I got back the note that I have before me. It was followed by a telephone conversation as well with the Minister of Finance. I want to share this information with the House and with the people of Canada.

• (1530)

The bottom line from the Minister of Finance is not that he is challenging our figures of $1,305, the bottom line is he is saying the Liberals made him do it. I want to say to the Minister of Finance, he had an option. Neither the Liberals nor the Devil made him do it, he had a choice and he should have given the fairness the people of Canada wanted.

The first point the Minister of Finance made about challenging our figures is that he said the petroleum compensation fund charge was one he had to bring in. I have checked and there is no statutory requirement for that at all. There is nothing in the legislation that says that the Minister of Finance had to increase the price of petroleum in line with the legislation he inherited. It was a Government decision, it was a policy decision. Had he wanted additional revenue, and that was not even a requirement, he could have done it by a fairer method than levying a flat tax with an increase. He could have done it out of general revenue. That, at least, would have been fairer. The key point I want to make is that he was not required by law to do it. He did it and it was a Conservative choice.

The second point the Minister made in reply, confirmed in a telephone conservation last night, and I quote: "The UI change was less than what people expected". Would you please note that? That was his first point. The change they made in increasing charges on ordinary Canadians, unemployment insurance costs, was less than people expected. He elaborated on that by saying "based in part on statute". I agree with the Minister in what he says there. About half the unemployment insurance increases since the Conservatives came to power were the result of automatic changes built into the unemployment insurance legislation. That was a small part of it. In addition, they jacked up the rates paid by men and women working all across Canada well beyond what was required.

The third point is the gem, and that concerns the very regressive federal sales tax increase. The first one was enforced when the Conservatives came to power in the fall of 1984. Canadians will recall, and I am sure all the Conservatives in the House will recall very vividly the election campaign when not only the Minister of Finance, then in opposition, but the Prime Minister (Mr. Mulroney), then Leader of the Opposition, said that this tax that Marc Lalonde had announced when he was Minister of Finance, scheduled to come in the fall of 1984, was a regressive tax. It was unfair to ordinary Canadians, and it would be a stab in the back of the economy. It would have a recessionary impact. They said all that before the election. They said it was bad and they campaigned against it. When they came into office, in fact about the first financial decision they made was to zap Canadians with this federal sales tax increase which they had campaigned against.

The Minister of Finance said to me in this note: "The 1 per cent sales tax charge was proposed by Marc Lalonde". Well, isn't that touching? Canadians will be reassured to know that. All that Marc Lalonde has to do is propose something to be done and the Minister of Finance will do it. The Liberals made him do it. He promised the Canadian people in the campaign he would not do it and after he got the majority he should have kept that promise instead of implementing a regressive Liberal measure.

There is the sum total of the Minister of Finance's reply. The people of Canada should note he has not challenged our figures. He has not said that $1,305 is wrong. In fact, we left out some taxes of which we have since become aware. The real tax bill is in excess of $1,305. All the Minister of Finance is trying to do is to pass the buck elsewhere. I say to the Minister what he said on budget night, stealing from Harry Truman, in this case the buck stops on his desk. He is the responsible Minister.

[*Translation*]

Mr. Speaker, we must also consider the impact of the Budget on poor people, middle-income Canadians and the rich. The 3 per cent surtax applies to one and all, rich or poor. It is an unfair treatment because taxpayers' incomes vary widely and each one should contribute according to his or her ability to pay.

The compensation measures are inadequate. For instance, the sales tax credit refund does not compensate at all for the huge tax increase which low and average income Canadians must pay. In 1987, the tax load of the average family will be heavier still, whereas a rich family—with a $100,000 income for example—will benefit from a reduction of more than $300. That is the kind of justice we get from the Government of Brian Mulroney and Michael Wilson. It is the exact opposite of justice.

Mr. Speaker, the Conservatives go even further. According to an article that appeared in the *Montreal Gazette* last Saturday, the Government has prepared a strategy for eliminating the surtax on the income of the average taxpayer in 1988.

Why should average Canadian men and women have to wait until 1988 for a reduction, when the rich can get rid of their surtax in 1987?

The Conservatives are going to wait for an election year to give the average taxpayer a present and butter him up. If the Conservatives can afford to eliminate the surtax on the rich in 1987, why not eliminate the surtax for everyone?

Mr. Speaker, that is Conservative justice: benefits for the rich first, and maybe later for the rest of us. That is what is happening.

Mr. Parry: Right on!

[*English*]

Mr. Broadbent: The third aspect of the question of fairness that I want to discuss in my comments this afternoon is the division of responsibility for taxes in Canada that exists, or ought to exist, between corporations in our land and individuals. In the New Democratic Party we believe in a strong and viable creative private sector. We want corporations to provide jobs for men and women. We want them to be innovative and expanding in

terms of markets around the world. In the New Democratic Party we say that when corporations are making money and profits they have the same obligation to pay their share of taxes as all other Canadians. That is the fundamental point.

If you look at what has happened in our country since 1950 the statistics are alarming in their signifigance. In 1950, just five years after the Second World War, there was a distribution of fifty-fifty between individuals in Canada and corporations in terms of the tax burden. In the last 35 years the share of the tax burden paid by individuals, ordinary families all over our land, has been continually going up and the share paid by corporations, which are making profits, has been continually going down. Before this Budget was brought in the last statistics that we had showed that the share of taxes paid by corporations in our country had dropped to 20 per cent and that paid by individuals had increased to 80 per cent. That, in anyone's terms, ought to be seen as an unfair distribution of tax burden.

• (1540)

During virtually the whole period since he has had the responsibility as Minister, the Minister of Finance has said in reply to questions from many of my colleagues that he would be looking at the corporate tax structure. During last year he would nod his head, smile and tell Hon. Members that they had interesting suggestions to which he would give serious consideration. I remember when he said: "The Hon. Member for Oshawa (Mr. Broadbent) will be happy when he sees the Budget. He will see the reforms he is talking about and the corporations will begin to pay their share". What is the reality? We cannot be facetious about it because there are many millions living in poverty in this rich land of ours. We also know that many families living in poverty continue to pay taxes.

I believe Members on all sides of the House know that if we had a sense of fairness and a serious desire for reform of the personal and corporate tax system, no person living in poverty should be paying taxes at all in Canada. This can be accomplished. It has been done in Scandinavia and many other countries in the world. It is time that it took place in Canada as well.

The question of sharing the tax burden does not involve simple cold, analytical and technical points, it is a subject that has a direct bearing on the life and experience of our citizens.

Many of us hoped to see progress when we listened to the Minister of Finance talk about serious corporate tax reform during the past year. Instead, we saw some trickery, a slight upward shift of the tax burden on corporations for the coming year. Furthermore, in 1987, individuals will pay $5.5 billion more in fiscal year 1987-88 while corporations will actually get a tax reduction. The net effect is that for the first time in Canadian history, individuals in Canada will be paying more than 81 per cent of the tax burden while corporations will drop below 20 per cent. That is unfair, it is a shame and a disgrace. The people of Canada will not put up with it much longer.

Having regard to the effect of the Budget on unemployment, the projections show virtually no change at all for the next two years. There will still be a million unemployed. As to the effect of the Budget on farmers, some of our Members have already indicated that they get nothing from the Budget except a fund to encourage them to move off the farm. Regarding the effects of this on youth, we see the abolition of a Department which ought to be doing something for youth.

When one considers the effects of the Budget on the average family, no matter from what part of the country, there is only one conclusion that can be reached. It is that the Conservative Party has no sense of fairness. Those in need are forgotten, while those who have get more, and the majority in the middle will have to pay the bill. That is the sum of Conservative justice which just is the opposite to the idea of justice and fairness held by ordinary Canadians.

I want to serve notice on the Government that the New Democratic Party shares the sense of shock and dismay of the ordinary family about this Budget. I see that a Conservative Member is laughing. I hope he goes back to his riding to sit down with an average family there and explain why they should be paying $1,300 more while the rich person pays less and corporations get a tax break.

While Conservatives may laugh about the most horrendous tax increase in modern history, and while they may remain indifferent in their concern for the average family, we are not indifferent and we will be travelling throughout the country in the next week to speak to Canadians in different parts of our land to deliver the message that there is one Party in the House of Commons that cares about their concerns in tax matters, the New Democratic Party, and we will do everything we can to stop these regressive tax measures from becoming law.

[*Translation*]

Mr. Deputy Speaker: For questions or comments, the Hon. Member for Chicoutimi (Mr. Harvey).

Mr. Harvey: Mr. Speaker, we cannot leave unchallenged an intervention such as this.

The Leader of the New Democratic Party (Mr. Broadbent) should normally convey truth and objectivity. I suggest we have just seen the best evidence of . . . and if we were to give awards for raving and demagoguery, he would certainly be our first choice.

They will take every opportunity to rave about fundamental principles and start rhetorical debates. They will try to bring us back to the eternal conflict between the haves and the have-nots. Thank Heaven, Mr. Speaker, with our second Budget, we will be able to raise between $3 and $4 billion over the next two years to finance our most progressive programs, especially in the area of employment. We are not going to get this money from the poor or the disadvantaged; for the first time, we are going to get it from the affluent who can most afford it. It is the first time that the federal Government levies

a minimum tax on the rich. It is also the first time that a federal government tries to close some tax loopholes.

Mr. Speaker, I think that the Liberal party and the New Democratic Party are the only two groups in Canada which are still interested in this debate. What really matters and what interests Canadians is the Government's will to achieve national reconciliation and encourage the economic recovery. That is what Canadians are interested in.

I have no question to direct to the Leader of the New Democratic Party, for as far as I am concerned, this debate has come to a close and I think everything is fine, Mr. Speaker.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am pleased to rise today to discuss the Budget presented by my colleague, the Minister of Finance (Mr. Wilson). I certainly cannot let the allegations of the Hon. Member for Oshawa (Mr. Broadbent) go unchallenged.

He commenced his remarks by speaking of the need for a civilized Budget. The word "civilized" also means responsibility. This Government has been responsible.

The Hon. Member also stated in the House that every Canadian knows that when you borrow money you have to pay for it. Canadians and the Government recognize that the debt in this country has been rising at 20 per cent to 25 per cent per year for the last decade and that we must pay for that debt. We have always told the Canadian taxpayers that everyone would have to help clear this burden of debt. We have asked Canadians for their help as we accept our responsibility in clearing this debt.

The Hon. Member suggests that our Budget builds up a burden on the backs of ordinary Canadians. We did not place the burden on the backs of ordinary Canadians, we are trying to remove that burden which was placed there by the former Government. We have talked openly with Canadians about how we should do that and we have asked Canadians to pay some of the share of that. However, we have done it in a way that is fair and balanced and in a way that by the end of this decade will mean that Canada is a better place to live for ordinary Canadians and their children.

● (1550)

Members of the NDP make much of fairness. My colleague, the Minister of Finance and the Government have contributed more to fairness than any Government in my lifetime. Let me talk about some of the things we have done.

First, we have closed a lot of tax loopholes. My colleague, the Minister of Finance, has mentioned that many times in the House, but I believe that Members on the other side are not listening and are failing to applaud us for measures that we have introduced which they obviously think are good ideas. We are closing those loopholes, eliminating the special scientific and research tax credit, closing the loophole for limited partnerships, closing the loophole for income splitting in high-income families, imposing the minimum tax and cutting the dividend tax credit and the carve-outs. We have taken all those measures consistently over the last year and a half through two Budgets and an economic statement. All those measures are fairness measures. They are measures that Canadians applaud and measures that help ordinary Canadians. There is no question about that.

Let us go on to some of the specific things we have done in this Budget in the way of fairness. Yes, we did raise the federal sales tax but the Minister has taken the initiative in the Budget for a review of that tax in what we have always agreed is a less than perfect system. In the meantime, we have introduced an offset for low-income Canadians which is a new measure in this tax field, an indication that we want to help the people who are most in need. If Canadians are fair, and I believe they are, that is another measure that we think they will applaud.

In the last Budget my hon. colleague introduced the child tax credit, something else that helps low-income Canadians, and this year he has made that tax credit for children and families refundable earlier in the year so that Canadians do not have to wait until income tax time to claim that credit. That means that Canadians do not have to turn to discounters in the way they did before. In addition, we have tightened up the rules on discounters to the benefit of ordinary Canadians.

Let me just tell the House what some of these things mean to the ordinary Canadians to whom the Hon. Member was referring. A woman in Vancouver, talking about the prepayment of the child tax credit, said that for her it means she can buy her child some Christmas presents instead of just a snowsuit or a pair of boots. She said she could buy her some toys or some books. The Executive Director of the Canadian Council on Social Development said about the refundable sales tax credit that it is an important initiative. The President of the Union of Senior Citizens of Ontario said that from the point of view of a senior he could not be anything but pleased. I know a lot of ordinary Canadians and those are the kinds of comments on this Budget that I am hearing. Those are the kinds of comments that are encouraging us in our view that balance and fairness is enormously important and that we have met that objective in our Budget.

Let us deal for a moment with the Hon. Member's suggestion that taxes have increased $1,300 per year for an ordinary family. I am somewhat bemused by this calculation that members of the NDP have been waving around in the House today. In order to be paying that increase in taxes one would have to be making $50,000 to $70,000 per year. I would be very interested in knowing if that is the view of Members of the NDP of the average income in Canada. They have also ignored a number of things in making that calculation. They have ignored the fact that the surtax in 1986 is only on for half a year. They have over-estimated the sales tax increase. They have ignored the April starting date of the last sales tax increase. They have ignored the broadening of the sales tax base. They have assumed that the $200 increase in oil costs results totally and exclusively from the Budget. The effect of

the normal wage growth on unemployment insurance premiums has been counted as a tax increase.

I know a little bit about numbers and how to make them say an awful lot of things. What I know is that this Government has told Canadians the truth. We have not tried to manipulate the numbers in a way that would mislead average and ordinary Canadians. Our objective is to make this country a better place for ordinary Canadians. We want people to be able to buy houses, to rent houses and to have jobs. Those are the measures that have been incorporated in our economic agenda and in two Budgets.

Let me throw in some other numbers if we are talking about numbers. Taxes in this Budget are up by perhaps 50 cents per day for average Canadians. Let us make an adjustment. Let us suppose they are a little higher than that. The purpose of a balanced Budget is to bring down interest rates. Excuse me, Mr. Speaker. This is the Ottawa winter cold. I have been aggressively spreading it all over the country.

Mr. Keeper: It's those tax increases.

Mr. Turner (Vancouver Quadra): Choking on the Budget.

Mrs. McDougall: Those tax increases are going to help us bring down interest rates. Let us talk about the ability to buy a house and about mortgage rates. Mortgage rates on a five-year mortgage have already come down during our administration by two and a quarter points. That means on a $50,000 mortgage a saving to the average family of $3 per day. That is before taking into account the very real possibility that by getting control of our deficit this year and reducing our debt burden again, we will be able to bring down interest and mortgage rates even further. That is what we are talking about when we talk about fiscal responsibility, when we talk about civilized behaviour, when we talk about fairness and when we talk about balance. Those are the things that Canadians care about. Those are the things that we are introducing.

Corporate tax revenues have been spread across a broader base. By closing all those loopholes, corporations will be paying more tax, not less. Corporate taxes, as Canadians know, go up and down with profits. They are a little hard to predict, but I can tell the House that as a result of this Budget corporations will be paying more tax, not less. There is a balance between corporate and personal tax revenues.

I do not believe that this Budget or our economic policy can be described as a disaster as the Hon. Member suggested. There are 580,000 people working in Canada who were not working in September 1984. That is the best help we can give to Canadians. That is what we want to do for Canadians and their children. We want them to be able to work, to buy homes, to educate their children and to have a secure old age. If that is not a fair Budget, I do not know what is.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: If there are no questions or comments, we shall continue debate.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am sorry the Minister is suffering from a cold, but even if she had been in better voice and better health, she would have undoubtedly choked on that Budget before she finished the speech.

I am pleased to take part in this debate on the second Budget put forward by this Government. Our Party has already put forward excellent speakers including our critic, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), and the Hon. Member for Trinity (Miss Nicholson). They made excellent contributions, and I congratulate them sincerely.

I suspect that we will not hear the Prime Minister (Mr. Mulroney) speak in the House on this Budget, for the second time in a row. He will be out trying to sell a lousy product across the country. I cannot remember a Prime Minister not participating in a budget speech.

• (1600)

Mr. Friesen: Oh, come on, John.

Mr. Turner (Vancouver Quadra): I cannot remember a Prime Minister not participating in a budget speech. Although I appreciate the courtesy of a few Ministers being here, I want to say that I had the honour of bringing down five successive Budgets in Canada.

Some Hon. Members: Oh, oh!

Mr. Gauthier: And they were successful Budgets, too.

Mr. Turner (Vancouver Quadra): I will deal with that subject in a minute, but I remained in the House every minute of the budget debate to listen to what Hon. Members on all sides of the House had to say about it. We are living in an electronic age, but there has to be some courtesy in this place. We are elected by the people of Canada. There is nothing more important for Parliament than the spending of money and the raising of money. The Minister should be here, and we should have a fuller House and a fuller Minister to listen to what we have to say. They were very few Members present to listen to the Hon. Member for Oshawa (Mr. Broadbent) and there are very few Members and Ministers here to listen to the Leader of the Opposition respond to the Budget.

The Prime Minister will be travelling the country with the Minister attempting to convince Canadians that the Budget is fair. He will find, as most Canadians are coming to realize, that the Budget is not fair. We will take this Budget as the second phase of the Budget last May. Phase one was the Budget of last May and phase two is the Budget of February. Together those two Budgets constitute the greatest, cumulative, hidden, regressive tax increase in Canadian history. They attack the average Canadian family earning between $15,000 and $40,000 in a brutal fashion. We have reached the stage, as the Hon. Member for Saint-Henri-Westmount put it, where the person between 35 years and 55 years old finds himself or herself in a position, with the added burden of tax slapped upon him or her, that it is impossible to improve one's state of

life or that it is impossible to maintain a standard of living because the cash flow available to the average Canadian has been absolutely crippled under the two Budgets taken together.

Yes, the public debt is important, but the numbers given and ordained for the Budget—and the figure arrived at was $29.8 billion or $29.5 billion, depending upon which part of the Minister's document one reads—were not determined by the Minister. Those numbers were determined by Wall Street. They were determined by the international market. They were determined by his business friends here, in the United States and abroad who had lost confidence in the Prime Minister and the Government.

My colleagues and I put questions to the Minister of Finance (Mr. Wilson) when the dollar started to fall three or four weeks ago. We asked the following questions: What will the Minister do? What is the Minister's policy? What is the Government's policy? Is it to sustain the dollar at the expense of interest rates, or is it to allow the dollar to follow market forces? The Minister would not tell us, and day after day the confusion on the markets compounded. It was not a bunch of speculators in Chicago; it was people across the country and around the world who could not determine the direction of the Government. The Minister was finally forced to say in response to one of my questions about a week or so before the Budget: "Hold on, wait for the Budget. Everything is going to be all right. We will stabilize the dollar when the Budget is brought down".

This was a Budget determined by outside, external forces. It is the first time in the history of the country that a Minister of Finance has been forced to tailor the economic structure and to fashion the fiscal stance of the country by forces over which he had no control. The Government delivered a Budget to Canadians which was not prepared for Canadians; it was supposed to please foreign masters.

Despite the tough talk of the Minister of Finance and the Prime Minister, despite the two Budgets which attacked lower and middle-income Canadians, the Government really cannot show that it has reduced the deficit at all. The Canadian Press, in a story published today in many Canadian newspapers, showed what I tried to demonstrate in the House on several occasions. The deficit inherited by the Government was $32 billion. The deficit is now 29.5 billion. We rather doubt those figures because we do not believe the assumptions upon which the revenues and expenditures are projected. It was $32 billion 18 months ago and it is $29.5 billion now. That is not much of a record, that is not much of an achievement, but, as I said, the numbers were determined by forces outside the Minister's control. This is not a Budget for Main Street, Canada; this is a Budget for Wall Street, U.S.A.

The Minister has undertaken an unprecedented selling job around the world. I can remember the days when the Minister of Finance would rise in the House, table his Budget, table the ways and means motions and basically allow for the Budget to speak for itself. We have become more public relations oriented since those days. I suppose I started the practice of the morning breakfast after the Budget with the financial correspondents and then the lunch with members of the Press Gallery, but I did not feel I had to traipse across the country to sell the Budget. My God, I did not have to send my Deputy Minister to Los Angeles, to Chicago or to New York. The Minister will probably be sending his Deputy Minister first class, with a bunch of officials, to Europe next week to see what they can do to calm down the markets.

Mr. Gustafson: You didn't dare.

Mr. Turner (Vancouver Quadra): I heard the interjection of the Hon. Member opposite. We did not have to worry about a dollar hovering on the brink of 69-70 cents. We had a dollar at $1.02, $1.03 and $1.04, and nobody told us what type of Budget to bring down.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As I said in the House yesterday, the Minister is on a string, being manipulated; a puppet, a marionette—

[*Translation*]

—a puppet, Mr. Speaker, a puppet of the international markets. This is not a Budget for Canadians. This is a Budget to please international finance and international business. And even international business is not satisfied. Since the Budget, the dollar has fallen again, and the Minister has failed to gain the confidence of the markets. Businessmen look at the figures and they feel that the Minister's figures and projections are not valid.

[*English*]

They looked at the numbers carefully in Toronto, Vancouver, Montreal and Edmonton; they looked at the numbers in New York; they looked at the numbers in London, England and they found that the numbers were not realistic. For example, the world price for oil was projected to be $22.50 U.S. per barrel this year, and the price this morning is under $12 U.S. per barrel. Maybe the Minister has some inside information from Shiek Yamani or from Saudi Arabia about which we know nothing. My colleagues tried to elicit information from the Minister of Finance this afternoon and from his colleague, the Minister of Energy, Mines and Resources (Miss Carney). The difference between $12 U.S. and $22.50 U.S. per barrel in terms of revenue projections is over $1 billion. On that assumption alone the Budget is out by $1 billion.

The Hon. Member for Cape Breton-The Syndneys (Mr. MacLellan) pointed out very carefully this afternoon in Question Period that it would be bad enough if the Minister's projections were merely wrong, but the Minister's own document disagrees with itself. On page 20 of *Towards A Sustained Expansion: Canada's Economic Prospects 1986-1991* released with the Budget, the Saudi Arabian price for light crude oil is given for calendar year 1986 as $23.88 U.S. If we turn ahead three pages in the same document, we see that the price will be $22.50 U.S. over the remainder of 1986. The Minister has repeatedly stated in the House that the $22.50 projection is for fiscal 1986-87 which has not yet started.

Yesterday he said that he would stick by the $22.50. Will he also stick by the $23.88? Is one the calendar year and one the fiscal year? How does he reconcile them? Whom do we believe? Do we believe the Minister or his own budget document? It is small wonder that when the Canadian business community looks at the budget documents it wonders.

• (1610)

Let me talk about another projection, Mr. Speaker. Interest rate projections are not realistic either. It is 9.5 per cent against today's rate of 12 per cent or 13 per cent depending upon what term of obligations you are looking at. For every 1 per cent difference in the interest rates there is an expenditure increase of $1 billion. For every percentage variation of 1 per cent there is a projected error of $1 billion.

The cuts in expenditures are an illusion. The numbers for the deficit reduction are not credible. Wall Street is not satisfied because the Minister, instead of cutting expenditures, is raising taxes. The business community has come to this conclusion here and abroad. The deficit was not reduced by cuts in spending but by putting the burden primarily on the backs of ordinary Canadians with higher and higher taxes. The story in the February Budget is the same as what we heard in May.

The Minister even gets low marks from President Reagan's advisor on Government spending cuts. Peter Grace was in Toronto the other day and said he was surprised that the Budget goes at the deficit through tax hikes and not through expenditure reductions.

The pressure on the Canadian dollar continues. There has been a massive intervention by the Bank of Canada. The Department of Finance figures released earlier today show that a record $2.6 was borrowed last month to add to its dollar defence funds to build up international reserves. Of that money, $1.3 billion was paid by the Bank of Canada in purchasing Canadian dollars to defend the level of the dollar. That is the largest borrowing in a single month in Canadian history and the largest intervention in a single month in Canadian history.

The debt of the Canadian Reserve Fund has now been pushed to $4.265 billion, almost as much as the money held in the fund. I can remember when the Minister of Finance (Mr. Wilson) stated to Mr. Lalonde when he was Minister of Finance that we had a dangerous situation when borrowing against the fund was only half the level of the fund. Now we have total borrowing on our reserve equal to the amount of the reserves. That is a very fragile, vulnerable situation.

[*Translation*]

Mr. Speaker, if you add the figures for increases in personal income tax from the May Budget to the figures released on February 26, we see that in less than nine months, the Minister of Finance and the Prime Minister have managed to saddle us with an additional tax burden of $12.5 billion in personal income tax alone. For the next three years, the Minister of Finance has increased direct and indirect taxes by $24 billion. During the same period, corporations will be subject to an increase of only $1 billion. Over the next three years, the individual taxpayer pays $24 billion and corporations only $1 billion. Is that justice?

The average family will suffer, and those who are rich enough to have money to invest will be eligible for the capital gains tax exemption. They will receive a lifetime exemption of $500,000, which means $125,000 in *cash*. The tax burden is not fairly distributed. The rich continue to benefit from the capital gains tax exemption, while low and middle income families remain the favorite prey of the Conservatives.

[*English*]

We have gone through the cumulative effect of both budgets, the May Budget and the February Budget, over four years, based on the Department of Finance documents of the personal tax increases, the sales tax increases and the capital gains exemptions; in other words, the works.

If you have a family of four, one income earner, earning $15,000 a year your percentage cumulative tax increase in four years is 23 per cent. If you earn $35,000 your four year cumulative tax increase is 13 per cent. If you earn $50,000 a year that total four year tax increase is 8 per cent. What about a person earning $100,000 a year? That person has a 1 per cent increase. What about a person earning $200,000 a year? That person has a 1 per cent increase. So if you earn $15,000 a year, your total increase is 23 per cent out of those two Budgets while a person earning $200,000 has only a 1 per cent increase. Everybody in this Parliament—everybody—should know that that is not fairness, that it will not sell. Canadians do not like it. That is not the way to share the burden of the public debt. You do not do it like that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Let me give you more figures for the record, Mr. Speaker. We want to illustrate why this Budget is not fair.

A single parent with two children earning $15,000 a year will pay $248 more in taxes in 1986 as a result of both budgets. The same single parent earning $20,000 a year will pay $418 more in 1986. A retired single person, most of whom are women, earning $10,000 will pay $160 more in taxes in 1986. The same person earning $20,000 a year will pay $336 more in 1986.

Yesterday's issue of *The Financial Post,* March 4, 1986, includes some best case investment income assumptions.

Mr. Malone: Read the whole paper.

Mr. Turner (Vancouver Quadra): An individual with an income of $40,000, based on a salary of $35,000 plus $4,000 in dividends, plus interest of $1,000, faces a tax increase from 1985 to 1987 of 9.4 per cent. An individual with an income of $150,000, that is to say based on a salary of $100,000, $15,000 in dividends, $5,000 in interest and $30,000 in capital gains in the same period has an over-all tax decrease of 1.4 per cent.

What if you earn $40,000? you are up there with a 9.4 per cent increase. But what if you earn $150,000 a year? You have a decrease of 1.4 per cent. That is equity? That is justice? That is fairness, Mr. Speaker?

There is one rule of salesmanship; if you are going to sell something, get yourself a good product. This Budget is a lousy product. It is an unfair product. It will not sell. I do not care whether the Prime Minister gets on a bicycle and rides from one end of this country to the other, it will not sell.

Take the application of the federal surtax, Sir. If you earn $40,000 a year, the surtax goes up 89 per cent. It goes from $103 in 1986 to $195 in 1987. That is an increase of $92 or 89 per cent. But let us take a look at the person who earns $150,000 a year. His surtax goes down 62 per cent, from $2,451 in 1986 to $941 tax in 1987. The person with an income of $150,000 by reason of the re-organization of that surtax, gets an additional cash flow of $1,500. that is not going to sell, Mr. Speaker, not when people understand what is really in the Budget, not if the people of Canada listen to what is being said about the Budget and examine it.

Let us take a look at the sales tax. My colleague in the House of Commons, the Hon. Member for Oshawa, dealt quite fully with the sales tax earlier this afternoon. It has gone up 3 percentage points since the Conservatives took power, from 9 per cent to 12 per cent. In the last Budget the Government broadened the base of the sales tax to include anything that moves. Health care products, medicine, soap, shampoo, candy and pet food were included. I tell you, Mr. Speaker, every increase in the sales tax with that broadened base is worth $1 billion; a hit against the Canadian taxpayer. That is the most regressive tax of all. It hits hardest on the low-income families. it is a consumption tax. Those with less disposable income bear the burden of that tax.

● (1620)

The $50 sales tax rebate is practically a gimmick. It is meant to try to convince low-income Canadians that the Government is excluding them from this tax. But it does not come close to being a reimbursement for the increase in the gasoline tax, cigarette tax, alcohol tax, the tax on refrigerators and televisions, the increase in the sales tax on those commodities which are necessary to furnish a home. The bottom line is that low-income Canadians pay more, and a lot more.

It does not take a genius to raise taxes. But it sure takes guts to get at the expenditure side, to make hard choices and to eliminate some of the programs which go to help the rich and powerful. It sure takes a little more courage than what is being shown by the Prime Minister and the Minister of Finance in this Budget. They have been touring the country telling Canadians that there is fairness enshrined in these two Budgets. I think I have illustrated here in the House of Commons that the figures show that this is not a budget of equity. It is not a Budget of fairness.

[*Translation*]

The Budget is not fair. The burden placed on Canadian taxpayers is not an equitable one.

Mr. Speaker, here in the House I have often spoken about the crisis situation in which our young people find themselves. We are about to lose half a generation. When the last Budget was brought down in May, we on this side of the House protected our pensioners. Now, in the Opposition we have a duty to protect our families and the entire middle class. I am talking about people between the ages of 35 and 55, earning between $15,000 and $40,000 a year. These families are being hammered and they are being ignored, Mr. Speaker. It has become almost impossible to maintain a reasonable standard of living. It is impossible to improve the quality of one's life.

It does not take a genius to increase taxes, and the Conservatives have proved this once again.

[*English*]

We were obliged to protect our senior citizens from the last Budget. We are going to have to fight to protect the average Canadian family from this Budget. People between the ages of 35 years and 55 years who earn between $15,000 and $40,000 are the ones who will be hit right between the eyes. It is becoming impossible for the average Canadian family to maintain a reasonable standard of living. It is becoming impossible to improve one's quality of life in the face of this attack by the Government.

For the second time in two Budgets—and I raised these questions earlier in the House—the Conservative Government has abandoned the philosophy of regional equality. Spending in the economic and regional development envelope will be cut from a level of $14.7 billion, determined in 1984-85, to a level of $9.8 billion by 1987-88. That is a reduction of 38 per cent. This is from a Prime Minister who said he was in favour of regional equality. The Government brought in a new wave of deception when it announced the Atlantic Enterprise Program. It pretended to encourage the launching and expansion of businesses in Atlantic Canada and the Gaspé with Government loan guarantees, but let us look at the fine print. Only big corporations will be eligible because the minimum eligible loan is $250,000. The Program neglects those who really need the help. Only rich friends of the Tory Government need apply.

[*Translation*]

And speaking of the people of the Gaspé, why aren't the people on the North Shore eligible, or the people in the Saguenay-Lac-Saint-Jean area? Or the people from Abitibi? There is something wrong here.

[*English*]

We took the time to examine several areas of our economy in several important communities which have not even been mentioned in the Budget. With respect to fishermen, in November of 1984 the Minister of Finance cut $40 million from the Fisheries Budget. In May of 1985 another $25 million was cut from the Fisheries Budget. We now have

increased fees on weather reports and dockage, and of course in this Budget the sales tax has been increased again. The price of fuel for fishermen has increased once more. There was not a word about mining or forestry. There was not a word about the major industries in my province of British Columbia.

Except for minor fine tuning on flow-through shares, the Budget virtually ignores the resource sector. Where are those promised tax changes to encourage exploration and development in the mining sector? Where is the proposed increase in funding for the Canada Wildlife Service? Where is the forestry internship program which was promised by the Government?

I see the Minister of State for Science and Technology (Mr. Oberle) here. I have known him a long time. He represents the centre of the interior forest industry in British Columbia. He must feel sick. He must feel at the least very disturbed. I think if I were he I would say to my constituents: "I'm busy learning my new portfolio here", and I would stay away from Prince George for a while until after the Budget settles down.

There is no reference in the Budget to the oil and gas industry. The Minister of Energy, Mines and Resources knows—she is sitting here and I am grateful for that—that the price this morning was $12 U.S. per barrel. She knows that a lot of projects will now be halted and a lot of development will be curtailed, abandoned, suspended. A lot of the supporting industries—the drilling industry, for example—will be in real trouble. Even more, she knows that our objective for self-sufficiency is being put in peril and jeopardy. I would hope that before long she will rise in this House and give us her recent thinking as to how the oil and gas industry should meet—in terms of those jobs she promised us—the current situation of $12 a barrel U.S.

We had commodity board loans introduced in the Budget. That is an interesting concept. The problem is that very few farmers will qualify. First, they must already have a Farm Credit Corporation mortgage and, second, they must be judged to be in trouble. It does not help if their loan is at a bank. But the Minister says he will give farmers help if they want to get out of farming. For the second Budget in a row, the only farmers who really get a break are those who want to sell out. If they want to stay on the land, neither Budget is of much help to them. The new Budget gives them resettlement expenses, job training. It has the same effect as the capital gains exemption. In other words: "Get off the farm and we will give you a little help, but if you stay on the farm, you are in real trouble".

Cuts to agriculture total $502 million from 1985-86 to 1990-91. The farmers are also hit by another 1 per cent tax increase in farm fuels. We are still waiting for those agribonds. The Prime Minister was involved in the Prince Albert Charter. I still do not think he knows what an agri-bond is, but he said he was going to give a long term, low interest bond to farmers. That was going to be a dandy.

We are still waiting for a sugar policy. The sugar-beet producers right now are meeting Members of Parliament because that industry in Alberta, in Manitoba and Quebec will not survive unless the Government comes up with a national sugar policy.

The *Edmonton Journal* calls this Budget an anti-Alberta Budget because of the neglect of the Minister of Finance for agriculture and energy.

[*Translation*]

I regret that the Minister of Communications (Mr. Masse) should be absent, for he is the new hero who will defend our cultural identity.

Of course he must be proud about the $75 million promised for culture. And apparently all the artists, all the authors, and all the men and women who contribute to give us a genuine Canadian culture are satisfied. But they have a very short memory. Did our artists forget? Did our authors forget?

If we can rely on the Minister's November 1984 statement—$121 million—the cut-back now amounts to a difference of $50 million.

So our artists are still $50 million short.

[*English*]

Given the ideological bent of this Government, one might say that its left hand giveth and its right hand taketh away, with a vengeance unseen since Biblical times. The Government announced $300 million for Research and Development but has drastically cut Research Council budgets, as was pointed out by my colleague, the Hon. Member for Saint Henri-Westmount. We have the spectre of a value-added tax. The Minister and the Government are still contemplating what they call a business transfer tax or a value-added tax. There will be constitutional difficulties.

• (1630)

The Minister said he was looking for ways to increase the revenue base. Then he was politically cynical enough to say to journalists at, I guess, the off-the-record post-budget briefing, that, yes, he contemplated enlarging the tax base, converting it into a business transfer tax, probably the widest net that could ever be cast against Canadian taxpayers, and then a year before the election he could remove the personal surtax of 3 per cent and look good to Canadian taxpayers. He would give them a secret, invisible, slow-moving business transfer tax but immediately remove the 3 per cent surtax. If I ever saw political cynicism, that is it. We will be looking at the discussion paper very carefully indeed when the Minister brings it forward.

With regard to social problems, on page 12 of the Budget Speech the Minister says that in his next Budget he intends to propose further measures to reform our system of social expenditures and related tax provisions.

An Hon. Member: Oh, oh!

Mr. Turner (Vancouver Quadra): Oh, oh! We are going to be watching that one carefully. Here is the sacred trust up for grabs again.

The next issue is foreign aid. Canada's partnership in the development of many of the less-developed nations is placed in jeopardy in this Budget. In an astounding about-face from previous commitments, the Minister has cut the aid budget by $1.5 billion over five years. The target date of 1990 to reach .06 per cent of the GNP in foreign aid has been put back five years to 1995. I believe this is a serious betrayal of Canadians who feel we have a moral duty to come to the aid of those countries where people are starving. We have a duty to share, even under the pressure of budget control, with the less-favoured nations of the world who need food and clothing. Frankly, there are thousands and thousands of Canadians who are revolted by the fact that the Government has turned its back on some of the less-favoured areas of the world.

What has the Government done about job creation for youth? The word "youth" or the words "young people" were not even used in the Budget. They were not even mentioned, not a single time.

[*Translation*]

And in the estimates, the next day, the Minister of State (Youth) (Mrs. Champagne) was eliminated, the Minister of State (Youth) is now invisible, silent, anonymous, a ghost Minister, a Minister striken right off the estimates—

Mr. Gauthier: That's it! No budget!

Mr. Turner (Vancouver Quadra): It is the new way to reshuffle the Cabinet, Mr. Speaker. Sensational! There is no need to sack the Minister, she gets no money! That is very subtle indeed, and I must warn my friends in the departments, the other Ministers, to be very careful! Perhaps there will be supplementary estimates, and I say this to my friend from Prince George-Peace River (Mr. Oberle) whom I know very well. Beware lest you wake up one morning with no money, no office, no civil servants, no limousine! A ghost Minister, the Minister of State (Youth)!

[*English*]

Yet the Senate study, endorsed by Senators of both Parties unanimously, reminded us that there are 700,000 unemployed youth. This is potentially a lost generation. What has the Government's response been? Cutting education transfers to the provinces. Denying young people the opportunity for training. Cancelling our First Chance Program. Transferring the problem to provincial Governments. Another broken promise, another dream denied. We are all going to pay a very heavy price for that.

Rather than take positive action about unemployment, the Prime Minister (Mr. Mulroney) loves to boast about job creation. He says 580,000 jobs have been created since his Government took power. Obviously he sent the script to all his Ministers because you can ask a question about the price of coconuts and still get the answer: 580,000 new jobs. They get up and all you hear is the whirring and flapping of the flippers from the trained seals. Boy, do they read out the script.

Mr. Siddon: You don't like the message.

Mr. Turner (Vancouver Quadra): I do not blame the Prime Minister for not being here to try to defend the Budget. He is spending most of the time on the road trying to rake over old coals and attack my record as Minister of Finance and me personally.

Miss Carney: That is not hard to do.

Mr. Turner (Vancouver Quadra): I do not think too many people will buy it. I would love to entice the Minister of Energy, Mines and Resources (Miss Carney) into a little debate, but the truth is that this Government has not yet matched my record from 1972 to 1974.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I hate to have to put this on the record but the sleazy attacks of the Prime Minister force me to do it. In that period of time, when I was Minister of Finance under Mr. Trudeau, we produced 631,000 jobs.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We can all play this game. That was done from a smaller labour force base. The unemployment rate averaged about 5 per cent or 6 per cent. Regional unemployment was substantially lower. The Prime Minister likes to give the impression that unemployment problems are solved. Yet the Minister of Finance (Mr. Wilson), in his document, abandoned the target of 7 per cent to 7.5 per cent as full employment. As my colleague, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), has pointed out, the target is now 9 per cent. All that litany we have had recited day after day in this House overlooks the fact that regional unemployment is high. In Quebec it is 11.5 per cent; in British Columbia, 12.9 per cent; in the Atlantic provinces, 15.4 per cent. As the Hon. Member pointed out, too many new jobs are now part-time jobs. Too many people are unemployed for longer and longer periods. The number of people unemployed for more than one year and no longer eligible for unemployment insurance has doubled since the end of the recession. Unemployment among our young people hovers around 15.9 per cent.

I rejoice with the Prime Minister that many Canadians have found new jobs, but surely he has to realize, as do all Canadians, that we have a long way to go. We have a long way to go to bring those figures down and reach a stage where anyone in this country who wants to work and is legitimately seeking work can find a job, that is full-time employment, and we should not be boasting about anything short of it.

The Minister of Energy, Mines and Resources has almost enticed me to go at another one of the Prime Minister's statements.

Miss Carney: Go ahead.

Mr. Turner (Vancouver Quadra): I would like to correct another impression. The Prime Minister said in Kitchener that I inherited a surplus and left the deficit. I want to tell him that

I inherited a deficit, brought in the last two surpluses in Canadian history, and subsequently, yes indeed, I left a deficit and I am going to give you the figures. In 1972, the deficit was $556 million. In 1973, the surplus was $387 million. These are the national account figures and even the Minister of Finance will be able to find those. In 1974, the surplus was $1.109 billion. In 1975, the deficit was $3.805 billion. Take those four years and average them out—

Mr. Siddon: Take the last year.

Mr. Turner (Vancouver Quadra): I will explain the last year in a minute. The average deficit when I was Minister of Finance was $725 million. Boy, I bet the Minister of Finance would just drool for those numbers.

Miss Carney: Shameful. What about the other Liberal Ministers?

Mr. Turner (Vancouver Quadra): I hear the Minister of Fisheries and Oceans (Mr. Siddon), I guess it is. It is a kind of rotating Ministry and it is pretty hard to keep up.

Mr. Penner: Not much going on in fisheries anyway.

Mr. Turner (Vancouver Quadra): The oil crisis came upon us in 1974-75. I was Minister of Finance under Mr. Trudeau at the time. When I stood up on budget night I said we were making a deliberate move on the side of preserving employment and growth and the inflationary aspect of the oil crisis had to be combatted. That is why we moved the deficit forward. We were the only country in the world who maintained an employment record in the midst of that crisis.

Mr. Siddon: And the deficit never stopped moving forward.

• (1640)

Mr. Turner (Vancouver Quadra): I want to give the House another figure. During my period in office as Minister of Finance the public debt of Canada finished up at $25 billion. The percentage of the public debt as related to the Gross National Product went down from 21.6 per cent to 17.5 per cent during my tenure as Minister of Finance. At the moment the percentage of debt as related to to the Gross National Product is 47.3 per cent, and the Minister of Finance predicts that by 1990-91 it is going to rise to 56 per cent of GNP. I left it at 17.5 per cent.

We can play all sorts of games and the Prime Minister can have fun in Kitchener, but I would like him to come into the House and play those sorts of games against us. The Prime Minister said in Halifax that he is going to slap a paternity suit on me for being the father of the deficit. I want to tell him that the paternity suit will not fly because the facts fly in the face of it, and the facts do not bear it out. The Prime Minister is led by his new communication advisers and his pollsters, because this is a Government by Fox and a Government by Gregg. Fox and Gregg ought to be sitting in here because they are the ones who are really pulling the strings. What the Prime Minister has been told is to repeat something long enough and often enough and he may convince some people.

An Hon. Member: The big lie.

Mr. Turner (Vancouver Quadra): I have to stand up here in the forum of the nation before you, Mr. Speaker, although it is distasteful for me to have to blow my own horn to a certain extent in comparison with this Minister. I am obliged to do so to bring the Prime Minister back to some semblance of truth.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister says that the buck stops here. Well, he did not know about Darth Vader. The Prime Minister leaned over to the Deputy Prime Minister (Mr. Nielsen) and said: "Who is Darth?"

The Prime Minister does not know who originated the phrase "The buck stops here". It was Harry Truman. Harry Truman had a plaque on his desk which said: "The buck stops here". As President of the United States, he said: "I take responsibility for what I am doing". He did not go around the country blaming the problems of the world on Herbert Hoover or Franklin D. Roosevelt. He took responsibility for what he was doing. This Minister of Finance and this Prime Minister go wallowing across the country, go slithering across the country, cry-babies, blaming former administrations for the way they are handling the affairs of the country. The buck stops here. They are trying to pass the buck. As a matter of fact, talking about the buck, we do not know where it is going to go from day to day. It is just hovering at 70 cents. They cannot get hold of it.

My colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), came up with some very interesting analysis based on the Minister of Finance's own figures. With these figures he shows us that the net public debt in 1986-87 will be $262.8 billion dollars, up $63.7 billion over 1984-85. My hon. colleague says that that means that 24 per cent of the total public debt of the country has been incurred by this Government in the 16 or 17 months for which it has had control of the country. It has already attributed to us 25 per cent of the total public debt.

Mr. Penner: How do you explain that, Tom? God, I'd be ashamed of myself.

Mr. Turner (Vancouver Quadra): The day after the Budget the dollar started to float a bit. We have not seen those figures because, fortunately for the Minister, the month of February ended and we have only the February figures on the intervention, but we can imagine what the Governor of the Bank had to be saying: "Has anybody got a dime? Can we get a little more leverage in our reserves? Can we intervene a little more?" The Minister was so disturbed by the initial reaction to his Budget that he had to call up his friends on the Business Council on National Issues and say: "Can you write me a letter? I need somebody who agrees with this Budget and I had a bad night". On budget night when he was on television he said to those average Canadian families: "Boy, I need some

friends". The Business Council on National Issues is made up of the presidents and chief executive officers of the largest corporations of this country. I do not know how it worked, but Tom D'Aquino might have said: "Mike, why don't you draft a letter and I will sign it?" So they got their letter. The Minister loves to get up and read letters of support from the big-hitters, because the big-hitters started to get worried that the dollar was going down and the Budget had not been favourably received, and they had to support the Minister of Finance.

Before I wind up, there are some other quotations I would like to read to the House. Frank Garritty of the Canadian Teachers Federation said of the Budget—

—will inhibit sustained economic growth and hit hardest at the average wage earner—

Marjorie Cohen of the National Action Committee on the Status of Women said the Budget indicates that—

—an unacceptably high level of unemployment is considered normal.

Jim McCambly, President of Canadian Federation of Labour, said:

—some tax loopholes for the rich were reduced a tiny bit, but the working stiffs still get it right through the nose.

Sally Hall, President of the Consumers Association of Canada, said:

This is the exact opposite of what the Government should be doing to get consumer spending going again.

Patrick Johnston of the National Anti-Poverty Organization said:

I am not convinced that simply because there were no major cuts in social programs (in this Budget) we will not be faced with them a year from now.

Allan Sinclair of the Council of Forest Industries of British Columbia had this to say about the Budget:

For our industry, the net impact is negative.

Ontario Treasurer, Robert Nixon, said:

The increase in consumer taxes is bound to have a bad effect in the province.

Even the Chamber of Commerce—wouldn't you believe these boys could give the Government a passing grade?

Mr. Marchi: He did not write a letter.

Mr. Turner (Vancouver Quadra): He did not write a letter, that is for sure. The Chamber of Commerce was lukewarm. Here is what its Director, Tony Amery, said:

He is looking at a tax solution as opposed to an expenditure solution and that is something that concerns us.

There is one other quote I would like to read: It says:

We have no intention of raising income taxes . . . we have to reduce government spending.

Who was that, Mr. Speaker? That was the Minister of Finance.

Mr. Penner: That's Mike.

Mr. Turner (Vancouver Quadra): That is the Minister of Finance during the election campaign on City-TV, August 28, 1984 at 11 p.m.

I had better quote the Prime Minister. He would feel left out.

Mr. Gauthier: He's never here anyway.

Mr. Turner (Vancouver Quadra): Maybe somebody will point it out to him tomorrow morning. I would also like to remind the House of a commitment made by the Prime Minister when he was the Leader of the Opposition. In a speech in Vancouver on August 24, 1984 he said:

We will reform the personal income tax system to make it more fair, more progressive and more productive . . . We are committed to the goal of fair taxation.

A goal of fair taxation—what a definition of fairness! The rich get their capital gains exemption. The corporate sector gets a reduced percentage of total taxation. The average Canadian family really gets it in the teeth. Now the Prime Minister, his Ministers and all of them over there, they are on the road and they have a prepared text. We have to work for our stuff, don't we? We have to do our own work and our own research, but they have it all wrapped up beautifully, all marked for them. Their chiefs of staff—these commissars that the Prime Minister puts in every Minister's office—mark the notes for them so the Minister sees the key spots. That Kitchener meeting was a dandy, that Halifax meeting was a dandy, but if they get out there with the real people, they are going to find that no matter how hard they try they are not going to be able to sell a lousy product.

Thank you for your indulgence, Mr. Speaker, and thanks to those few members of the Ministry here for their attention. I do not believe this Government is seriously attacking the deficit. If it were, it would have a strategy. The only strategy for getting at the public debt of this country is fairness. Raising revenues must be done in a fair way. Cutting expenditures must be done in a fair way, because over the long run the public debt of the country will not be brought under control unless Canadians from every walk of life, no matter where they live in the country, what income range or what opportunities they have, believe that the burden of cutting the deficit and gaining control over the public expenditures of this country is being shared fairly. If the process is not seen to be fair—on the basis of the figures I have brought before Your Honour, it is shockingly unfair—there will be more resistance by taxpayers. Some newspapers suggest a tax revolt, but there certainly will be resistance. There will be a growing underground economy because people who are not being treated fairly and do not feel they are being treated fairly will not respond to the urgings of the Government.

● (1650)

The Budget, taken together with the last Budget, is in fact counterproductive because of its unfairness. People will not co-operate in trying to make it work because they do not believe the burden is being shared fairly.

Good fiscal management means understanding, and in order to bring the public purse under control it is necessary to be fair at every stage of the process.

Our argument to the House, the Minister, the Prime Minister and the country is that the Budget is not fair and Canadians will not accept it. We in the Liberal Party do not accept it. It is an enormous betrayal of trust of Canadians, and I undertake to Canadians that we will fight this measure and the Budget at every step, in every legitimate way the House of Commons permits us, even under the reformed rules.

Some Hon. Members: Hear, hear!

Mr. Redway: Mr. Speaker, I rise on a point of order. I am sure that rather than hiding behind the rules which prohibit the asking of questions and making of comments at this time, the right hon. gentleman and his colleagues would certainly consent to giving unanimous consent to the House for questions and comments at this time.

Mr. Gauthier: Mr. Speaker, I rise on the same point of order. If the Prime Minister (Mr. Mulroney) will come and do the same thing for us, we will accept.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. Redway: It sounds like unanimous consent.

Mr. Gauthier: If you get the Prime Minister here.

Mr. Deputy Speaker: There is no unanimous consent. The Hon. Minister of State for Science and Technology (Mr. Oberle) on debate.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am grateful for the opportunity to join the debate on the 1986 Budget. Naturally, I am tempted to engage with the right hon. gentleman who just spoke in the intellectual acrobatics which we have just witnessed. He referred to me as a friend a couple of times in his speech and I return the compliment. I have known him for some time and he is not a bad guy when one meets him in private.

As a matter of fact, he and I were once stranded at a fishing hole and he fell in.

Mr. Turner (Vancouver Quadra): If it had not been for my fish and my box of matches—

Mr. Oberle: It would have been a close call, Mr. Speaker. I want to say to him: "John, you just fell in again". The Right Hon. Member stated this afternoon that: "We play all kinds of games around here".

Let me suggest to him that we on this side of the House are finished playing games with the lives of Canadians.

I could talk about the record of the right hon. gentleman when he was Minister of Finance for 43 months, I believe. He increased the public debt from $18 billion to $36 billion.

Mr. Turner (Vancouver Quadra): That is wrong, Frank. You have the wrong numbers.

Mr. Oberle: He is the architect and father of the legacy that this Government inherited in September, 1984.

Let me spend some time dealing with the Budget and the Government's policy on science and technology. The Budget introduced a wide ranging agenda for economic growth, economic renewal and job creation. It pointed out that research and development and the advancement of science may be one of the keys that we will need to unlock the future for Canadians and achieve the goals that we have set for ourselves.

In fact, Canada's role in the 21st century may well be determined by what we do today and in the next five to ten years in the area of science and research and development.

There are serious obstacles in our way. We have a $225 billion debt today on which we are paying interest every year. Just as we are confronted with an urgent need to catch up with other nations that have gained an edge on us in some very important strategic technologies, we are strapped to a legacy of the past that has compelled us to impose upon ourselves a fiscal discipline to which we are committed.

Canadians can be proud of our past record of achievement. We have never spent as much as some of the more advanced industrial nations in research and development because of other priorities, yet we excelled in some select areas. It is a source of pride for Canadians to have been the third nation to enter into space and to be the first nation to have its own communication satellite. That was a priority for us because it was answering a need for Canadians to communicated with each other. Those of us who represent ridings in the North were shut out from the mainstream life in Canada and its culture because television came to the North 10 years after its introduction in the south. The Anik satellites brought the North into the Canadian mainstream.

Our aerospace industry, communications industry and nuclear industry have excelled. Our nuclear reactors are a source of pride to Canadians because they are still among the most efficient in the world. We have excelled in those areas where our efforts were directed toward our needs and built on our natural strenghts.

However, we have fallen behind in those areas where we have ignored our natural strenghts. In the year that the former Government was in power, we developed a trade deficit in high-tech goods of $12 billion. In those areas where we developed a lead, 75 per cent of all the high-tech components manufactured in this country are exported in highly competitive markets. In fact, we are getting a better return on our high-tech trade than any other country in the world. However, at the same time we are importing 75 per cent of all high-tech components that go into our traditional industries, our resource industries. We are, Sir, the biggest wood-converting country in the world. We have the strongest mining sector and the finest agricultural sector in the world. Yet, 75 per cent of all the high tech components which go into these industries are imported from Sweden, the United States, Finland and Germany. We import whole sawmill systems from Germany, a country which has about as much timber as we have on Lyell Island. It has a fraction of the timber that we have in our

national parks. We have a $12 billion deficit in trade because we have neglected to focus on our natural strength.

● (1700)

I suspect one of the reasons for this is that we did not have a national science policy. We had no leadership. We were competing with Japan and Germany, the countries which took the lead. Just as the former Government was preoccupied with developing a new, artificial culture for Canada, so was it obsessed with a new industrial image. Forestry, mining, and agriculture had become unsophisticated rural occupations which a country in search of a modern industrial image should move away from. Instead of building on our natural strength, the Government led it ebb away. As a result, our resource industries are in serious difficulties.

There are 350 cities and towns in Canada, most of which are in the mid Canada corridor and in the north, which depend entirely on either the mining sector or the forestry sector, or both of these industries. Ninety-five per cent of all the freight that is hauled on our railways is made up of wheat, lumber, forest products, and minerals.

It is not that the former Government was not aware of these problems, but it had other priorities which kept intervening. In fact, from time to time it did attempt solutions. I must give credit for that. These solutions were usually attempted about a year and a half or two years before an election. The thing about science and technology is that it does not pay dividends in three years. Results are not achieved, particularly in basic research, between two elections. To be committed to science and technology you must have a vision and you must plan into the next century. These people could never do that and, instead, introduced artificial solutions for the backlog that had been created.

One such policy was the infamous scientific research tax credit. There was a tax expenditure through that program of about $3.5 billion. Estimates which I have indicate that between $1.5 billion and $2 billion was not used for research and development at all. It went into innovative bookkeeping and innovative tax manipulation rather than industrial innovation. I would like you to imagine for just a moment what I, as the Minister of Science and Technology, could do today with $2 billion.

The previous Government had another obsession. It thought it could advance the cause of science in the country by building world-class buildings across the country. There is a building in the City of Montreal which cost in excess of $60 million. It is a fascinating building which takes up two city blocks. The architect should get a world-class prize. However, no one developed a program to go into the building. They built the building and called it a world-class buyer technology building. The National Research Council is taking possession of the building in June and no one has given any thought to how one operates a world-class buyer technology centre. As important as that strategic technology is, there has been no plan formulated. Now I must design a plan to fit the building, and I will do so, and it will become a world-class buyer technology centre.

There is another building in Winnipeg, the spiral staircase in which costs more than the mechanical room. That is a $30 million building, another world-class effort. However, it has done very little to address the urgent need in Winnipeg for the development of an industrial technology centre. I now have a building and must develop a program to fit it, which I will do. I recently announced it in Winnipeg, and I am receiving enthusiastic response because people were becoming a little confused about the policy of the former Government. The cause of science and technology is not advanced with brick and mortar. It is advanced with people and knowledge, and that has been ignored.

Some Hon. Members: Hear, hear!

Mr. Oberle: We must first learn to spend smarter, because we do not have the resources in the first year to correct all the sins of 20 years of deliberate neglect in this area. We must set new goals which will inspire young Canadians particularly, and Canadian scientists generally, which will take us into the 21st century. It became clear to me when I assumed my portfolio that the Government will not be able to do this alone. We find ourselves in an urgent crisis which will require the combined efforts of Government, industry, universities, and the science community. I want to enable the cutting torch genius, the welder, and the farmer who is not connected to any of these institutions, but has an idea, to get his idea across and have his prototype built.

We must modify our in-house effort. We do quite a bit of in-house research and development. The National Research Council is an instrument of excellent work and progress, but we must modify our in-house efforts, at least in the short term, to ensure that the technology which is sitting on the shelf in government labs is quickly diffused, transferred to the marketplace, and will end up in marketable products. We must extend the safety net for the people who work there and, perhaps, second some of the brilliant people to industry.

I want to speak a little about what we have done as our first effort to bring about a change and set us off in a new direction. In connection with the Budget I announced a new five-year program to deal with the area of university research which makes up 18 to 20 per cent of our total effort. We are increasing funding for the Natural Sciences and Engineering Research Council, the Medical Research Council, and the Social Sciences and Humanities Research Council by $1.054 billion over a five-year period. The spending levels will increase by $311 billion by 1990-91 over the 1985-86 level. That is precisely the amount we are spending this year in the Natural Sciences and Engineering Research Council. It will receive additional funds of $555 million.

My critics tell me that that program will not work and that it will not catch up with inflation. I wonder where they learned their arithmetic. They are playing games, and we are sick and tired of it. We will no longer play games with the Canadian people. We will be judged on our record. The targets which the

Minister of Finance (Mr. Wilson) predicted when we came to power in September of 1984 have all been met. The targets we have set in this Budget will again be met next year when we bring in another Budget. The targets I have set for research and development will be met and scientists will once again be inspired. There is now stability in spending. One may sign a five-year contract with a researcher at a university and he will know that he will have the funds to work with for five years. The skeptics will be proven wrong once again. With our efforts in research and development, Canada will once again be strong.

• (1710)

Mr. Redway: Mr. Speaker, I have been very impressed with the commitment of the Budget and the Minister to research and development and the $1 billion that has been committed to research and development at the universities over the next five years. The Minister is aware, however, as are all of us, that no matter how much we spend on research and development and even if we spend our entire Gross National Product on it, we could only produce a very small part of the total technology that is developed around the world. It seems to me that it is important as well to develop a policy of ensuring that our industries utilize the technology that has been developed, whether it has been developed here in Canada or in other parts of the world.

I wonder if the Minister would care to comment on what plans and policies the Government may have designed to ensure that there is this technology transfer and that our industries utilize technology and innovations that are developed not only here but right around the world to the benefit of Canadians so that we will increase our productivity and will be able to increase the standard of living of all Canadians.

Mr. Oberle: Mr. Speaker, as my hon. friend knows, there are a number of very serious obstacles which stand in the way of industry doing what we all know it must do. There are a number of things that we can do about this. For instance, one of these obstacles is the Patent Act. There will be no development of new intellectual capital if there is not at least some protection in the Patent Act. We have inherited an antiquated Act and we will in a very short time correct that.

Industry in Canada spends roughly one-third of what industry in other industrial nations spends on research and development. There again, Government is at fault. I have already talked about one obstacle. We have never given industry the proper incentives. We now have several very mature industrial sectors in Canada and they have to learn to do more research and development. Accordingly, we have designed our incentives structure, and federal and provincial agreements have very heavy science and technology components to them. The university funding program that I have announced contains a matching formula. There are $700 million in incremental funds that will go into R and D over the next five years. Half of that will have to come from the private sector. In other words, the university researcher will sell his talents and skills to a private company and if he gets a dollar, as he will from the private sector, that dollar will be matched.

Things are not all bad. I see that my critic is present in the House. He says that industry will do it. It would not do it for the former Government, and I do not blame it. I come from industry and I know how difficult it was for a company to plan ahead with the budgetary acrobatics that were going on for the last 20 years.

Industry in Canada spends roughly $2.5 billion on research and development right now. The $350 million that I am asking it to spend over the next five years is roughly 5 per cent of what it is spending now. I am saying that industry will respond with great generosity. In fact, it will exceed by far what we are attempting here.

In the first year, I am asking industry to spend 1.4 per cent of the $2.5 billion which it already spent on university research. The skeptics will be proven wrong. Industry will respond with great enthusiasm, and I think that through these kinds of measures we will be able to turn the ship around and set it off in the right direction.

Mr. Berger: Mr. Speaker, I am just astounded that this Minister and members of the Conservative Party can propagate the myth that they are doing some great thing here and that they can claim that they are spending $1 billion when they have just put up $300 million for the three granting councils.

I have here a news release from the Canadian Association of University Teachers and the Association of Universities and Colleges of Canada which take issue with the claim that the Government is increasing funding to the three federal research councils by $300 million over the next five years. They say that funding levels will in fact decline in real terms. Even Gordon McNabb, quite a respected individual and President of the Natural Sciences and Engineering Research Council, says that when we start to dissect the Budget in terms of spending power, it is modest.

I suppose the first question I would ask the Minister is why is he not at least being honest about this. Why is he not saying that he has broken his commitment or that, because of the financial situation in Canada, the Government has decided that it cannot afford to keep the commitment at the present time? Why is he trying to pretend that there is a substantial increase there when that is not indeed the case?

As well, there are tremendous problems with his proposal to match funds that are contributed from the private sector. There is a danger of diverting funds that are currently being spent by industry with universities or with other research agencies. For example, in medical research, it is possible that a company that currently gives money to the Ontario Cancer Institute, for argument's sake, might decide to spend the money on the Medical Research Council so that the Government will pay another dollar for every dollar it pays. There is a danger that funds will be diverted through this Government formula which may distort current spending. In that respect, I would say that even Douglas Wright, President of the Univer-

sity of Waterloo, has had reservations about this matching formula. He feels that this money should not have been channelled through the council. He says that it is unnecessary to have Government and bureaucratic interference in university-industry contacts, that it should be a bilateral relationship.

I would ask the Minister if he knows or if his Department has taken a look at the experience of the Quebec Government. Several years ago, that Government tried to institute the same kind of formula. It set up and office and tried to get matching grants from industry. That office closed down after a year and a half because it found that this formula just did not work.

Mr. Oberle: Mr. Speaker, I listened to the speech the Hon. Member made yesterday. He laments the fact that we should be spending three times our present levels of funding. We have to start somewhere. The funding levels that we inherited for the Natural Sciences and Engineering Research Council were roughly $288 million. If that was a third of what we should have spent, I agree with the Hon. Member, but that is the legacy we inherited. We had to start from that level. As Mr. McNabb would be the first to admit, even if we had $2 billion, we do not have the highly qualified personnel to do the research, nor do the universities have the money to provide the infrastructure or the overhead. It will take time to correct the sins of that Party which the Hon. Member supports.

● (1720)

I should like to refer to the comments of Mr. McNabb when he said: "I have to express a considerable degree of satisfaction given the circumstances surrounding this Budget". I also have a quotation from Dr. Wright, a renowned person in the country. Incidentally, he is the head of a university which gets most of its funding from the private sector because it knows that that is where the future lies. He said: "R and D was singled out for an increase in resources when others were cut. The Government should be complimented for heeding the call from universities and others". The Liberals are playing selective games. We are finished with playing games. In his speech the Hon. Member said: "I know there were delays on most occasions. The spending increases came toward the end of the year and that caused certain problems". I guess it caused certain problems. Has the Hon. Member ever run anything—a business, a Government or a Department? How can we encourage scientists to remain in Canada when we say that they can have $3,000 but that the funds might run out in July, September or February? How can they plan? The money I have announced in connection with the Budget is all in the Budget; it is all there. I can now call in a professor or a president of a university and say: "This is the money you will have to spend over the next five years".

I am not ruling out that some of the assumptions in the Budget in terms of economic growth may well be exceeded. I am not ruling out that I may want to select certain priorities and call in the president of the council and give him another $50 million for this year or $150 million for next year. What we have put in the Budget will be spent. It is there for everyone to see and for everyone to plan. The critical element which we introduced in 1979 was the five-year concept which the previous administration destroyed. We are re-establishing stability, but we had to start from where the Liberals left off. It was not very good, I am the first to admit, but it will increase very dramatically.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter into the debate because the budget proposals before us are very important to all Canadians, particularly Canadian families. To get right down to it, the Budget is unfair to ordinary Canadian families. In the time available to me, I intend to outline exactly why I feel that this is the case.

The Budget hits hard at ordinary Canadians. The Government does not seem to have learned from the last Budget. In the present Budget it has increased the taxes of an average family by about $350 per year as a result of the increases in personal income taxes and in sales taxes including the tax on gasoline. The Government promised Canadians that they would have lower gas prices. Instead, we are getting increased gas taxes at a time when those prices should be coming down dramatically. The increase in taxes, which amounts to $350 per year, is on top of a $1,000 increase in taxes with which Canadian families were hit in 1985 as a result of the Budget and the Economic Statement of the same Government. It is tragic that the Government feels that it has the revenue to continue the once in a lifetime capital gains exemption but at the same time feels compelled to increase the taxes of ordinary Canadians by $350 on top of the $1,000 to which I already referred, for a total increase of $1,350. That is a heavy burden for ordinary Canadians. Earlier today the Minister of Finance (Mr. Wilson) tried to explain it away. For example, he said that the sales tax increase when the Conservatives first came into power was proposed by Marc Lalonde, the former Liberal Minister of Finance. Of course the Conservative Minister of Finance had the option of refusing to implement that sales tax increase, but he chose to increase it, so it is his responsibility.

It is not only in the area of taxes that Canadian families are being hit. Let us look at the services delivered by the federal Government. The Budget cuts services which are important to those same ordinary Canadian families and communities across the country. There is a cut of some $2.05 billion from regional industrial expansion, a reduction in money going to the poor areas in order to promote their economic development so that they can share in our wealth production. I think of the northern areas of Manitoba which are dependent upon federal dollars to stimulate economic activity. The Budget hits hard at those areas. Since the Government is cutting back on regional industrial expansion moneys, it will not be in a position to take any new initiatives in terms of economic development in areas which are in desperate need. For example, I am thinking of our inner cities. Part of my riding of Winnipeg North Centre is an area which has a very low-income population and a very high unemployment rate in comparison with the rest of the community. Inner cities could benefit from regional industrial expansion activities. We should recognize that the core areas of cities are in need of economic activity and development which

would add to the quality of life and provide employment. When the Government is cutting back on activity in this area, there is no way that it would be in a position to recognize the needs of people in the core areas of our cities.

Also the Government had the gall to cut back on employment funds. The cuts in the Budget aimed at employment amount to $1.78 billion. The Government promised jobs, jobs, jobs. On a daily basis it stands in the House and claims credit for the creation of employment. At a time when there are well over a million people unemployed—and the long-term projections indicate that unemployment will remain high—how can the Government cut back on employment creation efforts? Our young people are in desperate need of jobs. Yet this Budget has the impact of continuing to deny young people the opportunity to contribute to society by cutting back in the area of employment. It is ironic that a Government which claims concern about our young people has done away with the Department which had the responsibility for taking action in this area.

• (1730)

The Government has cut in other areas as well. It cut $502 million from agriculture. For most people in urban ridings, that may not sound very relevant, but a good portion of our economy is tied up in the agricultural sector. People in agriculture need the assistance of their federal Government in order to be able to keep their farms going in order to produce the food which we all need. So this cut-back is going to hurt the agricultural industry and our farm families.

The Government has also cut back in the area of health and welfare to the extent of 4.82 billion. That is an enormous sum of money. At the same time, we have heard over the last few weeks reports by Canadians on the need for day care. It is time we recognized that day care must be made available to all Canadian families. It is time we recognized that our present system, which only allows the poorest in our society to receive a subsidy, is inadequate. It is time we altered that system and made day care available to all families on the basis that it is a service to which all Canadians are entitled. Since increasing numbers of families have both parents working, it is necessary that we provide for adequate service for the children. We must invest in our children so they can turn out to be the kind of responsible adults we all expect them to be. But how can we take any initiative in this area? How can we respond to appeals for more action in the area of day care when the Government is cutting back on expenditures in the health and welfare area?

The Government has also cut back on the transport area. That is quite ironic because when the Conservatives ran for office, they made it clear that they were going to re-establish certain rail passenger lines which VIA, under the Liberal Government, had cut back. This Government now, after having re-established some of those lines, is in the process of cutting back in that same area. Members of the Conservative Party used this concern as part of their election platform, but now they are in office they themselves have begun the process which will undermine the passenger rail service. The Government has cut back transport by $3.61 billion. It has not only moved to raise taxes on ordinary Canadians but it has also cut back on essential services in regional industrial expansion, employment, agriculture, health and welfare and transport.

The Conservatives do not seem to recognize the unfairness of the tax system. I would like to illustrate that briefly. As a result of this Budget, individual taxes will increase almost four times faster than corporate taxes in 1986. That is, individual taxes will rise by $1.1 billion while corporate taxes will rise by only $380 million. It is clearly unfair for the Conservatives to continue the same pattern which has existed over the last 20 years, which is to shift the burden of taxation from corporations to individuals, and to do it in such a way that the taxes on individuals will not only rise faster than those of corporations but throughout this year taxes will rise four times faster for individuals than for corporations. To illustrate this further, by the year 1990, individual taxes will increase more than ten times faster than corporate taxes. That is, the increase in taxes for individuals will be $2.9 billion as compared to an increase in taxes on corporations of $295 million.

Clearly, the tax system which is being imposed on Canadians by the Government is not only heavy and burdensome but is also unfair. The Budget has failed to addressed the most crucial issues facing Canadians today, and that is, the question of jobs. The Government has set targets for the reduction of the deficit up to the year 1990 but it has chosen not to set targets when it comes to unemployment. If the Government considered unemployment to be a serious problem, we would expect it to set targets. It would tell us how it was going to bring down unemployment and by how much each year, just as it has done with the deficit. But it has chosen not to do this. I has chosen not to take unemployment seriously. Even where it does forecast unemployment rates, it projects a very modest decline of .6 per cent in unemployment for this year and next. This is on top of the fact that it has cut the job-creation budget by $200 million. The Government has very little, if any, concern in the area of employment. At the same time it has chosen to raise the taxes for ordinary Canadians in a way that is clearly unfair, while cutting their services.

[*Translation*]

Mr. Speaker, this Budget has raised personal income tax. This Budget has increased the tax load or ordinary average income families. This Budget has boosted the tax rate of average families by $350 a year, and this comes on top of the $1,000 increase imposed by the Government last year. So the Conservative Government's total additional tax grab from the average family amounts to $1,350 a year. It is a huge tax increase, a very heavy tax burden for the average family.

Mr. Speaker, this tax increase was announced while at the same time the Government did maintain the lifetime capital gains tax exemption. The conclusion is that the Government made the tax load of ordinary families still heavier and handed a gift to high income people. Mr. Speaker, in one fell swoop

the Government increased the tax load of ordinary families and reduced services which affect all Canadians.

The Government has slashed off more than $2 billion from regional industrial expansion services. The Government cut down employment expenditures by $1.78 billion, yet more than one million Canadians are without work.

Mr. Parry: What a shame!

Mr. Keeper: Indeed, Mr. Speaker, what a shame, as my colleague just said.

Mr. Speaker, not satisfied with cut-backs in employment services, the Government also reduced services in agriculture, health and social welfare.

Mr. Speaker, this $4.82 billion cut in the Health and Welfare budget is particularly significant. At a time when we need to improve day care services in Canada, the Government is reducing its spending in a sector that is supposed to cover those services.

Mr. Speaker, the Government has also reduced its spending on transportation. Here cuts will total $3.61 billion. It is rather strange, because a Government that promised to boost passenger transportation services is now heading off in another direction by asking for cuts in this area.

● (1740)

Mr. Speaker, I intend to prove that this Conservative Budget is unfair. The Budget has added to the inequity in our tax system. For instance, this year personal income tax will increase almost four times as much as corporate taxes. Taxes for individual Canadians will increase $1.1 billion, compared this with an increase of $380 million for corporations. And between now and 1990, personal income taxes will increase ten times as fast as corporate taxes.

Mr. Speaker, these statistics show that the tax system introduced by this Government is unfair and that the new tax increases have compounded the inequities of the tax system.

Another thing I want to say, Mr. Speaker, is that the Government did not have the courage to come to grips with a critical problem affecting the whole country, and I mean unemployment. The Government set its sight on the deficit reduction, but apparently a reduction in the unemployment rate is simply out of range.

At the same time the Government cut about $200 million off the budget allocated to the Canadian Jobs Strategy program.

Mr. Speaker, the Government did make a forecast concerning the employment level, but it also indicated that the decrease in the number of jobless would be minimal.

Mr. Speaker, this Budget is unfair because it increases the tax load of ordinary families while at the same time granting tax exemptions to big companies.

An Hon. Member: Some exemptions!

Mr. Keeper: Mr. Speaker, how can the Government increase the tax load of ordinary families and still maintain the lifetime capital gains tax exemption? How can the Government boost personal income taxes ten times faster than corporate taxes?

Mr. Speaker, it is unfair and the Government must withdraw the Budget and take a new approach to set our economy back on track. Time has come to have a fair tax system in this country, and that must be the priority of the Government.

[*English*]

Mr. Deputy Speaker: It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 84(7), to interrupt the proceedings and put forthwith the question necessary to dispose of the amendment now before the House.

Accordingly, the question is on the amendment. Mr. Johnston, seconded by Mr. Turner (Vancouver Quadra), moved:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

this House condemns the Government for presenting a Budget that imposes outrageous and unfair tax increases for ordinary Canadians that deliberately widen the gap between them and the rich and poor and between the 'have' and 'have not' regions of this country.

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen.

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Johnston) which was negatived on the following division:

(*Division No. 205*)

YEAS

Members

Allmand	Deans	Gray (Windsor West)
Angus	de Corneille	Guilbault (Saint-Jacques)
Axworthy	Dingwall	Heap
Benjamin	Epp (Thunder Bay-Nipigon)	Henderson
Berger	Finestone	Hovdebo
Blackburn (Brant)	Fulton	Johnston (Saint-Henri-Westmount)
Boudria	Gagliano	
Broadbent	Garneau	
Caccia	Gauthier	

Members

Kaplan
Keeper
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Nicholson
(Trinity)
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Turner
(Vancouver Quadra)
Waddell—47.

NAYS

Members

Beatty
Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Boyer
Brightwell
Brisco
Browes
Caldwell
Carney
Champagne
(Champlain)
Clark
(Brandon-Souris)
Clifford
Clinch
Cochrane
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Horner
Hudon
Jacques
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Kempling
King
Ladouceur
Landry
Lanthier
Layton
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacKay
Malone
Mantha
Martin
McCrossan
McCuish
McDougall
(St. Paul's)
McGrath
McInnes
McKenzie
McMillan
Merrithew
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stewart
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—140.

Mr. Deputy Speaker: I declare the amendment lost.

It being 6.13 o'clock this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.13 p.m.

HOUSE OF COMMONS

Thursday, March 6, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Speaker: I remind Hon. Members to indicate that their petitions are certified.

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, the petition I wish to present is definitely certified. Again it concerns the issue of the proposal of the NCC to build an embassy enclave in the Mile Circle parkland in my riding. The 83 persons who have signed this particular petition are all very much opposed to the proposal and come from all the cities within the National Capital Region.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING PROSTITUTION

Mr. Jim Jepson (London East) moved for leave to introduce Bill C-273, an Act to amend the Criminal Code (prostitution).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Jepson: Mr. Speaker, this amendment would increase the maximum imprisonment for six months to five years when an accused is found guilty of participating in an act of prostitution with a person under the age of 18 years. It will be no defence that the accused believed the prostitute to be age 18 years old or over.

Canadians are greatly concerned about the increasing sexual abuse of young people. This Bill will provide a strong and effective deterrent to customers of juvenile prostitutes.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

Mr. Fennell: Mr. Speaker, I rise on a point of order. I either did not hear Your Honour call for the presentation of reports from committees or it was missed. I wonder whether I could present the twenty-first report of the standing committee with unanimous consent.

Mr. Speaker: Of course there is one other possibility with regard to what happened. I am sure the House is perfectly willing to consent to returning to the presentation of committee reports.

Some Hon. Members: Agreed.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF TWENTY-FIRST REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling, in both official languages, the Twenty-First Report of the Striking Committee.

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

* * *

[*English*]

PATENT ACT

AMENDMENT RESPECTING GENERIC FARM CHEMICALS

Mr. Lorne Nystrom (Yorkton-Melville) moved for leave to introduce Bill C-274, an Act to amend the Patent Act (generic farm chemicals).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, this particular Bill would amend the Patent Act regarding farm chemicals. It will reduce the exclusive right farm chemical companies have on a patent from 17 years to 4 years and in effect establish generic farm chemicals. It is very similar to what the country did many years ago with generic pharmaceuticals.

Motion agreed to, Bill read the first time and ordered to be printed.

Order Paper Questions

PUBLIC SERVICE EMPLOYMENT ACT

AMENDMENT RESPECTING OPEN COMPETITION

Mr. Don Ravis (Saskatoon East) moved for leave to introduce Bill C-275, an Act to amend the Public Service Employment Act (open competition).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Ravis: Mr. Speaker, I am very pleased to present my first Private Member's Bill to amend the Public Service Employment Act. This Bill would open competition in the Public Service Commission to all qualified Canadians.

Motion agreed, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Questions Nos. 447 and 457 will be answered today.

[*Text*]

CIDA—BUILDING OF SAWMILL IN UGANDA

Question No. 447—**Mr. Blenkarn:**

1. Did the Canadian International Development Agency help finance, through a grant, the construction of an agricultural sawmill co-operative at Ucua, northeast of Luanda in Angola?

2. Was the sawmill, in fact, built with the money supplied and did an employee of the Government actually see the sawmill being built and operated?

3. Does the sawmill now exist?

Hon. Monique Vézina (Minister for External Relations): 1. For many years the Government of Canada through the Canadian International Development Agency (CIDA) has had programs which contribute financially to the international development activities overseas of Canadian church groups, unions, co-operatives, universities and colleges, non-governmental organizations and other organizations.

In August, 1980, in response to a request, CIDA provided funding worth $44,145 to the Canadian Council for International Co-operation (CCIC) for materials to assist with the rehabilitation of the Ucua agricultural/sawmill co-operative.

This project was jointly sponsored by the Anglican Church, SUCO, OXFAM, and the Canadian Catholic Organization for Development and Peace (CCODP). It was co-ordinated by the Canadian Council for International Co-operation (CCIC) and administered by CUSO.

2. The sawmill had been in existence for about 50 years at the time of project approval in 1980. The materials were to provide forestry and agricultural support to the Ucua agricultural/sawmill co-operative to encourage and increase food production, furniture making, etc.

CIDA has never had a bilateral program with Angola. Officials of the Government of Canada have not, to our knowledge, visited the project. However, CUSO and OXFAM do have photographs of the sawmill taken in 1982 and 1983.

3. Canada does not have a resident mission in Angola and we understand that there are security problems relating to visits to the area.

APPOINTMENTS TO COURTS OF RECORD

Question No. 457—**Mr. Kaplan:**

Since September 4, 1984 how many (*a*) men (*b*) women have been appointed by the government to Courts of Record and, in each case, to which courts?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of Agriculture, Finance and Justice and the Privy Council Office as follows:

List of Court of Records
Appointments since September 4, 1984

	(a) Men	(b) Women
Court of Appeal of Alberta	1	1
Court of Queen's Bench of Alberta	8	0
Court of Appeal of British Columbia	1	1
District and County Courts of British Columbia	4	2
Supreme Court of British Columbia	3	1
Canadian Import Tribunal	0	0
Court Martial Appeal Court of Canada	3	0
Canadian Transport Commission	1	0
National Energy Board	6	0
Federal Court of Canada-Judges	3	0
Immigration Appeal Board	1	0
Court of Appeal of Manitoba	1	0
Court of Queen's Bench for Manitoba	5	0
Court of Appeal of New Brunswick	1	0
Court of Queen's Bench of New Brunswick	7	1
Court of Appeal of Newfoundland	0	0
District and County Courts of Newfoundland	1	0
Supreme Court of Newfoundland	1	2
District and County Courts of Nova Scotia	1	0
Supreme Court of Nova Scotia	5	0
Court of Appeal for the Northwest Territories	0	0
Supreme Court of Northwest Territories	0	0
District and County Courts of Ontario	13	1
Supreme Court of Ontario—Court of Appeal	1	0
Supreme Court of Ontario—High Court of Justice	6	0
Supreme Court of Prince Edward Island	1	0
Court of Appeal of Quebec	0	0
Superior Court of Quebec	12	2
Restrictive Trades Practices Commission	1	0
Court of Appeal for Saskatchewan	2	1

	(a) Men	(b) Women
Court of Queen's Bench for Saskatchewan	5	0
Supreme Court of Canada-Judges	1	0
Tariff Board	1	0
Tax Court of Canada	2	0
Court of Appeal for the Yukon Territory	4	0
Supreme Court for the Yukon Territory	5	0
Board of Arbitration—Canada Agricultural Products Standards Act	5	0
Review Tribunal—Canada Agricultural Products Standards Act	5	0
Youth Court—Young Offenders Act	0	0

● (1110)

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

GOVERNMENT RESPONSE TO COMMITTEE REPORT

Mr. Speaker: Prior to going to Orders of the Day I am in receipt of a notice of a desire by the Hon. Member for York Centre (Mr. Kaplan) to raise a point of order.

Hon. Bob Kaplan (York Centre): I rise on a point of order, Mr. Speaker, and I do so as the Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments. I want to draw to the attention of the House a failure by the Minister of Transport (Mr. Mazankowski) to comply with Standing Order 70(16). I will do so in two sentences.

Our committee tabled its fourth report on October 17, 1985. The Standing Order to which I just referred provides for the Government to table a comprehensive response to the report within 120 days of the report being tabled. That 120 day period expired on February 14. The Minister of Transport, since that day, has been in default of his responsibility to table a comprehensive reply.

Our report is an important one, and I want to draw to the attention of the Speaker this breach of the rules of the House.

Mr. Speaker: I thank the Hon. Member and I take his point. I am not entirely sure what I can say or do, but I think the House knows the point which the Hon. Member is making and I will certainly look into the matter.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Wednesday, March 5, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, on February 26, the Minister of Finance (Mr. Wilson) brought down a Budget designed to restore fiscal stability to the country.

Through the most far-reaching program of expenditure control ever undertaken by a Government in Canada, the Budget took yet another deliberate step in the implementation of the Government's November, 1984 agenda for economic renewal. It is a step that enables us to foresee government program spending falling by the end of the decade to the same share of the economy as at the beginning of the 1960s. It is a step that promotes economic renewal by smarter spending.

You will recall that two weeks earlier, as a part of our plan for economic renewal, the Deputy Prime Minister (Mr. Nielsen) announced the Government's decision to launch a major regulatory reform strategy. By improving the Government's regulatory performance, we intend to reduce impediments to economic growth, cut down inhibitions to job creation and eliminate unnecessary incursions on personal freedom. In other words, we want to promote economic renewal through better regulation.

[*Translation*]

In my new capacity as Minister responsible for regulation, I would like to inform the House of two components of the federal reform strategy: the introduction of the Citizens' Code of Regulatory Fairness and a regulatory program improvement package.

First of all, I would like to comment on the subject of regulation and the need for regulatory reform.

[*English*]

As a lawyer and a former member of the Standing Joint Committee on Regulations and Other Statutory Instruments, I am no stranger to Government regulations. Last year I was appointed Chairman of the Special Committee on Council. That is the cabinet committee responsible for approving all regulatory initiatives. The concern about regulation that I had developed while in the Opposition was only reinforced when looking at it from the Government's point of view. You have to see it to believe just how many regulatory initiatives go through the committee week in and week out, very much like chickens on a processor's conveyer belt, Mr. Speaker.

[*Translation*]

We all know how extensive federal regulations are and how considerable the cost is to the public purse and the economy. If

we consider these costs, the very limited information available to the Ministers who establish new regulations and the limited input by Parliament and the public into the system, the importance of regulatory reform and the need for it are obvious.

[*English*]

As Hon. Members know, regulatory reform is a term that has been in more or less common use for about 10 years. It is frequently associated or confused with the more dramatic but usually less accurate term, deregulation.

To me, deregulation is only one of several options open to the regulatory reformer. The key objective for proponents of regulatory reform is to improve regulation, that is, to make it rational and efficient, to limit its growth but not necessarily to dismantle it.

Although regulatory reform has been talked about a lot in Canada, very little has actually been done about it. A lot of people probably saw it as a short term political fad deserving lip service and nothing more. Others may have found it a hard issue to take seriously because regulatory matters sometimes seem too technical for mere mortals. Still others may have been put off by the subject by identifying it with ideological movements in other countries.

In my opinion, we have to move beyond these preconceptions and we have to do it soon. The fast movement of technology and the growing integration of the world economy are challenging and, in some cases, rapidly outpacing our traditional approaches to regulation.

Twentieth century economic realities need to be matched by twentieth century regulatory approaches. This is a matter not of ideology but of good, sensible and pragmatic government. I know I have good company in this House with these views.

In the debate following the Deputy Prime Minister's announcement of the regulatory reform strategy, I was gratified to see that the opposition representatives gave the strategy their approval, qualified perhaps, but fundamental approval nonetheless.

I am hoping that, as the details of the strategy are announced, any lingering doubts among my opposition colleagues will disappear. I am most serious in expressing this hope because I think regulatory reform is one of those issues on which bipartisan support and co-operation will make a great deal of difference in improving government efficiency, promoting economic growth and, most important, getting Government off the backs of Canadians. Indeed, I will go further, Mr. Speaker. I think it is the kind of issue on which Canadians would want their Members of Parliament of all stripes to work together.

With these general reflections on my new regulatory responsibilities, I would like now to announce details of two new initiatives which form an important part of the Government's regulatory reform strategy.

First, I am proud to announce and introduce The Citizens' Code of Regulatory Fairness. It is a unique initiative based on the principle that Canadians are entitled to know in as much detail as possible exactly how much government regulators are carrying out their responsibilities. Citizens have a right to know the rules of the game and to know they will be fair. The code response to concerns expressed to the ministerial task force on program review that the federal regulatory system is almost inaccessible to ordinary Canadians, that regulation at all levels has become too much the preserve of public servants, specialized lawyers and lobby groups. The code's purpose is to provide a set of high standards for ensuring regulatory fair play. The code also provides an explicit basis for judging the performance of regulators. In this way the code is intended to regulate the regulators.

Copies of the code are being distributed to all federal officials with regulatory responsibilities. Mr. Speaker, not only will they be expected to comply with the letter and spirit of the standards, but adherence will be a prerequisite—possibly I could refer to it as the ticket of entry—for approval of new regulatory proposals by the Special Committee of Council. The code consists of 15 points and copies of it are being circulated to all Members' offices, so I will not read them in detail at this time. However, I think it would be of interest to the House and the people of Canada to know some of the highlights of this new Citizens' Code of Regulatory Fairness.

• (1120)

Canadians are going to have a fuller opportunity, henceforth, to be consulted on regulatory initiatives. Second, they are going to have adequate early notice. Third, regulatory decision-making is going to become more prompt and efficient. The Government is going to tell Canadians in clear language what the regulatory requirements are and why they have been adopted. Regulatory officials are going to be held more clearly accountable for their actions and advice. Disproportionate regulatory burdens on small and medium-sized business are going to be avoided from this point forward. Regulations will have to pass cost-benefit tests, and sanctions and enforcement powers are going to fit the seriousness of violations. Finally, the public will have an on-going role in evaluating and criticizing ineffective or inefficient regulatory programs.

The report of the Macdonald Royal Commission affirmed the view that, in this day and age, big Government requires more democracy, not less. In its thought-provoking first chapter the report says:

> The extension of democracy which is required by big government is not one of war fragmented participation, but one which addresses Canadians as citizens and seeks our involvement in common tasks.

I see The Citizens' Code of Regulatory Fairness as encouraging the democratization of federal regulatory activity. That is a goal which I am sure we all endorse.

My second announcement, Mr. Speaker, is that I am today releasing a major regulatory program improvement package. It provides a long list of regulatory reform initiatives which are now under way in 16 Departments and 7 regulatory agencies to address specific problems identified by the ministerial task force on program review.

[*Translation*]

These measures are in addition to the many regulatory reform initiatives already implemented or about to be implemented under the direction of Ministers with a central responsibility for regulation. These Ministers will provide details on their reform activities as work progresses. Although I am responsible for developing and implementing the overall strategy of regulatory reform, I think I should stress the crucial role played by the Ministers in this process within their respective responsibility sectors.

[*English*]

Indeed, Mr. Speaker, it should be clear that we are not talking about a one-shot crack at regulatory reform. Rather, we are launching an across-the-board series of initiatives which we expect will pick up increasing momentum and become one of the Government's most substantial achievements.

You will recall, Mr. Speaker, that the Government's regulatory policy makes clear that the Government is committed to a program of pragmatic and balanced regulatory reform. Its aim is to make federal regulations smarter in terms of efficiency, and fairer in terms of public access and participation. The regulatory program improvement package being released today reflects this pragmatic and balanced approach to regulatory reform.

While time does not permit me to go into all 43 of the items included in this package, perhaps I can give you some of the flavour by referring to a few of the specific items. The ministerial task force found that there are a number of federal, as well as provincial, regulatory programs touching on different aspects of hazardous products. It queried whether the net protection provided to Canadians by these programs is adequate. In response, the Government has decided to evaluate a re-ordering of priorities and the possible elimination of fragmented responsibilities in these areas.

Several of the items in the package call for increased privatization, cost recovery, or increased self-regulation as means of reducing unnecessary Government intervention or regulatory costs. As an example, an action plan is to be prepared for the phased and full devolution over six years to the private sector of electricity and gas verification.

The package identifies a number of statutes, such as the Bankruptcy Act and Copyright Act, which are seriously out of date and deficient. These laws provide the crucial regulatory framework within which our economy operates. If these laws are flawed, our economy suffers a serious disadvantage. The Government intends to give priority to reforming these laws. Several of the items in the package relate to areas of parrallel, and sometimes overlapping, federal-provincial regulatory activity. An example of this is the item calling for early action to arrive at more satisfactory compliance and enforcement policies for Section 33 of the Fisheries Act governing water and fish habitat.

Finally, Hon. Members will no doubt be interested to note that the reform package includes a number of improvements affecting food regulation and inspection. The decision in this respect are typical of the Government's general approach to regulatory reform with the emphasis on making things work better in the interests of economic development, job creation, public protection, and more efficient Government. In keeping with these priorities we are introducing today several practical reforms intended to strengthen still further Canada's worldwide reputation for excellence in food production. The reforms represent a major advantage in the efficiency and effectiveness of our regulation of food products. They boil down to four main thrusts.

First, we are going to strengthen the protection of Canadians by reaffirming the absolute primacy of the Department of National Health and Welfare on all matters affecting the health, safety, or nutritional dimensions of the food industry. Second, we are going to eliminate duplication and inconsistency among regulations dealing with health and safety issues on the one hand, and quality and grading issues on the other. Third, we are going to try to intensify efforts to co-operate with the provinces to bring about common health and safety standards across the country. Fourth, the Government is going to adopt a policy of no ministerial discretion with regard to individual inspection judgments.

I have gone into some detail on the food regulation reforms contained in the program improvement package because I think they are an excellent illustration of how the Government intends to proceed with regulatory reform in general. We have no intention of throwing the baby out with the bath water, but confronted by a need for regulatory improvement we intend to take firm, forthright, and effective action. With these food regulation reforms we have preserved the good while confronting the problems and, I trust, overcoming them.

The February 26 Budget makes it clear that the Government intends to face up to the problems of fiscal instability with statemanship and determination. In the same way, the regulatory reform strategy is directed at getting the country's regulatory affairs in order. By responsible spending and a strategy for fair and better regulation, the Government has already begun the monumental process of turning the country's economy away from pessimism and decline and toward energetic renewal and prosperity for the future.

Mr. Kaplan: Mr. Speaker, I wondered whether I was listening to the budget debate because, within the latitude permitted, the Minister spent much time talking about ministerial responsibilities outside the Budget. Is it because he is not prepared to defend the Budget that he spent so much of his time trying to divert the attention of the Canadian people from all of the things that are wrong with it? As a result of his silence on this subject, can we expect that the Government is proposing to take our advice and make some of the changes in the Budget that we have been asking for?

• (1130)

Mr. Hnatyshyn: As you know, Mr. Speaker, I am the last one to indulge in partisan repartee across the aisle, especially in connection with observations made by my distinguished

friend from York Centre. However, if the co-chairman of the Joint Committee on Regulations and Other Statutory Instruments does not understand the importance of regulatory reform as it concerns good management and efficient delivery of Government services, then I am a little leery about the paucity of understanding on the part of the Official Opposition with respect to any economic issue. I can say nothing further except that we would be only too happy to give serious consideration to suggestions on the part of the Official Opposition concerning this Budget if they have any.

Mr. Lewis: Mr. Speaker, I do not share the same concern that my friend across the way had with respect to the budget policies of the Government. I do not think anyone really does. However, I want to ask my colleague, the Government House Leader, to elaborate on one point. We brought in a Budget which was almost bang on with what a committee suggested a Budget should be in the early part of the year. The Estimates were linked very closely with the Budget; I think they came down the day after. Hand in hand with our efforts to tie down the deficit left to us by the previous Liberal Government, there was an effort to make sure that we regulate smarter. Part of the cost of Government is the number of people we have examining regulations, putting them into effect and enforcing them. Perhaps my colleague could comment on the cost to the Canadian taxpayer of regulations which may be inappropriate or out of date as Canada moves toward the end of the 20th century.

Mr. Hnatyshyn: Mr. Speaker, my Parliamentary Secretary makes a very valid observation with respect to the juxtaposition of regulatory reform in connection with the total fiscal and economic policy of this Government. A task force dealt with regulatory reform and looked at the wide ranging implications of regulations for Canada. It was pointed out by way of example—and this was the most conservative assertion possible on the basis of advice we received from experts in the field—that regulations impact on Canadians to the extent of some $30 billion. Consider that in the regulatory process there are some 35,000 public servants involved directly and, I suppose, indirectly. This means that a very large part of Government is involved in law-making behind the scenes. This has a very serious and wide-ranging effect on the daily lives of Canadians. Regulations cover food inspection, hazardous products, transportation, shipping and fisheries, to name a few, not to mention agriculture which is a matter of substantial importance to me, being from the Province of Saskatchewan. This gives you an idea of the wide range of activities affected by regulations which are not made on the floor of the House of Commons. They are created behind the scenes and promulgated in a conveyer belt process, as I said, by Cabinet.

What we are doing now is trying to bring some light to the process. It is absolutely essential, for example, that we enter into a process where all new regulations are measured against their social cost and cost efficiency so that a judgment can be made by the people involved in the political life of our country, including Members of Parliament, as to their validity.

I say this in all seriousness to the Hon. Member for York Centre (Mr. Kaplan). He has had some experience with regulations, as have I, in sitting for many years on that committee. If the people of Canada had an opportunity to look at this, they would be astounded and amazed just how much law and constraint on their activities is effected outside of this Chamber. There is a phenomenal amount of regulation of people taking place.

For example, the committee has been doing excellent work in examining whether or not officials are arbitrary; whether or not our freedoms are negatively affected by regulations; whether or not principles of natural justice are observed in the drawing up of regulations. These laws, and that is what they are, are drawn up in the bureaucracy without the same sort of scrutiny that laws in the statute books receive on the floor of this House. There are certainly no television cameras watching and no public discussion. It is done by people who have a responsibility but also a kind of self-interest with respect to the nature and form of regulations. In my view, the Parliamentary Secretary has highlighted the significance of this problem and the necessity for the Government to enter into a new regime of measuring what is being done regarding the economic welfare of Canadians.

I do not want to take any more time but I do want to reiterate that under this new regime Canadians are going to become, so far as the federal level is concerned, world leaders in regulatory reform. This is a very, very progressive initiative we are taking. I am very proud to be associated with it because I know the long history of this issue. I say this is a non-partisan sense. There has been a desire by all Parties to come to grips with the growing volume of regulation and make sure there is some rationale to the regulations which affect the daily lives of our fellow citizens so very much.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. Debate. The Hon. Member for York Centre (Mr. Kaplan).

[*English*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I listened with interest to what the Government House Leader had to say about the initiatives he is taking in regulatory reform. I have remarks I want to make on the Budget, of course, but I welcome very much, and I think all Canadians should as well, what is being proposed by the Government House Leader concerning regulatory reform. We may be—and I say "may be" because I want to see what happens before I congratulate the Government—seeing a real breakthrough here in the way in which delegated legislation and other statutory instruments are handled. As chairman of the committee concerned, I appreciate his remarks about the nature of our work. It is dull, it does not get public attention even when egregious wrongdoing is found in the way in which regulations are processed, simply because they affect the rights of Canadians indirectly, not directly. However, that is important, too, and I appreciate

a Government which indicates it intends to give priority to this issue.

Maybe we will see the same type of breakthrough here as we have seen in the new rules of this House. This Government can claim the credit for a substantial breakthrough in humanizing the rules of this House. I do not want to let members of the Government get away with taking that totally as a compliment because I think an element of enlightened opposition has been responsible for House reform. I do not think that in the last Parliament the Opposition was prepared to give the kind of co-operation which this Opposition is prepared to give.

• (1140)

Be that as it may, we have a lot to look forward to as Members of Parliament, and a lot to tell our constituents about ways in which their rights, direct and indirect, are being enhanced by reforms that may be under way in the House of Commons now. That does not take away the fact that the Minister, during the budget debate, did not spend any of his time talking about the Budget. I am entitled to draw from that the conclusion that I suggested in my question, which is that he is not prepared to defend a Budget which I want to put into the context in which it is seen by the people of York Centre and York North. They have watched a trend, since this Government took office, through two Budgets of tending to stratify the Canadian people ever more between those who are better off and those who are worse off. There is a developing sense in our country that it is a country of rich and poor, and not one where most people are in the middle class. It is interesting that 20 years ago when surveys were done most Canadians said they felt they were in the middle class in Canada. We had in our society a certain social cohesion. That social cohesion is being undermined now by two Budgets in a row, which have heightened the disparity between the rich and the poor and given Canadians the sense that the Government is fostering that type of disparity.

I want to put statistics on the record that show exactly that, that the impact of these two Budgets has been to make middle and lower-income Canadians worse off and to make well-to-do Canadians better off. I know that this is a concern of the Conservative Party because their chief statistician and analyst, Allan Gregg, has mentioned in interviews that he has given to the press that the Conservatives are worried that they are being seen as a Party which is devoted to enhancing the incomes of those better off, even if it means making the rest of the Canadian people, those in the middle and at the bottom, that much worse off.

Knowing that the Government has been given that advice by its chief strategist, I would have thought that this would be a Budget in which it would try to undo the damage that was done in the first Budget. For example, in that Budget it introduced an amazing tax relief in the area of capital gains. Those in a society who get capital gains do not have to pay taxes any more on the first $500,000 of capital gains. Capital gains are enjoyed by those who are better off. People in the middle and at the bottom do not get capital gains, except maybe on their house, which is already exempt under the existing tax laws. That was a clear benefit for people in this society who are better off. With the warning that they got as a Party about the impact that their fiscal policies was having on the class structure of Canadian society I thought they would retract that.

We found in this Budget that they added additional measures to help the rich and to make the poor worse off, because the Government's theory is, and the Minister of Finance (Mr. Wilson) said it in so many words, that there are not enough rich people in Canada. I took it from that that, if the Budgets were designed to make more rich people in Canada, they would be achieving what the Conservatives wanted to achieve through this mandate.

I want to deal with two concrete cases. A family which was earning, in 1984, $100,000 a year paid in tax $35,236. Now, under the Budget proposals, which we are debating now, combined with the Government's first Budget that was brought in in 1985, that $100,000-a-year family will be paying $34,450 in taxes by the year 1988. That family's tax load will decrease by $1,000 over the next three years. However, a family earning $20,000 a year—that is a family at the bottom or close to the middle—will find in the same period that its tax bill will have increased from $1,388 to $1,409 in the same period of time. In other words, the $100,000-a-year family under this Conservative Government gets its taxes cut; the $20,000-a-year family gets its taxes increased.

Let me look again at the two combined Budgets and their effect on a family of four with one wage earner earning $20,000 a year. As a result of those two Budgets that family's income tax will go up by $225, and the wage earner will pay an additional $300 in sales tax in addition to the income tax increase. I suggest that that kind of social result is unacceptable in the Budget. I know that a lot of members of the Conservative Party regard President Reagan in the United States as their great guru. Let me say this about President Reagan, he has a plan to attack the deficit, but his plan has never included tax increases at all, tax increases on the rich or tax increases on the poor. He is popular in the United States with his approach. In Canada you can understand the public reaction to the Conservative Government whose plan is to increase taxes but not to increase them on those who are better off but, rather to increase them on those in the middle and on those who are worse off.

I want to deal at length in the balance of my remarks with the question of gasoline prices. Gasoline prices are a very important item to the average Canadian family. People used to think that the price of gasoline was rather like a luxury, let us say like cigarettes, and that, if the federal or provincial Governments needed more money, gasoline was one of the discretionary spending areas where you could go—let people drive less. We have smartened up now in our understanding of the impact of gasoline prices on the living standard of Canadians and on inflation in general. For most people—and I am not talking here only about those in our great cities, I am talking about most people in most places in Canada—we find the car

is an essential vehicle, even in our big cities. Mass transit in Canada is less transit in buses and subways than transit by car. Mass transportation in Canada is the automobile, because that is the way most people do travel. So we cannot look at gasoline prices as being a luxury item. In addition, gasoline is the fuel for most of the transportation of goods in Canadian society. When gasoline prices go up through tax increases, it is inevitable that food prices will go up, the cost of shelter will go up because of the transportation factor and its production, and all of these industries in the middle are part of the cost of living of the Canadian people. Gasoline prices have to be a matter of concern of the Government and of this Parliament because of that.

Finally, gasoline prices matter a lot because tourism is an important industry in this country. If gasoline prices are high, as they are now, when they are falling in other places in the world, that is a factor against one of the most important industries in our country, the tourism industry.

So having shown you how important gasoline prices are and how important it is that it be Government policy to moderate gasoline prices, I want to look at the record and examine what it is that is happening in gasoline prices, and what, in the submission of the Liberal Party and of our caucus here, should be happening.

Since this Government came to office, it increased the taxes on a litre of gasoline by 66 per cent. That is a very big increase, because the taxes are a high proportion of the price charged for gasoline. In 1984, federal and excise taxes on gasoline were 4.3 cents a litre. After this Budget, they are 7.12 cents a litre. That is a 66 per cent increase. While there was no increase in the excise tax in the last Budget, the general sales tax was increased by 1 per cent, and that applies to gasoline as well. That Budget, alone, saw a 0.3 cent a litre increase in the price of gasoline, which amounts to 1.3 cents a gallon.

● (1150)

In spite of the importance of gasoline to tourism, which I believe the Government acknowledges, it has looked to gasoline and targeted the price of gasoline as an area where taxes can be levied but not noticed by Canadians.

However, Canadians do notice these increases in a very interesting context. They are noticing it in the context of world prices that have fallen by more than 50 per cent since last December.

Last December, the international price of a barrel of oil was $22.50 U.S. The price of a barrel of oil has fallen to below $14 U.S. which is a decrease that is having an enormous impact on the energy sector. I will talk about the problems of that sector in a moment. Members of our Party have pointed out what must be done to keep the energy industry healthy and to ensure job increases and economic activity in Alberta and elsewhere.

Before dealing with the impact of falling oil prices on the energy sector, let me talk about its impact on my constituents who fill their gas tanks at the pump. The price decreases as a result of a 50 per cent drop in the world oil price has been so small that it is almost scandalous. Gasoline prices in Canada are not falling to reflect that drop in world oil prices although we see in the United States that the price of gasoline at the pump is falling rapidly.

The prices have not decreased partly because the Government is applying a substantial increase in taxes, but even when one takes that into account, there should be a decrease similar to what is taking place in the United States.

The Minister of Energy, Mines and Resources (Miss Carney) tells us that we only need to wait for that drop in price to take place. She says that it takes 75 days for a decline in world oil prices to work its way through the storage tanks, through the vessels carrying the oil, through the refineries and through the consumer storage depots in our cities to get to the gas pumps. Therefore, it should also take 75 days in the United States for those price decreases to take effect. Why must my constituents wait for 75 days when these benefits are being realized much more quickly in the United States?

The answer is that in the United States there is a much higher degree of competition among gas retailers. Many of us have visited the United States as tourists and witnessed the competition that does not exist in Canada. For instance, gas stations charge lower prices to those who are prepared to pay cash and accept many different credit cards. There is much greater evidence of interest in the consumer and competition in the United States than in Canada.

I am not suggesting that the gasoline companies in Canada that run the majority of gas stations in this country are breaking the law or in a conspiracy. I do not have proof of that, but an investigation was conducted by the former Government and a report published explaining that this is not an industry in which competition works. The major oil companies are powerful and watch each other closely. Price leadership occurs, and when the reduction of 2 cents a litre took place a couple of weeks ago we saw how the other companies followed the lead of Imperial Oil.

The report to which I refer warned Canadians that steps needed to be taken to make the Canadian industry more competitive so that Canadians would benefit immediately from any breaks without any stalling by the companies. The former Government's solution to increased competition in Canada was the establishment of Petro-Canada. We wanted it to make money and operate much like an ordinary company except that it would be publicly owned. When the public interest requires it, we expect Petro-Canada to show some leadership in that industry.

In this environment of falling world oil prices when the Seven Sisters are trying to make as much money from this situation as possible by keeping prices high for as long as possible, Petro-Canada's role is obvious. It should begin to lower prices as a result of what is happening in the world.

Instead, we learn that Petro-Canada is being used as an instrument of the energy industry to keep prices high and rationalize the industry through non-competitive means so that

the consumer will get as little and as late as possible. That is unacceptable.

Mr. Orlikow: Mr. Speaker, the Hon. Member was correct when he said that the Government has imposed sharp increases in taxes on Canadians.

His Party formed the Government of Canada for 30 of the last 36 years, from 1950 to 1986. In 1950, corporate taxes and personal incomes taxes brought in the same percentage of revenue to the Government. The Government has exacerbated this discrepancy.

Now, corporate taxes are about one-quarter of personal income taxes in Government revenue. This has not happened only since the Conservative Government but because corporation tax breaks got larger every year while the Liberals were in power. Where was he when his Government was allowing this?

I also point out to the Hon. Member that it was during his term of office that 250 people with incomes of more than $200,000 in the last year, for which we have records, did not pay a cent in personal income tax. It was his Government that permitted and encouraged this kind of unfair discrepancy. Where was he during those years?

The Hon. Member talked about lack of competition in the oil industry, which is reflected in the price that consumers pay at the pump. We have had reports about that lack of competition taking place for years while the Liberals were in power. He is correct that Petro-Canada should set an example, but there are other ways in which the oil companies could have been brought to task. They should have been charged and prosecuted under the competition laws, but the Liberal Government did not do it. Why?

• (1200)

Mr. Kaplan: Let me deal with the last point, Mr. Speaker, although I thought I had covered it in my remarks. I did not read that in that report for which the former Government asked and which it obtained. It showed the true nature of the gas retailing industry and the impact it had against the interests of consumers, but I did not read that report as outlining crimes for which the players in the gasoline retailing industry could be called to account. However, what it told us was that, without necessarily breaking the law, a situation had been produced in which there was a lot less competition. I know what the New Democratic Party would have done. It would have nationalized Imperial Oil or a whole bunch of the other players. That is the easy socialist solution, but it is not what the Liberals wanted to do.

Mr. Orlikow: You didn't do anything.

Mr. Kaplan: The Hon. Member says we did not do anything, but we established a vehicle as a major player which was meant to keep the game honest. It was meant to be there, sticking up for us, the Canadian people who paid the taxes, which allowed that company to acquire all of its assets, Petrofina, a lot of these Gulf stations and a lot of other facilities across the country. We are the ones who put the money up for the company to do that.

What do we find now that we recognize a very specific situation where lack of competitiveness is hurting Canadian consumers? We find that Petro-Canada is on the other side and the Minister is proud to come to the House and tell us she told Petro-Canada to act like the other ones, not to try to do anything special to help its shareholders, who are the Canadian people. She told it to get together with the industry and act like the rest of them. Well, that is a perversion of the intention of Petro-Canada and it has left the Canadian people at the mercy of the energy players in a very non-competitive situation.

I know I do not have very much time but I do want to deal with the observation with respect to corporations contributing proportionately less and individuals contributing proportionately more over the years to the tax system. The fallacy of the New Democratic Party in making this criticism,—in viewing it as a criticism—is to think of the rich corporations as if they were rich people.

Mr. Orlikow: Should they not pay some taxes?

Mr. Kaplan: The corporations in society are not people, rich and poor, with needs and with wealth. The corporations belong to people.

Mr. Hovdebo: The courts treat them as people.

Mr. Orlikow: Why don't the banks pay taxes?

Mr. Kaplan: Well, I would like to answer that and the Hon. Member can certainly ask another question, but I want to try to enlighten—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member will be allowed a supplementary question, if he wishes. The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: I am trying to explain the rationalization of the tax system which was recommended by a great hero of the NDP, the Carter Commission, that is, to try to place the burden of taxes on people with the ability to pay it. Behind those corporations are their owners and to the extent that taxes were shifted from corporations to individuals, the tax burden was shifted through the corporations of the rich people who own the valuable corporations. I think if the Hon. Member would look at the way in which the burden of tax was laid on individual taxpayers during that period, he will find that, contrary to what has happened since the last election, the shift has been that those with less ability to pay taxes are paying less and those with more ability to pay taxes are paying more.

I know there are a few individuals with large incomes who manage to work the system so they do not have to pay any taxes. We agree with the idea of the minimum tax so that the tax system cannot be played that way. I am a former tax lawyer. I know about the limits to which we can assist people with very high incomes to get away without having to pay any tax at all. It is not that easy and it was getting harder and

harder each year until this election. Starting with the current election—and I put the figures on the record that show this—the purpose of the Government was not to try to place a heavier burden on those more able to pay. It was the reverse. It was to try to help the rich people in Canada get richer faster by paying less taxes and to ask those at the middle and at the bottom—contrary to what had been done by former Liberal Governments—to pay more of the tax burden.

The Acting Speaker (Mr. Paproski): The Hon. Member still has a couple of minutes for questions or comments.

Mr. McKenzie: Mr. Speaker, I hope the Hon. Member for York Centre (Mr. Kaplan) will pass along his concerns to the Liberal Government of Quebec about the high price of gas, because it puts some very high new taxes on gas. That is why the price of gas is so high in Ottawa. It is not going to be lowered here, because even if it is higher here than in other parts of Canada, people from Quebec still come here to buy gasoline.

I do not know why the Hon. Member did not mention the Liberal promise in the 1980 election that it was going to give the Canadian people cheap gas. After the Liberals and the NDP got together to support the National Energy Program, gas went up by $1.25 a gallon. The Canadian people had to fork out $1.1 billion to buy Petrofina, which was one of the poorest deals which has ever been forced upon the Canadian people. That deal is still under investigation by the Auditor General. And $1 million in legal fees went to some law firm in Switzerland that handled the Petrofina deal.

It is very interesting to listen to the Hon. Member for Winnipeg North (Mr. Orlikow) who is so worried about high taxes. We have an NDP Government in Manitoba, a province which has the highest taxes in the country, but I do not hear any Hon. Members of the New Democratic Party talking about the high taxes in Manitoba.

Mr. Parry: That is rubbish.

Mr. McKenzie: Listen to them squeal and holler. Perhaps they will bring up the subject of high taxes in Manitoba some day. The reason we have high taxes in Canada is that we have to pay for all of our social programs which, between the provinces and the federal Government, amount to $62 billion a year. The United States has cheap gas but it does not have a cheap medical program. It has cheap alcohol and cheap tobacco because it does not have the social programs we do.

The 60 days is just about over for the oil companies. If the price of gas does not come down pretty quickly, you can be sure, Mr. Speaker, that Hon. Members on this side will be up on their feet complaining and raising the very dickens with the Minister of Energy, Mines and Resources (Miss Carney) about the high cost of gas.

Mr. Parry: You haven't done it yet.

The Acting Speaker (Mr. Paproski): I will give the Hon. Member for York Centre (Mr. Kaplan) an opportunity to rebut.

Mr. Kaplan: I know, and I believe the Canadian people know, that we do not get social programs for free. We have medicare here. They do not have that in the United States. We get to send our kids to university for much lower fees than people do in the United States. We know we do not get those things for free. The people in this country know they have to pay some taxes. My complaint is not about that, but about the way in which the burden is shared, the fact that the Government is letting rich people off the hook for these taxes and is asking people at the middle and at the bottom to pay more.

With respect to the 1980 promise of cheap gas—I am glad I have the opportunity to say a word about that—it is true that when the National Energy Program came into effect the price of gas jumped at the pumps. However, in the world market it jumped even more. When the Western Accord came in, the creature of this new Government, prices jumped, but when they fell in the United States, they continued to remain high here.

Mr. McKenzie: A lot of people went back to work in Alberta.

Mr. Kaplan: We can argue about $1 million fees, and so on, but it is undeniable that when the National Energy Program was on, Americans would come to our country to fill their tanks. They would come to Windsor and Vancouver to fill their tanks, and gas stations were growing in number. Now that we have the Western Accord—and this is also undeniable—Canadians are going to the United States to fil their tanks with gas. So much for who is being fair with the consumers.

In our day, Americans wanted to take advantage of the Canadian system. In this day, the Conservative day, Canadians are escaping to the United States to get a tank full of gas.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated.

• (1210)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate this opportunity to say a few words with respect to the Budget. Since it has to be but a few words I will zero-in on its effects on agriculture.

The problems facing agriculture are well defined. I am sure there is not one person in the House or in the agricultural community who does not recognize what the problems are and even has some idea with respect to possible solutions. We know what is wrong with agriculture. I am sure that even farmer Wilson, the Minister of Finance (Mr. Wilson), knows what the problems facing agriculture are. The solution is fairly obvious. If we were to pay enough for commodities produced by farmers then we would not have the problems with which farmers are now concerned. This would make it possible for farmers to pay their debts. Unfortunately, in the Budget, or in

any other approach to the problems facing farmers, the Government has not considered the issue of commodity prices.

Many people in the country would be willing to pay more for the products they use which they purchase from Canadian farmers, if they could be assured that the extra amount of money would go directly to farmers in order to assist in the survival of the family farm and the agricultural industry as a whole. We have investigated this suggestion. The National Farmers Union conducted a survey in food stores in Ottawa and found that most people buying groceries would be willing to pay more for those groceries if they knew that the extra money would go directly to the farmer.

My colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), introduced a parity price Bill which would be a start to this end. What it suggests is that the people of Canada should pay at least the cost of production for products which come off Canadian farms. We recognize that it is impossible to demand prices which are above world prices from Japan, Algeria or Russia. That does not mean to say that we could not require the people of Canada to make some type of contribution to the farms of our country. What we are considering today is what the Budget has done for the farmer in support of agriculture.

The flagship of the agricultural aid program in the Budget is a commodity-based mortgage program. In that regard it is stated in the *Budget Papers*:

> The federal Government has directed the Farm Credit Corporation (FCC) to establish a $700 million loan program to make commodity-based mortgages available to existing FCC clients in need.

That is a very misleading statement. It sounds as if the Government has gone out and found another $700 million to put into agricultural support. That is not the case at all. What the Government will do is to take $700 million worth of loans which are already in place—money which farmers have already borrowed—and rewrite those loans at lower interest rates. That is of real value to those farmers who will receive such assistance. However, it will cost less than is suggested. In fact, it will cost much less than $700 million since it is not new money. It is money which is already in place. Farmers have already borrowed that amount of money. They will now be re-borrowing it at a lower rate of interest, that is, 6 per cent instead of 12⅜ per cent. However, there is a catch in that it is stated "Farm Credit Corporation clients in need".

Representatives of the Farm Credit Corporation tell us that is has approximately 26,500 clients in need who fall into three categories.

The first category is comprised of those farmers who have less than 15 per cent equity in their farms. There are 5,500 farmers in this category alone. They are technically insolvent. The Farm Credit Corporation will not do a thing for those farmers. The policy of the Corporation is not to throw good money after bad. Perhaps it is right in this regard.

The second group of farmers is comprised of those who have from 15 per cent to 40 per cent equity in their farms and who have a debt to asset ratio of approximately 67 per cent. This is the group at which the commodity-based mortgages is aimed. In this group there are 10,000 farmers who are clients of the FCC. Of those 10,000 farmers, approximately 6,000, or maybe even fewer, will receive some assistance. This is so because the FCC is targeting the next highest group which has less than 55 per cent equity.

The third group, which is also considered to be in financial difficulty, is that group composed of farmers who have between 40 per cent and 55 per cent equity. They will not likely receive a particularly large amount of assistance.

Apart from all that, the commodity-based mortgage is turning out to be a bit of a lottery. If a farmer decides he wants to enter this particular mortgage structure, what he will be doing is betting that if he pays 2 per cent more the prices of the commodities he selects will go up. On a $100,000 mortgage, that amounts to $20,000 which may be cut from the farmer's final payment. He is betting that against the fact that if commodity prices go down the FCC will pick up on some of his inability to pay.

I am not downgrading the experiment. I think it is a good idea to look at it and try to see how it will work. What it emphasizes is the fact that the Government is overlooking nine out of ten farmers who are in financial difficulty. There are some 60,000 farmers in Canada who face financial difficulties. This program might help 6,000 of them. In the process it will create an unfairness which will come back on the Farm Credit Corporation and discredit it much more than we would like to see as it is a very good structure.

The National Farmers Union issued a release in which it stated that the Budget's proposal to establish commodity-based mortgages at 6 per cent interest is a most useful proposal but is available only to Farm Credit Corporation clients in need and totally ignores farmers in trouble with other farm lending agencies. The union states that that confirms its suspicion that the Government really has no equitable national policy approach to deal with the most serious farm financial crisis to confront the country in 50 years.

• (1220)

That is a concern of farmers out there who are looking for some help. A very small portion of those farmers in trouble, those who are within a certain category because they are clients of the Farm Credit Corporation, are being given assistance, but those who borrowed money from other financial institutions are being ignored entirely. Although it is a good idea, it does not deal with the entire problem. The total farm debt at the moment is $21 billion. Of that amount, the FCC has about $4 billion out in long-term loans, and it is to rewrite $700 million, a very small portion of the total debt.

The second attempt by the Government to appease the farm crisis is the establishment of a farm debt review panel. On several occasions the Minister of Agriculture (Mr. Wise) said that when the Government deals with the debt crisis faced by farmers, it would provide legislation with teeth. Instead, we are told that the panel will establish whether arrangements between farmers and their creditors are feasible and will aim to facilitate a voluntary arrangement between them. That has

no teeth; in fact it is nothing but an opportunity for farmers to talk with their bankers and to have someone else present. That will not contribute to the solution of the debt problem.

Third, in the assistance to farmers there is the world transition program to help them get out of farming. Like the $500,000 capital gains exemption, it is assistance for them to get out of farming. There is nothing wrong with that, but one wonders how much value there would have been in assisting them to survive as farmers. The Minister of Education for Saskatchewan said recently in Regina that the Department of Agriculture recognized that some farmers would not be able to remain as farmers. I suppose we all recognize that, but the Government is gradually convincing the Canadian population that it does not need as many farms as there are at present. Before becoming Premier, the Premier of Saskatchewan said that one in three farmers had to disappear because they were uneconomic. Canadians do not want that number of farms to be reduced. The farm family life is a way of life. We want the Government to help us keep that way of life. The approach of the Government goes almost in exactly the opposite direction. It says that farms must be put on a basis where they can survive and, if they cannot survive, they must go. We do not pay them for the commodities they produce. We do not give them debt servicing which will help them survive.

I should like to refer to a couple of other items in the Budget. Some money will be given to tobacco farmers to remain in farming but to become involved in other crops. It is a very commendable program.

The final agricultural issue in the Budget is the fuel tax rebate. It is a very disappointing situation because Government Members have admitted, as have farmers across the country, that fuel has become a major cost. Any reduction in their input costs—fertilizers, chemicals, interest rates or fuel—could assist in their survival. The prairie pools, the Western Canadian Wheat Growers Association, the National Farmers Union and others have pleaded with the Government to take some action to eliminate entirely the taxes on fuels used in the primary industries, particularly agriculture. Those taxes should be taken off and the cost of fuel should be reduced so that that cost will have a lesser impact upon the profits of farmers. "Profits" is an unusual word in the agricultural industry these days because very few farmers are making profits. They are trying to survive; that is what they are trying to do.

I should like to turn to what is not covered in the Budget. Rather than assisting the farm community, the Government is attacking it. There are small things such as the elimination of postal rural routes. Farmers in rural areas have had these routes for many years. Not only are these routes being eliminated, but when they go to town to pick up their mail they will now have to pay for their postal boxes. Instead of free farm delivery, they will have to drive 35 miles or 45 miles to town to pick up their mail and of course will have to pay a rental on their postal boxes. Let us compare that with the service provided to urban dwellers. They receive their mail at the door and they do not have to pay any rental for postal boxes.

The Government took some limited action to reduce interest rates, but it could have done more. It could have reduced unrealistic input costs, but it took no action at all in that area. It could have done something about low commodity prices, but it took no action at all. It could have eliminated the taxes on fuel. It has taken limited action in that it will continue to pay the three-cent rebate, but it has been increased much more than three cents in the same period of time. It could have increased the amount of money for research.

Turning to research, it is very surprising that the Minister and other Government Members suggested that research funds for agriculture were being increased. We on the Prairies have been told that at least 35 employees must be dropped and that there is a 4 per cent cut in the Budget. The total effect will be a reduction of several programs which we hoped would continue. We got negative action in the area of research, maybe at a time when we need more research in the farm community.

• (1230)

We got a little bit of action on farmers being able to get away from the farm. That, as I say, admits defeat to some extent, but I commend the Government for putting that effort in place. It is a humane approach to an inhumane operation on the part of financial institutions.

I could spend considerably more time on this topic, Mr. Speaker, but you have indicated that my time is almost up. If we had the time it would be interesting to see how the $225 billion in national debt was put in place. It was not done by the farmers. I know the Hon. Member for Red Deer (Mr. Towers) would back that up. Farmers have contributed very little to the national debt.

The national debt came as a result of corporations not farmers. Yet the farmers are being asked to pay for it along with you and I and every other person in the country.

I would hope that all of this effort by ourselves and by the Government will lead to a more realistic look at what we can do with the deficit, how we can get rid of it and how we can get the economy back on track, making it possible for farmers to survive.

Mr. Taylor: Mr. Speaker, I would like to deal with one or two of the points made by the Hon. Member by way of comment and then ask the Hon. Member for Prince Albert (Mr. Hovdebo) a question.

The Hon. Member seemed to indicate that the Progressive Conservative Government Canada is opposed to the family farm. That is completely wrong. There has been no Government in Ottawa that more strongly supports the family farm and realizes the necessity of keeping the family farm.

Second, there has been no Government that has tried to tackle the basic problem, the bottom line, of what is hurting our farmers today. If our farmers could secure a price for their product including the cost of production plus a reasonable profit there would be no need for any hand-outs or subsidies. The difficulty is that farming is the only industry that is unable to get its costs of production plus a reasonable profit.

When farmers have to sell below the price of production, obviously they will get into trouble. That is the root of the problem. That is why the Government is now searching for ways and means to provide the farmer with the opportunity of getting his cost of production plus a reasonable product.

The parity price program introduced by one of the Member's own colleagues never saw the light of day until our Government came into office. Now that program is being pursued. I believe there is some hope in parity prices for our farmers. That is only one thing we are doing.

I was astounded when the Hon. Member said that the capital gains exemption was an instrument to get people off the farm. That is not the purpose of the capital gains exemption at all. The Hon. Member for Prince Albert must recognize, and surely recognizes, that the land is the only nest-egg a farmer has. When a farmer spends 35, 40 or 45 years on the farm with his wife and family, part of his life is in that farm. When he wants to retire, unless he is able to get something for the nest-egg he has built up over a period of 35, 40 or 45 years, he is simply subjected to welfare.

The Government has seen the light. It has said that a farmer can now sell his land, get sufficient money for it, and that it will not take a big chunk from the proceeds, as the previous Government did. The farmer can sell his land and have the money on which to live for the rest of his life with his wife and family and also keep a reasonable standard of living.

The capital gains exemption is not to get people off the land. It is to treat those who have spent their lives in farming in a fair and honest way. Ours is the first Government that has recognized that point.

Let me come now to the issue of natural gas. The price of oil is coming down. I have not heard anyone in the Opposition mention the need to reduce the cost of fertilizer for farmers, yet natural gas is one of the major components of fertilizer. As gas comes down, we expect the fertilizer price to come down also, which will be a great help to the farmer because fertilizer is necessary for him.

I ask the Hon. Member for Prince Albert, who has a good knowledge of farming, why he says consistently that capital gains exemption is to get people off the land, when its real purpose is to reward those who have spend their lives farming the land.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: Mr. Speaker, I could not expect the Hon. Member for Bow River (Mr. Taylor) to know it but the policy of a capital gains exemption for farmers and small business people has been part of New Democratic Party Policy for many years. We support it entirely in that sense for those people and for the same reasons as the Hon. Member for Bow River suggested.

My disappointment with the Government is that it picked those areas to give help allowing people to get off the farm rather than allowing people to survive on the farm. I have no question about the validity and support of his arguments.

I want to comment on a number of other things the Hon. Member said. Unfortunately, over the years, and I do not only put this Government in the category, Governments generally have given lip service to the family farm. I can criticize my own Governments in the provinces as well. Getting money to survive as a Government and not making money available for the family farm to survive seems to take precedence. Governments do not support family farms as well as they could.

I am glad to hear the Hon. Member for Bow River support the parity price idea. As he said, farming is becoming quite quickly the only part of the industry, the producer part of the agricultural industry, which is on a straight market system. Farmers put the product on the table and ask how much they will be given. We have to do something about that.

A fellow who builds a car finds out how much it will cost to build the car and then adds 100 per cent and says that this is how much he will charge for the car, and he gets away with it. We have the same thing with the oil companies, although now they are hurting a little bit. OPEC and Britain have decided to compete. Maybe that is the first sign of a true market system in the oil industry that we have had for many years. Britain and some of the other producers are being forced to compete with OPEC.

• (1240)

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Medicine Hat (Mr. Porter) have a short question or comment? The time for questions and comments has just about expired.

Mr. Porter: Mr. Speaker, I would just like to make a short comment in response to the Hon. Member for Prince Albert (Mr. Hovdebo). I respect the views which he has expressed. His background in agriculture stands him in good stead. It is unfortunate that, in many cases, those who make the rules in this business do not have to play the game.

The Member made a number of comments with regard to the Budget and the changes which were implemented. The gas pricing which was to have expired has been extended. I realize the cost is still high, but a benefit of approximately $120 million for Canadian farmers is being continued. It has been indicated from time to time in the House that the capital gains tax exemption is a break for rich people who will receive all the benefits. I remind those who served in the former Government that when that tax was brought in it increased the price of farm land. When farm land was sold its price was increased by the amount of the capital gains tax. This resulted in the increased cost of farm land which we are paying today. We are paying for the high interest rates of the late 1970s and early 1980s.

Almost $1 of every $4 of agricultural income has come from one level of Government or another. While there has been limited action taken on the situation that the Government inherited, there were some steps taken in the Budget. With regard to input costs, commodity pricing, and research, more

initiatives have been announced in the past 18 months than were in the previous 10 years of Government.

I would like to know in what areas the Hon. Member would have increased spending, by how much, and where those funds should have come from. Any money that is spent today must be taken from other programs.

Mr. Hovdebo: Mr. Speaker, there are two areas in which it will not cost the Government to help farmers survive. The first is that of parity pricing. We could ask the people of Canada to pay a little more for Canadian products. The second area is the cost of inputs, which are out of hand. The Saskatchewan Conservative Government is looking into the costs of inputs. I know from my own experience that products such as the chemical treflan are selling for $140 in the United States and $210 in Canada. The patent on treflan expired three years ago.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. This is a great debate, but we will have to carry on.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I doubt that I can complete my 20-minute speech in the remaining 15 or 16 minutes, but I will commence. It is with great pleasure that I rise today in the House to participate in the budget debate. For the record, I heartily congratulate the Minister of Finance (Mr. Wilson) for staying the course toward cutting our deficit and bringing about economic prosperity in the country.

I have been travelling across the country, as I am sure many Members of Parliament have done since the introduction of the Budget. I returned to the House of Commons with a strong feeling of determination. The majority of the people across the country are saying that the Budget is tough medicine but it is long overdue. Many people do not really want to pay more taxes, but feel that if we do not do something about these problems now we will have a very tough future.

As a new Member of Parliament in the 33rd Parliament I learned that my constituents in Saskatoon East wanted more jobs, and that is one of the things which we continue to hear a lot about. I am pleased that we have made some headway in that direction, and indications are that we will continue to make excellent progress. My constituents wanted the Government to be managed more like they manage their households. People have a certain amount of money with which to budget in their households or small businesses, and they want the Government in Ottawa to manage within those same restraints. My constituents were looking for leadership, for someone who would set the course and stay on it. People want to have a goal set and then to move toward it. I will say a little more about that in a few minutes.

People wanted accountability to those who are paying the bills. They were tired of the blank-cheque approach taken by Ottawa. They wanted fair and honest consultation with the provinces, particularly on budgetary affairs, rather than a hidden agenda. They also wanted value for tax money collected. The recent decrease in expenditures by 70 per cent is a strong response to that. Finally, they wanted a Government which respected the people who elected it, truth about our finances, and respect for the tax dollar.

In a nutshell, Mr. Speaker, the people of Canada did not want to have the wool pulled over their eyes. I suggest that this Budget is a continuation of that process which was started in November of 1984 and continued through the May Budget of 1985. The Government is calling things as they are in the country and facing up to the facts.

The Leader of the New Democratic Party (Mr. Broadbent) said last weekend that most people do not like the Budget. I would like to return to the House of Commons after the next election, not on a record of throwing money away, as has been done in the past, but on a record of responsible fiscal management of our money, the public service, and all the Crown agencies for which we have responsibility.

I would like to give you an historical perspective as to why Canada has this massive deficit. The red flags did not appear only a couple of years ago. They were there long before the present Government took power. The Glassco Royal Commission in the early 1960s began ringing the alarms about financial management by the federal Government. The commission reached inescapable conclusions of Government waste and inefficiency in the federal Government.

In 1976 the Auditor General, J. J. Macdonell, stated in his annual report that the Government had lost or was close to losing control of the public purse. Warnings were everywhere that a financial crisis was developing. While the Lambert Commission resulted in some reforms, the political will to quit spending taxpayers' money as if there was no tomorrow was still missing. In fact, every new idea was dealt with by spending millions of dollars. You name it, and the previous Government bought it or made it into a Crown corporation. I must say that that was great for those people who got on the bandwagon, but it was an unbearable burden for the taxpayers of Canada who had to pay the bills and face the mounting debt.

I would like to touch on the issue of Government control, particularly of Crown corporations. I think the previous Government threw too much money at problems which arose in those days. Twenty years ago there were only 28 Crown corporations in the country, and by 1984 the Liberals had created over 300 additional Crown interests. That means 300 bureaucracies, hundreds of personnel and accounting functions, communication staff, administrators and so on.

• (1250)

Back in the 1970s loan guarantees became the order of the day, for example, those given to de Havilland, Canadair, some trucking companies, hotels, bicycle and computer companies. What happened to those loan guarantees? We inherited them. We are now in the position of having to deal with them, and I will talk a little later about the disposal of some of those Crown corporations which are no longer performing a worthwhile function in this Government. As the Auditor-General stated in 1976, it was a Government out of control.

I happen to be Vice-Chairman of the Standing Committee on Public Accounts. It is a non-partisan committee and we review many of the examples of mismanagement over the last five or ten years, many of which are still with us. One of the objectives of this Government, and I am sure it was an objective of the last Government, was to try harder to make the senior public servants manage smarter and much more efficiently.

What are some of the questions most commonly asked by Canadians today? This is very relevant to the Budget. First, they ask if they can trust the Government in what it is going to say and do. There is a lot of cynicism out there and there is good reason for it. Let me give you a couple of examples. The MacEachen Budget of 1981 forecast a deficit of about $10.5 billion. It ended up being $19 billion, more than $8.5 billion over the projected amount. The Lalonde Budget of 1983-84 projected a deficit of $29.6 billion. It ended up at $33.5 billion, about $4 billion over. Yes, it was getting better but it was still out of control.

Last week my friend, the Hon. Member for Gander-Twillingate (Mr. Baker), made an interesting point. He said that since the new Conservative Government came to Ottawa it created 23 per cent of the total deficit. A lot of the programs we inherited were statutory programs and they account for about 75 per cent to 80 per cent of this Government's expenditures. You can do nothing about those expenditures, they are fixed. However, if that is the way the Hon. Member wants to call it, I will gladly take responsibility, as I am sure this Government would, for the 23 per cent that we created, but they can be accountable for the other 77 per cent. Last year we said we were going to bring in a Budget with a deficit of $33.8 billion. That is precisely what it came in at. This is the beginning of setting a plan and sticking to the course.

Will this new Government give the country some consideration and leadership, particularly in its management and spending? In other words, people are saying we have to show them how we are different from the previous Liberal Government. I would like to give some examples which I think point this out very well. In 1984 the Government established a blueprint to get its house in order. There were three main points: Making Government more efficient; encouraging private initiatives; restoring private confidence. The Budget brought down a few days ago is not something new. It is all part of the game plan developed in November, 1984 and followed up in May of 1985. There is consistency and it goes back to what we said we were going to do when we came here in 1984.

Let me give you some examples of what I think makes us different from the previous Government. First of all, we have the Nielsen task force which has been doing a lot of work with public and private sector individuals. As you know, we will be receiving a report next Tuesday. I, for one, am very anxious to see what it is going to tell us. I suspect we will see an awful lot of overlapping in those programs. As my colleague, the Government House Leader, mentioned this morning, there will be regulatory reform and, in many cases, less regulation. The President of the Treasury Board (Mr. de Cotret) said that for the first time in the history of this country there would be incentives for senior public servants to manage prudently the taxpayers' dollars. A freeze on hiring and spending was announced a couple of weeks ago by the President of the Treasury Board. That will cut down on that last minute flood of spending which has been going on for years and years. There is a potential saving there of $6 billion. I would say that even the previous Government would be doing the same thing if it had the chance. We have seen the biggest cut in Government spending in the last 20 years announced in this Budget. Believe me, that is a major difference between us and the previous Government. Borrowing requirements are down by 25 per cent. That means we are seeing an economic recovery and we do not need to borrow as much money. Finally, there will be reduction in the Public Service of 15,000 person-years by 1990. That will be achieved through attrition wherever possible.

Can the deficit be reduced, Mr. Speaker, and is it being done fairly? We have been consistent in our belief that the deficit needs to be reduced and we need to get Government spending under control. Believe me, it took three very important ingredients. One was a lot of courage. Another was a lot of political will which we certainly have not seen much of here for many, many years. Finally, it took a lot of leadership. This Government has come to grips with the financial crisis which has been developing for the last 10 or 12 years. As a person said to me on a plane the other day, it is just about time we faced up to these issues.

Some measures to control the deficit in addition to the ones I mentioned previously have to do with the disposal of Crown corporations. De Havilland is the best example. Then we have a cost recovery program. As well, we have to hold our operating budget to a growth of 2 per cent, which is less than inflation. Going back to my conversation on the plane the other day, this person made a very interesting point. He said one of the reasons we are enjoying the high standards we have today is the fact that our grandparents and parents did not hand down to us a horrendous debt. As another lady said on *Cross Country Check-up* this past Sunday, her daughter is expecting a baby sometime in May. She said the minute her grandchild is born it will have a debt of about $8,200 hanging over its head. That was the thing she did not like and that is why she likes this particular Budget. It faces up to reality.

I see there are only a couple of minutes left before one o'clock. I would just like to say that for those people who are concerned about social programs, and certainly—

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, may I say that the Hon. Member will have seven minutes plus question and comments when Orders of the Day are called.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES PRESIDENT'S STATEMENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, once again the President of the United States is spreading blatant lies about Nicaragua, and, in fact, has declared war on this small, struggling Central American country.

The American President does not want peace or democracy in Central America. He has refused to support the draft Contadora peace treaty. While the President labels the Sandanista Government a communist plot to subvert and attack its neighbours, not one of those neighbours agrees with him. The eight Contadora and support countries from Latin America have asked the President to stop funding the Contras and to support Contadora. When the Prime Minister (Mr. Mulroney) goes to Washington on March 17, will he tell President Reagan to get his troops out of Central America and to put in some development money?

* * *

INTERNATIONAL WOMEN'S DAY

TAXES PAID BY WOMEN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this Saturday, March 8, marks International Women's Day—an event which stems from the tragic death of women in sweat shops in New York City's garment district in 1908. As we enter the year following the United Nation's International Women's Decade, I think about families in Canada, about working women in Canada, single women who are supporting children, and elderly women living on fixed incomes.

As a result of the Government's Budgets, single women in Canada will need financial help because it is going to be tougher to get along. A single parent with two children earning $15,000 a year will pay $248 more in taxes in 1986. A retired single woman with an income of $10,000 will pay $160 more this year in taxes because of these Budgets. I do not believe this is a good start for women and families in Canada as we honour International Women's Day.

[*Translation*]

The Liberal party has implemented a number of measures for the benefit of Canadian women: family allowances; old age security pensions; the child tax credit; affirmative action programs; appointment of women to positions including that of Governor General and Justice of the Supreme Court, giving women access to training—

[*English*]

Mr. Speaker: Sixty seconds, I'm afraid.

* * *

AGRICULTURE

SITUATION OF ONTARIO FARMERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, never have so many been so disappointed as have Ontario farmers with the latest Conservative Budget. Their crisis is very real. As the Chairman of the Farm Credit Corporation told the agricultural committee this week, the number of farm families in severe financial distress rose from 33,000 in 1984 to 39,000 as of last fall.

These farmers hoped desperately for three clear moves—the end of all farm fuel taxes, a significant cut in interest rates for farmers, and moves toward parity pricing. Yet the Budget failed these hard working producers. Only 6,000 will get some interest relief through the new FCC mortgage system.

The Government made no new move on farm fuel taxes. In 1984 the Prime Minister (Mr. Mulroney) promised to end excise taxes on farm fuel.

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

EMPLOYMENT PLANNING STRATEGY

GOVERNMENT'S PERFORMANCE

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, in 1984, the Conservative Government promised to create jobs. Last November, it tabled a strategy for economic renewal and job creation, and during the past fifteen months, the Government has followed its plan very closely.

Part of this strategy was to create programs that would provide workers with the training they need according to current and future labour market requirements. The Canadian Jobs Strategy was designed with this training and career concept in mind, as opposed to the previous emphasis on programs for temporary jobs.

We are starting to see the results, since 580,000 jobs have been created up to now. The unemployment rate has dropped from 11.7 per cent in September 1984 to the current 9.8 per cent. It is the first time in four years that unemployment has been less than 10 per cent.

In addition to creating new jobs, the Conservative Government has also controlled—

Mr. Speaker: Order, please. Sixty seconds!

• (1405)

THE DISABLED AND THE HANDICAPPED

GOVERNMENT'S RECORD

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I would like to mention before the House how pleased I am with the increased disability deduction for persons with severe cardio-respiratory failure, mental retardation, profound bilateral deafness and other serious disabilities. The 1986 Budget has increased the deduction by $250, thus bringing the total deduction to its new level of $2,860.

As a result of this Budget, a number of disabled Canadians will also be able to take advantage of the refundable federal sales tax credit, while items especially designed for guide dogs for the blind may now be imported duty free.

These measures will benefit more than 185,000 disabled Canadians and reflect the compassion shown by the Mulroney Government for the least fortunate in our society.

* * *

[*English*]

THE BUDGET

FAVOURABLE REACTION AND PUBLIC CONCERN ABOUT SMALL BUSINESSES LOANS ACT

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, I am pleased to inform the House today that the reaction to the Budget from my riding has been most favourable. My constituents realize that the Budget is a tough one but they are prepared, as are all Canadians, to share the responsibility for reducing the public debt.

They recognize that great progress has been made in the past 18 months toward the reduction of the deficit and the creation of new jobs.

Although unemployment is still a problem, my constituents appreciate the Government's continued support and encouragement for small business to create more new jobs.

However, at a public meeting held in my riding on Saturday, serious concern was expressed about the effectiveness of the Small Businesses Loans Act. They applaud the program and our initiative to expand the amount of the loan guarantees, but they also note that some bankers are not making these loans available to their customers. Access to financing at the bank's prime rate plus 1 per cent should be available to all qualifying small businesses so they can maximize their potential for growth and, at the same time, create new jobs.

Mr. Speaker: Order. Sixty seconds.

S.O. 21

ROYAL CANADIAN MINT

CONTRACT AWARDED TO UNITED STATES GOLD COIN CONSULTANT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, once again the Government of the Prime Minister (Mr. Mulroney) has displayed the business like manner in which it handles taxpayers' money, which we saw previously in the Habitat flip.

This time it is its handling of a consulting contract to a gold expert in the United States on how to market the Maple Leaf coin. The Royal Canadian Mint paid Mr. Morrie Sandler of Stanford, Connecticut, a consulting fee of $250,000 U.S., $50,000 U.S. in expenses, and an open-ended incentive bonus based on sales. When all of this is worked out, this gentleman received $480,000 Canadian in 1984, and $2.73 million Canadian in 1985. All of this was for part-time work.

This led a Canadian authority on gold bullion to exclaim: "How many people in the stock and bullion business have a $250,000 contract plus $50,000 in expenses and a guaranteed incentive? I know of very few".

A New York trader said: "The 1985 figures are shocking".

We on this side of the House are also shocked. The Government should hang its head in shame, considering what the Minister of Finance (Mr. Wilson) has been saying—

Mr. Speaker: Order, please. Sixty seconds.

* * *

CULTURAL AFFAIRS

MEETING OF FEDERAL, PROVINCIAL, AND TERRITORIAL MINISTERS

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, at a federal, provincial, and territorial meeting on March 3 and 4, the Ministers responsible for culture and historical resources met in the spirit of co-operation that has been the hallmark of the Government since September, 1984. Solutions relating to the present difficulties experienced by the Canadian film and book publishing sector were proposed, which make allowances for regional differences and diversities as well as provincial policies.

The conference, under the co-direction of our Minister of Communications (Mr. Masse) and Quebec's Deputy Premier and Cultural Affairs Minister, Lise Bacon, agreed to take steps to ensure that Canadian cultural products have better access to domestic markets and to reinforce the Canadian presence in the production, distribution, and marketing sectors.

To the doom and gloom merchants of the two Opposition Parties who accused the Government of selling our cultural sovereignty, I say that, on the contrary, we are strengthening our sovereignty over our cultural industries and will continue to do so.

S.O. 21

[*Translation*]

WOMEN

APPOINTMENT OF WOMEN TO KEY JOBS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, during this special week for women, I would like to comment on the Government's record with respect to appointing women to key positions.

As far as principles go, Conservatives are sometimes hard to beat, but when it comes to action, the record is less than impressive. As an example, Mr. Speaker, I would like to read a press release my office received yesterday morning: "The Minister of State (Physical Fitness and Amateur Sport) and Minister of State (Multiculturalism) (Mr. Jelinek) announced that ten Canadian businessmen had agreed to sit on the Board of Directors of a new agency created by the Minister to increase financial support from the private sector for amateur sport."

You heard me correctly: ten businessmen and not a single woman!

Need I remind the Conservative Government that women are fed up with hollow promises? What we want, Mr. Speaker, is this: half of everything!

* * *

HOUSE OF COMMONS

USE OF CERTAIN EPITHETS IN CHAMBER

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, further to yesterday's incident which affected more particularly my compatriot and political adversary, the Hon. Member for Bourassa (Mr. Rossi), I want to say that as a member of the Italian community, I am opposed to such discriminatory remarks being addressed to Italian Canadians.

Nevertheless, I am sure that my colleagues and my party do not believe that all Italian sounding names mean the bearers of those names should be qualified as "mafiosos".

As was remarked recently in the House, I am positive that the comments of my hon. friend from Nunatsiaq (Mr. Suluk) hardly reflected his thinking. We occasionally hear comments of this kind which have often become a conditioned reflex among the public, based on the number of social prejudices fed by false mythology and film fiction, and I am thinking here of "The Godfather". I am sure the incident is now closed.

• (1410)

[*English*]

INCOME TAX ACT

PART-TIME FARMERS—CALL FOR REPEAL OF SECTION 31

Mr. Simon de Jong (Regina East): Mr. Speaker, during the 1984 election campaign one of the major commitments made by the Conservatives was that Section 31 of the Income Tax Act, at the very least, would be reformed. This Section of the Act applies to those who are part time farmers, those who must work off the farm in order to sustain themselves financially. After a year and a half of the Conservatives being in office, nothing has been done. This was another promise made and another promise broken.

When the chief source of income is derived from farming, all business losses are deductible. When the chief source of income is not from farming, the restrictions of Section 31 apply which allow only a maximum deduction of some $5,000.

Given the enormous number of family farms in desperate financial condition and the low price many farmers receive for the commodities they produce, Section 31 becomes an additional penalty for many who have had to seek off-farm employment just to survive. If the Government has any interest in preserving family farms, especially in these current hard economic times, it will abolish Section 31.

* * *

THE BUDGET

SUPPORT FOR PROVISIONS

Mr. Jim Jepson (London East): Mr. Speaker, the Budget is so good that even Jean Chrétien is going into private business. No doubt, others will follow. After the next federal election it is more than likely that Canadian voters will give all members of the Opposition the opportunity of joining Mr. Chrétien and becoming entrepreneurs.

Whether it likes it or not, the Opposition cannot change the fact that the Minister of Finance (Mr. Wilson) has presented a Budget which eases the burden on lower-income Canadians, while providing them with the benefit of an economy that is, after 20 years of neglect, once again starting to live up to its potential. Most important, small-businessmen in Canada finally have a solid financial footing which will allow their enterprises to grow, prosper, and create jobs. This is the kind of Budget that helps all Canadians, even opposition Members.

* * *

REGIONAL ECONOMIC DEVELOPMENT

PROGRAMS TO ASSIST ATLANTIC CANADA

Mr. Gerald Comeau (South West Nova): Mr. Speaker, last week the Government announced two very important programs for Atlantic Canada. The special $1 billion Atlantic

Enterprise Program announced in the Budget will help companies in the Atlantic regions to lower their borrowing costs and provide them with special loan insurance.

The Atlantic Opportunities Program, announced by the Hon. Minister of Supply and Services (Mr. McInnes), will increase the amount of goods and services purchased from Atlantic Canada firms, identify and pursue opportunities for purchasing and subcontracting from Atlantic Canada which arise from large-scale procurements, and develop Atlantic Canada firms to respond competitively to federal purchasing needs.

The goal is to increase federal purchases from Atlantic Canada by $600 million over the next four years to a total of $2.2 billion. This increase will generate over 20,000 person-years of new employment, or an average of 5,000 jobs a year. And that is good news for Atlantic Canada.

* * *

HOUSE OF COMMONS

APOLOGY FOR USE OF TERM "WELCHING"

Hon. Bob Kaplan (York Centre): Mr. Speaker, on February 26 I was exploring whether I had committed a racial slur when I accused the Minister of Regional Industrial Expansion (Mr. Stevens) of "welching" on the people of Canada. I indicated that the Oxford Dictionary did not regard the expression "welch" as a pejorative but that Webster's Dictionary suggested that it was.

I would like now to refer to a very important authority, William Safire, who, in a recent article in *The New York Times* on February 23, took Webster's position. I, therefore, want to apologize to the House and to the Welsh-Canadian community for using that expression.

* * *

INTERNATIONAL WOMEN'S WEEK

FORWARD-LOOKING STRATEGIES FOR THE ADVANCEMENT OF WOMEN

Mr. David Daubney (Ottawa West): Mr. Speaker, I join with my colleagues in paying tribute to Canadian women during this International Women's Week. This is a time to look ahead at new challenges. All Hon. Members of this House recently received a copy of the Nairobi *Forward-Looking Strategies for the Advancement of Women*, the document adopted at the World Conference held last summer to mark the end of the UN Decade For Women.

This is a comprehensive and path-finding document. It includes practical guidelines to advance the status of women in all aspects of life, social, economic, legal, and cultural. Canada played a key role in seeing this document come into being and in ensuring its adoption by consensus. It is up to us all in this House to ensure that Canada leads the way in implementing these forward-looking strategies.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

LEVEL OF TAXES PAID BY FAMILIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and of the Minister of Finance, who are desperately trying to rescue a very weak Budget—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —my question is directed to the Minister of State for Finance. I hope she has recovered from her pulmonary problem of yesterday.

Why is it that a family with total revenues of $15,000 will pay 23 per cent more in taxes in the next four years, on the basis of forecasts and documents from the Department of Finance, while a family with total revenues of $200,000 will pay an increase of only 1 per cent more? Is that the Minister's interpretation of the Prime Minister's definition of fairness?

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that the fairness in the Budget is self-evident. The measures we have introduced for lower-income families are more than any Government has introduced for a long time. The sales tax refund, the child tax credit, and the child tax credit early payment direct our fairness measures exactly to where they are needed.

Some Hon. Members: Hear, hear!

TAXES PAYABLE BY WIDOW WITH ANNUAL INCOME OF $10,000

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of State for Finance why it is that the total taxes for an elderly widow living on $10,000 a year will rise by $160 this year. Does the Minister feel that this widow can find the money to pay that tax from her old age pension?

Mr. Gauthier: Is that fair?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, under this Government the taxes paid by people in low-income brackets have actually gone down.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I suggest that the Right Hon. Leader of the Opposition take another look.

[*Translation*]

DIVISION OF FISCAL BURDEN

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker, after this frankly incredible answer. A widow, living alone on $10,000 per year, will have to pay $160 more, while according to the *Financial Post*, an individual earning $150,000 a year will pay $3,500 less in taxes next year than he did in 1984. Is that fair, Mr. Speaker?

Hon. Barbara McDougall (Minister of State (Finance)): The whole Budget is fair, Mr. Speaker.

[*English*]

In our continuing package, including the economic statement and two Budgets, we have closed more tax loopholes for the rich, tax loopholes which were created by the former Government. People in high-income brackets are the ones who will pay the tax on the dividend tax credit. They will pay the tax because we have done away with income splitting.

* * *

[*Translation*]

THE BUDGET

CHILD TAX CREDIT—SITUATION OF CERTAIN FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the same Minister. Referring to the fairness of the Budget, she bragged about the merits of the child tax credit prepayment. Can the Minister explain the fact that her Government has completely ignored the 538,000 families which get the full child tax credit and will not be eligible for the $300 prepayment? How is it that her own Government has chosen to ignore them, the majority being single-parent families headed by women?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am truly amazed by the comments made by members of the Opposition with respect to our Budget. Yesterday they said: "Freeze spending". They said: "Don't raise taxes. Spend more on foreign aid, regional development, and research councils". At the same time the interest payment on their debt is up by $2 billion. Where would they like us to increase the fairness in the Budget? Do they want us to cut social programs? Is that what they are looking for?

[*Translation*]

Mr. Malépart: Mr. Speaker, all she had to do was to tax her friends the multinationals.

INQUIRY WHY FAMILY WITH INCOME OF $16,000 IS PENALIZED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker. I would like to know how the Minister can claim that the Budget is fair, yet a family of four with an income of $16,000 will be penalized—being uneligible for the prepayment—and will be forced to deal with tax discounters. How come a family with a $16,000 income is penalized?

• (1420)

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am truly amazed. I point out to the Hon. Member that last year under this Government disposable income, the amount of money which Canadian families have in their pockets to spend after taxes, went up substantially.

* * *

FINANCE

PROPOSED BUSINESS TRANSFER TAX

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also directed to the Minister of State for Finance. She will know that, as a result of her Government's policies since assuming office, it has cost the average Canadian family $1,305 in additional taxes and charges. Today we learn that the Government plans to introduce a value added tax, or a business transfer tax. If the Government plans to introduce one of these two forms of new tax, which will result in a new tax system or a new bureaucracy, will the Minister guarantee the people of Canada that it is not a sneaky way to impose more taxes on an already over-taxed Canadian public?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not know which is worse—hypocrisy or hysteria. In his budget address to the House, the Minister of Finance said that he would be reviewing the basis of the federal sales tax by way of a discussion paper on what I believe he referred to as a business transfer tax. There is nothing hidden about it. He says there will be a paper out there, and we will be listening to everyone who wants to comment on it at the appropriate time.

REQUEST FOR MINISTERIAL GUARANTEE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I asked the Minister whether this new form of taxation would result in additional taxes on top of the $1,305. Will the Minister guarantee that this will be a revenue neutral tax, that it will be a broadening of the tax system or a new system, but that she will not impose new taxes on top of existing tax bases?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that the sales tax system which we have now has presented some difficulties. Lord knows, he has pointed them out often enough. We have said that we will try to improve the system with a discussion paper which will be issued later in the year. I suggest the Hon. Member make his comments on it at that time.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my colleagues and I will certainly make comments at the time. My question is a very critical one, when there is a concern that people are now overtaxed. Will the Minister not rise in her place and tell the people of Canada and Members of the House that the Government does not plan to add more and more taxes as a result of a value added tax or a business transfer tax?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, what we are telling the Canadian people is that our tax system is going to be fair, as it is now.

Some Hon. Members: When?

Mrs. McDougall: We have introduced more fairness measures than any other Government. We are getting control of the deficit. That will bring down interest rates for ordinary Canadians. We will continue to review and improve the tax system as we have done already.

* * *

ENERGY

PRICE OF CRUDE OIL

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister's market sensitive system is a disaster. Consumers have received practically no benefit from falling world oil prices. The industry is in such a state of uncertainty that it is going to ask the Government to scrap deregulation and to step in and save it from collapse. When will the Government step in?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am really surprised that the Hon. Member would ask that question. The last time the Government stepped in, it created the National Energy Program which devastated the western economy.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, to use the Minister's own words, she said that such low prices would be "catastrophic" for the industry. What is she planning to do about the catastrophe facing the industry?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think it is quite important that the Hon. Member not add to the hysteria which his Party is generating at this time. If he is referring to the volatility in oil prices, may I point out, as Premier Getty and others have pointed out, that this is a price war. Prices are very volatile, and we do not know where they will stabilize.

• (1425)

PRICE OF GASOLINE

Mr. Ian Waddell (Vancouver-Kingsway): Supplemental to that last question, Mr. Speaker, why has the Minister not required the 10 cent per litre reduction at the pump which ought to have flowed through because Canadian crude oil has decreased from $37 a barrel since December to today's price in Canadian funds of $18 a barrel? Why has the Minister not required that 10 cent a litre reduction at the pumps?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I noted with great interest that my hon. friend across the way was on television last night advocating that we should be increasing prices to producers and reducing prices to consumers. If that is the kind of fantasy land the Member is living in, I wish him well.

Mr. Crosbie: Fantasy Island.

ADMINISTERED PRICE SUGGESTION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, would the Minister agree that it is possible to give the motorist a real break also to save the jobs in the industry by considering an administrated price for oil?

Why is the Minister sitting over there fiddling when both the motorist and the Province of Alberta right now are burning?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think if the Hon. Member feels that the industry would prefer a choice between his policies and our policies, he should know that the policies that would be chosen are ours.

Mr. Waddell: That is not what we hear these days.

Mr. Deans: We will see all those oil rigs leaving Canada again.

Mr. Hnatyshyn: They are not going to go to Manitoba.

Mr. Speaker: Order, please, Members and House Leaders.

[*Translation*]

REDUCTION IN OIL PRICES—ATTITUDE OF MULTINATIONAL OIL COMPANIES—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question as well is directed to the Minister of Energy, Mines and Resources.

Oil prices have gone down 60 per cent in the past four months, from $30 to $12 U.S. a barrel. Consumers in the United States have long since been benefiting from this reduction, yet in Canada the decrease has been a mere 2 cents a litre.

Here is my question to the Minister: Can she explain why the multinationals have passed the lower international prices on to American consumers, yet those same companies do not appear anxious to pass the same savings on to Canadian drivers?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I do not understand where the Hon. Member gets his figures. He said the drop had occurred in the last four months, let us say back to November.

The figures I have for the official crude oil price, average Canadian posted, for November are $27.95 U.S., and for January 28 $20 U.S.

I think, as I have explained to the Member before, that part of that decrease which occurred really toward the end of January has already been passed through, and we expect the rest of it to be passed through in a few weeks time.

[*Translation*]

GOVERNMENT POLICY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, as they say in boxing, keep an eye on the referee, somebody is throwing punches somewhere.

All newspapers report that the international price of a barrel of oil is down to $12, television, the media—

Mr. Speaker: Order, please. Thank you.

Mr. Garneau: Here is my question, Mr. Speaker.

[*English*]

Is it the policy of the Tory Government to have the Canadian consumer pay a higher price for gas and oil than the international price? Is this the policy of the Government?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think what I really should do for the benefit of Hon. Members is to give more information about the way the international oil market works.

The price of the Hon. Member is using of $12 is the spot Brent price in the North Sea, which is offered but not necessarily accepted for future delivery. That price which the Member talks about is for some load of oil that will be delivered weeks or months in the future, which then has to be transported, refined, processed, stored, distributed, and sent to the pumps.

The price that Canadians oil is currently posted at is around the $22, $21 range U.S. That is the price to which he should be referring.

• (1430)

SHIPBUILDING

PLACEMENT OF CN MARINE FERRY ORDER

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. In November 1984 the Minister of Transport stood in his place in the House and promised that CN Marine would place orders for several vessels, including a second state-of-the-art ferry, with Canadian yards. Will the Minister rise in his place in the House today and assure 700 angry workers, who feel left out in the cold by the Government, that CN Marine will forthwith place orders for this second state-of-the-art ferry with their yard?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member has indicated, the shipbuilding industry in Canada is presently going through a very difficult time. We know that the yard to which he referred has perhaps been impacted upon more than other yards. However, I would like to reassure the Hon. Member and other Members of the House that the Government has been in the past, and continues to be, the main purchasing agent for work at shipyards. Government procurement is the main source of activity in Canadian shipyards, and we intend to continue that type of sourcing.

LAUZON SHIPYARD

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, will the Minister promise the contract to the angry workers at Lauzon?

Mr. Malépart: Yes or no.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as far as we are concerned the workers at Lauzon to whom the Hon. Member refers—

Mr. Malépart: Yes or no?

Mr. Stevens: The Hon. Member says "yes or no". He obviously did not understand the nature of the question. This is quite a complicated matter. I suggest that that shows how the Opposition deals very frivolously with a very serious question.

* * *

[*Translation*]

PUBLIC WORKS

PREFERENCE TO FINANCIAL BACKERS OF CONSERVATIVE PARTY IN AWARDING GOVERNMENT CONTRACTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question concerns the contract policies of the Department of Public Works and is directed to the Deputy Prime Minister, in the absence of the Prime Minister.

I have here a letter from the office of the Hon. Member for Québec East about a policy for giving preferential treatment to financial backers of the Conservative Party when letting Government contracts, a matter involving one million dollars per year.

Why does the Government let taxpayer's money be used to promote, assist and even reward the friends of the Conservatives?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government is doing nothing of the kind. I am aware of the media reports with respect to the letter referred to by the hon. gentleman. Upon his return from being out of the country, the Hon. Member for Quebec East immediately sent an apology to the Prime Minister for the erroneous information which went out of his office in his absence. Further, he sent to each and every—

Mr. Turner (Vancouver Quadra): How long a trip was it?

Mr. Nielsen: Further, he has sent—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): When is he coming back?

Mr. Nielsen: Further, he has sent, to each and every recipient of the original letter, an apology for the erroneous information therein contained. He has, in addition, set forth the correct procedure for the letting of contracts by the Department of Public Works.

Mr. Boudria: Mr. Speaker, I am well aware of the deathbed repentance letter which was sent.

ROBERGE COMMITTEE MEMBERSHIP

Mr. Don Boudria (Glengarry-Prescott-Russell): According to reports, the Member for Quebec East is not only a member of that caucus, but a member of the Roberge committee on patronage—

Mr. Speaker: Order, please. The Hon. Member made two statements in his first question. Will he come immediately to the question?

Mr. Boudria: Why is the Government sanctioning this kind of activity by allowing this Member to sit on the Roberge patronage committee?

[*Translation*]

And why didn't the Prime Minister or the Deputy Prime Minister immediately demand the resignation of the Hon. Member for Quebec East?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, what the hon. gentleman has said is totally misleading and incorrect. He has admitted that he is aware of the apology which was extended by the Member for Quebec East acknowledging the mistake he had made and setting out the correct procedure to all of those who received the original letter. All of us make mistakes, Mr. Speaker, even the Hon. Member who put the question.

* * *

AGRICULTURE

ELIMINATION OF INVESTMENT TAX CREDIT—EFFECT ON FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. As everyone knows, this Budget means taxes, taxes, taxes. We have just discovered in the *Budget Papers* a hidden tax on the farm families of the country.

Is the Minister of Agriculture aware that the elimination of the investment tax credit for farmers means that Canadian farmers will have to pay an extra $150 million per year, of which Saskatchewan farmers will have to pay an extra $50 million per year? What influence did he have with the Minister of Finance?

Mr. Deans: None, I assume.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member was very cautious not to acknowledge the fact that in the Budget, in addition to the long list of special measures which the Government has directed to the agricultural industry, the Minister of Finance has provided additional support exceeding $400 million over the next two years. The Member very carefully avoided asking that question.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want an answer. Is the Minister of Agriculture aware that by eliminating the investment tax credit for farmers there will be a 50 per cent increase in federal tax payable by the farmers of the country? Is he aware of that, Mr. Speaker?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is obvious from the Hon. Member's interpretation of the Budget that he has not recognized the changes which took place in Canadian agriculture from 1981 until 1985. He is not looking into the future to 1986.

Mr. Rodriguez: Answer the question.

Mr. Wise: The investment tax credit certainly had a purpose when it was in place. However, I have talked to farmers across the country, and to accountants working for farmers. The message I receive from them is loud and clear—

Mr. Speaker: This is becoming long. Order, please.

Mr. Deans: The more you talk, the less convincing you are.

[*Translation*]

SUPPLY AND SERVICES

CONTRACT AWARDED TO UNITED STATES CITIZEN

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Supply and Services. Yesterday's *Citizen* reported that a two-year contract had been signed in February 1984 by the previous Government with an American who was paid exorbitant fees for his services in marketing a Canadian gold coin. Does the Minister intend to investigate the matter, since this person is under contract to other Governments and since according to a Canadian bank, experts were available in Canada?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, this particular individual is a New York broker who is working for other Governments as well as that of Canada. He signed a contract with the Canadian Government on February 1, 1984. There have been some media reports that he has done very well by the contract. We have to acknowledge that he has done so. In hindsight, we probably would not have signed the same contract today, but giving him all the credit to which he is entitled, he has done very well. He has increased the share of Canadian gold bullion from 22 per cent of the market to 64 per cent.

* * *

PUBLIC WORKS

LETTING OF CONTRACTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to direct my question to the Deputy Prime Minister. It is with regard to the letter from the Member for Quebec East which the Deputy Prime Minister asks us to believe was a mistake which was corrected. As long ago as the fall of 1984 the Prime Minister admitted that the Roberge group exists, that the Member for Quebec East is a part of it, and that he, the Prime Minister, consults that group from time to time.

Is the Deputy Prime Minister prepared to let a committee of this place review the work of the Roberge commission, which advises the Government after its weekly meetings, in order to learn how it operates, what recommendations it has made, how they have been made, and what the real role of that letter is?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to take this opportunity to inform the Hon. Member and the House that contracts under $30,000 are let under Treasury Board guidelines established by the previous administration. I suggest that the present administration is just as pure, or maybe a little more so, than that of the last 16 years.

Mr. Speaker: Supplementary. Very short. Immediately.

INQUIRY OF THE ATTORNEY GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I will address my supplementary question to the Attorney General. Has he reviewed this letter and the practice of this committee in light of Section 110 of the Criminal Code which deals with shakedowns by officials of the business community?

Mr. Speaker: Order, please. The Hon. Member's first question was very lengthy. That is why I asked him to be very brief with this one.

• (1440)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I heard the explanation of the Deputy Prime Minister. I am quite satisfied with it and I do not understand why the hon. gentleman would not be.

Mr. Henderson: You have to be, John.

* * *

AGRICULTURE

SITUATION OF FARM WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Agriculture. The Government's lack of effective economic assistance for farmers has forced farm women to carry an unbearable triple workload. What has the Government done in the Budget to relieve farm women from having to be a full-time farmer, home maker, and off-the-farm worker in order to make ends meet?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. This Minister and this Government certainly recognize the tremendous contribution made to the agri-food industry by the women of this country.

Some Hon. Members: Hear, hear!

Mr. Wise: I hope the Hon. Member would give us credit for establishing, for the first time, the Family Farm Focus Program. I am meeting with the leaders of farming women's groups very shortly to establish a program of this kind. I hope the Hon. Member would recognize that this Budget, in co-operation with my colleague—

Mr. Speaker: Order, please. This is becoming a speech.

CHILD CARE INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, if the Minister is meeting with farm women will he ask them what their feelings are about child care? Will he explain to them why the Government has nothing in the Budget for child care which is desperately needed by farm men and women?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the fact that the Hon. Member recognizes there are

certain special needs. Facilities now available in urban areas are not universally present in rural Canada at the moment. That will be a high priority item in the meetings I expect to have with these leaders across the country very shortly.

* * *

PORNOGRAPHY

AMENDMENT OF CRIMINAL CODE'S DEFINITION OF OBSCENE AND PORNOGRAPHIC MATERIAL

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is directed to the Minister of Justice. The Standing Committee on Justice and Legal Affairs made a number of recommendations in its report in 1978, as did the Badgley Committee Report on sexual abuse of children, and the Fraser Committee Report on pornography and prostitution. When will the Minister take the courageous step, which previous Liberal Governments failed to take, and introduce important legislation which will respond to those recommendations, and amend Section 159 of the Criminal Code to define what is deemed to be obscene and pornographic?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I agree with the Hon. Member that the failure to act in previous years was deplorable. I am sure we will have considerable support from the Official Opposition to make up for that failure when we introduce proposals, which will certainly be in the House during the month of April, to tackle this very important issue. This area of the laws of Canada needs to be reformed and tightened up.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

FUTURE OF QUEBEC SHIPBUILDING YARDS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister knows perfectly well that hundreds of workers are out in the cold. They have come from Lauzon at Versatile Davie to get an answer they have been waiting for months, and the question is whether their shipyard will benefit from the contract for building a second ferry for CN Marine. I would like to ask the Minister whether he can give the House the assurance he is going to do everything he can to ensure these people receive justice.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I hope there is no question that I will do everything possible to ensure these workers receive what he calls justice. I personally have met with representatives of the companies, unions, and provincial authorities concerning this matter. Hopefully we are all going to be able to come up with a solution so as to ensure the continued viability of shipyards in Canada, in particular the Davie shipyard. That is our objective.

[*Translation*]

REQUEST FOR CLARIFICATION OF MINISTER'S ANSWER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am delighted the Minister is so forthcoming. I would therefore ask him to clarify his answer and explain whether giving them justice means that they will have a shipbuilding contract or whether it simply means they will be taken for a ride.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the contract he refers to is, of course, one way of trying to relieve the situation in that shipyard. However, I would emphasize once again that this Government has managed to keep our shipyards working to date by procuring virtually 90 per cent of the ships constructed in Canadian shipyards. Surely that is a tremendous contribution on the part of the people and Government of Canada to ensure continued jobs for those workers.

Mr. Garneau: You did not answer the question, though.

* * *

AGRICULTURE

PLIGHT OF FARMERS IN FINANCIAL DIFFICULTY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. The centrepiece in the Budget for farmers is the commodity-based loan program. The Minister knows there are about 60,000 Canadian farmers in financial difficulty. The Government loan lottery will help about 6,000 of those farmers. What does the Minister propose in the way of help for the other 55,000 farmers who are in financial difficulty?

Mr. Fulton: Higher taxes.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's continuing concern for the financial plight of farmers. However, I think he has to recognize that this Government, to this point in time, has taken over 195 initiatives which have provided over $4 billion for farmers. That is a pretty significant contribution. This Budget, as I indicated earlier, takes additional measures which provide over $400 million. Indeed, there are other components which will, for the first time, recognize the reality of the situation.

DEBT REVIEW LEGISLATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is obvious that the Minister is abandoning those farmers.

Some Hon. Members: Oh, oh!

Mr. Hovdebo: Can he tell us what happened to his promise to the farmers to bring forward debt review legislation with real teeth to deal with farm creditors?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, nothing has happened to it. If he listened to the Minister of Finance the night he presented his Budget, he would know that the Minister of Consumer and Corporate Affairs will be bringing forward debt review legislation.

Mr. Hovdebo: With no teeth.

Mr. Wise: There will be teeth in it, just wait and see.

Mr. Rodriguez: Stop gumming around.

Mr. Speaker: Order, please.

* * *

CHILDREN

PASSPORT ORDER TO HELP PREVENT ABDUCTIONS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. Yesterday there was a news report to the effect that he was going to make some changes in the passport rules to help prevent child abduction by separated and divorced parents. Was that report correct and, if so, what changes does he intend to make?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, there are no changes necessary at present because since 1981 the Canadian Passport Order has been in effect. Unfortunately, a good percentage of the cases where children are abducted involve estranged parents where the child is used as a weapon. As a result, the Government passed the Canadian Passport Order which requires that, in cases where there is a court order affecting movement of children, no passport will be issued in contravention of that order. As well, where custody has been awarded to one parent or where visiting rights are affected, that parent must sign off on any attempt to include the child on the other parent's passport.

* * *

[*Translation*]

FINANCE

STATEMENT MADE BY MEMBER FOR MISSISSAUGA SOUTH

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of State (Finance).

According to the Member for Mississauga South, the Government intends to levy a new tax of between 4 and 6 per cent, starting this fall.

Could the Minister inform the House whether the Hon. Member for Mississauga is speaking for the Government?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, perhaps I should quote from the budget speech of my colleague, the Minister of Finance.

Mr. Orlikow: We heard it once, that is enough.

Mrs. McDougall: He said, referring to the business transfer tax:

> I expect to complete a review of the options in the very near future and put forward a paper with a concrete proposal for public discussion at an early date.

Is that not the answer?

• (1450)

[*Translation*]

MEASURES CONTAINED IN BUDGET

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, there is no mention of 4 per cent or 6 per cent tax anywhere in the Budget.

[*English*]

My question is as follows. Can the Minister of State for Finance assure Canadians that no tax increase will be passed to consumers if this business transfer tax is implemented?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if the Hon. Member reads further on page 16 he will find: "Our intention is to move to a new system that will encourage growth, improve equity, and yield revenues sufficient to replace the federal sales tax, to end the surtaxes I have announced today and to provide adequate offsets for low-income Canadians".

An Hon. Member: You should have read the speech.

An Hon. Member: We know you can read.

* * *

[*Translation*]

YOUTH

MANNER IN WHICH AID IS GIVEN

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State (Youth). Does the Minister believe that the Government's policy on youth should include support for the political efforts of the youth organizations of the Progressive Conservative Party, and that this should be one of the Government's priorities for its election platform?

Hon. Andrée Champagne (Minister of State (Youth)): This Government's policy is to create jobs for young people, to ensure they will have a future, to ensure they will have a say in how things are run and a place in society. And that is what we have done. We created over 5,000 jobs a month since we came

to power, which is a lot better than the 5,000 jobs a month being lost before.

[*English*]

CONTENT OF ALLEGED LETTER

Mr. Howard McCurdy (Windsor-Walkerville): Did the Minister not say in a letter dated January 6 that it should be the policy of her Ministry to support the recruitment efforts of the PC Youth Federation, and that that should be the priority for the Government?

An Hon. Member: Here's the letter. Here's the letter.

Hon. Andrée Champagne (Minister of State (Youth)): I have no idea to which letter the Hon. Member is referring. I would very much like to see it. For the time being I think that the reports of my demise were grossly exaggerated. I will be working for all the young people of Canada with my colleagues.

* * *

UNEMPLOYMENT INSURANCE

RELEASE OF CONFIDENTIAL INFORMATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment. I have examined her answers yesterday with respect to the invasion of privacy by Peat Marwick and I want to ask her the following question. Is she admitting that her personal staff were not familiar with Section 114 of the Unemployment Insurance Act, which expressly forbids the release of confidential information without her consent? Is that the level of competence in her office?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for raising this question again. I want to tell him and the House that I have now received a preliminary response to the investigation that I requested. I find that proper procedures were not followed and, therefore, I have taken the following action. I have recalled all the information from Peat Marwick; I have undertaken and directed the Department that this not happen again, and I have directed the Deputy Minister to put in place procedures to ensure that it will not happen again.

ROLE PLAYED BY MINISTERIAL STAFF

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Well, Mr. Speaker, I am pleased that the Minister has taken that action. I would like to ask her whether the investigation that was conducted also examined the role played in this matter by the people in her office and herself, the diligence which they applied, and their familiarity with the provisions in the Act. Were they investigated as well?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there is a full investigation going on. I have given a preliminary report. I said yesterday that I did not know of the details of this survey or, indeed, of a number of surveys which are carried out. I may say that applies to my staff as well. I would say to the Hon. Member that the reason I am looking at this in detail is to look at where it has been in past years, what has happened under previous administrations, and how we come to grips with something that has not been carried out properly.

* * *

FORESTRY

SOFTWOOD LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of State for Forestry. As the Minister is aware there was a great deal of fanfare in the U.S. Senate about Canadian softwood lumber exports last week. Thanks to the efforts of our forest industry and workers, the arguments on subsidy and stumpage seem to be waning. However, the determination on quotas and reducing Canadian penetration of the U.S. market is rising dangerously. Does the Minister feel that the talks presently being held between the Canadian and U.S. Governments are moving toward an acceptable conclusion on lumber?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Certainly, Mr. Speaker, we share the concern of all Hon. Members in this House and the industry in general about the protectionist sentiments that are so rampant in the United States. We have worked very closely with industry, very closely with the provinces, in terms of dealing with the sectors there that would normally be supportive of Canadian interests, and with their own Congressmen to make sure our story is told. We will continue to do that. In fact there are presently ongoing negotiations with the interests in the States. They have visited our sites here. We feel, and of course this is concurred in by the ITC, that there are no undue subsidies at all given by the Canadian Government or any Government.

UNITED STATES SENATOR'S LETTER

Mr. Jim Fulton (Skeena): Mr. Speaker, we know there have been a lot of bold threats and blackmail regarding the lumber issue, but I would like to ask the Minister what he thinks Senator McClure meant when he wrote to me last week and said:

> Talks between your government and mine on this issue do not appear to be moving toward any acceptable conclusion.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, it is reasonable to assume that some of those people, the Congressmen who have forest products industries in their own ridings and who are up for re-election, would undertake to protect them against what they perceive to be injustices. Naturally, they are entitled to their own opinion. It

is the opinion of the industry in this country and of the Government that we are not providing any undue assistance to our forest products industries.

* * *

[*Translation*]

THE BUDGET

EFFECT OF CERTAIN PROVISIONS ON SINGLE-PARENT FAMILIES HEADED BY WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of State (Finance). Forty-five per cent of Canadian single-parent families headed by women live below the threshold of poverty. I wish the Minister would explain to us why they put a ceiling of $15,000 with respect to measures aimed at the most destitute families, yet that ceiling happens to be below the threshold of poverty for many families, and women are particularly affected by this?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is always a difficult decision, as I am sure the Hon. Member knows, to discover what is precisely the right point at which to create or cut off a payment. The Government has been targeting our policies to those most in need. We would always like to be able to do more, but given the state of our economy at the moment we are very pleased that we have been able to help people at the bottom end of the scale, which we feel is where it is most deserved.

[*Translation*]

FUTURE OUTLOOK

Mrs. Lucie Pépin (Outremont): A supplementary, Mr. Speaker. The families that most need it now are necessarily single-parent families, so I would like the Minister to tell us what other bad news the Government has in store for single-parent families concerning the reform of social expenditures which the Minister of Finance mentioned in his Budget.

[*English*]

An Hon. Member: That is a good question.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that is a bit of a hypothetical question. This Government has a good record for fairness and a good record for compassion for people with real needs. The people of Canada will see that continue.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

RURAL AND NATIVE HOUSING PROGRAM

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. The Rural and Native Housing Program has created several problems in the constituency that I represent. In light of the recent agreement that has been signed with the Province of Ontario, can the Minister assure this House and my constituents that there will be consultation and participation by Members of Parliament, as well as municipal and local representatives, before implementing any further rural and native housing programs?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, through the consultation process consultations were held with several groups. I recognize the contribution made by the Hon. Member in pointing out some of the difficulties with the Rural and Native Housing Program. I have had discussions with the Native Council of Canada, with OMNSIA, and I can inform the Hon. Member that there will be consultation between the federal agency, CMHC, the municipalities, and the groups to which rural and native housing provides a much needed program.

* * *

YOUTH

SENATE COMMITTEE REPORT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the President of the Treasury Board. How can youth and the public have any trust in this Minister in face and the sad scenario that was highlighted in the Senate report on youth, which underscored the serious mental state of this growing lost generation, with suicide as the second highest cause of death? In light of this, how could the Minister cut down on the budget to the youth Department and literally cut out the voice of youth at the cabinet table in this way?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it has always been the practice in Main Estimates to include the expenses for activities within the Ministry that fall under the Ministry of State under the Department in which that has been placed. So there has been no cut there.

Mrs. Finestone: Mr. Speaker, I find that a totally unacceptable answer.

• (1500)

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is directed to the Minister of State for Youth. In the face of that travesty how can the Minister, who says she cares about youth, perpetuate this tragedy by staying in the Cabinet with no responsibility and no budget? How can you stay there?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, for a Liberal, perhaps having something to say in Cabinet means having money, but in this Government it does not.

We in this Government are creating jobs and giving hope for the future to young Canadians who had no hope whatsoever under that Government. We are continuing this, and if the Opposition are serious about getting on with the business of building Canada for young Canadians, they should get together and vote for the Budget and Main Estimates today so that we can get on with the business of building Canada for the young people of Canada.

* * *

[*Translation*]

PRIVILEGE

ALLEGED SLUR AGAINST MEMBER FOR BOURASSA—RULING OF MR. SPEAKER

Mr. Speaker: Last Monday, March 3, the Hon. Member for Bourassa (Mr. Rossi) raised a question of privilege concerning certain remarks allegedly made by the Hon. Member for Nunatsiaq (Mr. Suluk) during Question Period.

I checked the official report since then and was unable to find that any such remarks could be attributed to either Hon. Members.

[*English*]

First, I must say that there is no *prima facie* question of privilege raised by the Hon. Member for Bourassa (Mr. Rossi); there might have been, at the time of the alleged incident, a matter of order but as the alleged remarks are not in any way that I can find a part of the public record and would therefore appear to be a private conversation not heard by the Chair and the House as a whole, one can hardly claim that disorder occurred in the House as a result of the said remarks.

The basic principle behind a question of privilege or a point of order is that it must be related to a proceeding in the House of Commons. It would be difficult to find that a private conversation—Members know that hundreds occur here every day—of which the House is unaware constitutes a proceeding under the rules.

Mr. Rossi: He still said it.

* * *

POINT OF ORDER

ERROR IN BILL INTRODUCED IN THE HOUSE

Mr. Jim Fulton (Skeena): Mr. Speaker, one of the Bills which I introduced yesterday has an error in law and the Law Clerk is drafting a replacement for it. I just wanted to give you notice.

I will be unavailable to reintroduce the Bill for a couple of days but at the appropriate moment I will provide the proper drafting for the Bill regarding political rights for public employees.

Mr. Speaker: Order. I take it the Hon. Member is saying that his Bill appears to be out of order.

Mr. Fulton: Yes.

Mr. Speaker: My dilemma is that I must know whether it is, in his view or the Law Clerk's view, a substantive matter or typographical matter. Perhaps he could advise me later.

* * *

PRIVILEGE

ALLEGED SLUR AGAINST MEMBER FOR BOURASSA

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, following your decision on the question of privilege, I simply want to remind you of some incidents which can occur and do occur in the House occasionally when the media overhears conversations. I am thinking of the Hon. Member for Hamilton East (Ms. Copps) and the day a Minister made a comment which was not heard by you or recorded by *Hansard* but was heard by the press and it became a question of privilege about slandering a Member of the House.

Mr. Speaker: Order.

Mr. Guilbault (Saint-Jacques): He said it in the public, in the press.

Mr. Speaker: Order. The Chair has indicated, as best it can, what the Chair has been able to find as evidence.

Mr. Gauthier: On record.

Mr. Speaker: Order. The Chair has ruled. If the Hon. Member wishes the Chair to consider some other matter or some other way of coping with this matter, it welcomes his representatino for future application.

Mr. Rossi: He still said it.

Mr. Speaker: Order.

Mr. Rossi: We won't stand for that. The Italian community won't stand for that.

Mr. Speaker: The Hon. Member for Bourassa (Mr. Rossi) will come to order immediately. Let it be clear that the Chair in no way condones unparliamentary language but it must deal with these matters on the basis of what it has before it. That is all the Chair can do.

Mr. Fulton: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Skeena (Mr. Fulton) is rising to continue his point of order—order, please.

Mr. Rossi: I am just trying to say something to Joe.

Mr. Speaker: The Hon. Member for Bourassa will please, with respect, come to order.

Mr. Prud'homme: Mr. Speaker—

Mr. Rossi: My origins have been attacked and he is joking about it.

Mr. Speaker: The Hon. Member for Bourassa and the Hon. Member for Saint-Denis (Mr. Prud'homme) will stay in order.

Mr. Prud'homme: I stayed in order.

Mr. Speaker: The Hon. Member for Skeena is attempting to continue a point of order. I cannot allow that. I suggest that he may want to consult the Chair about his procedural remedies. The Hon. Member for Skeena could simply deal with this elsewhere because there is a way in which to deal with it.

Mr. Prud'homme: Mr. Speaker, I understand that you have made a ruling and I will not comment on it. However, it is also the duty of the Chair to ask Members to refrain from pursuing a debate even though they now know they can attack each other and that it will not be reported. The ongoing conversation that we heard here should also be brought to your attention—

Mr. Speaker: Order, please. The Hon. Member is attempting to comment on a ruling. He may wish to check Erskine May about the difference between private proceedings and the proceedings of the House. He may also wish to check Erskine May and its precedents with regard to matters and remedies that are—

Mr. Prud'homme: I know.

Mr. Speaker: If he knows that, what is he doing?

Mr. Prud'homme: But you should ask them to refrain.

Mr. Speaker: Will the Hon. Member for Saint-Denis come to order? The Hon. Member for Nipissing (Mr. Mantha) will come to order as well.

Mr. Prud'homme: That is exactly what we want.

Mr. Speaker: The Hon. Member for Saint-Denis will stay in order or he will push the Chair beyond its limits.

Mr. Prud'homme: But—

Mr. Speaker: Would the Hon. Member for Saint-Denis button up?

Mr. Prud'homme: No, that is not the way to talk. Now I have a question of privilege.

Mr. Speaker: The Hon. Member for Saint-Denis—

Mr. Prud'homme: You are making the question of privilege.

Mr. Speaker: Order. This is a situation that is difficult for everyone, including the Chair. I repeat to the Hon. Member for Saint-Denis that he and other Members may wish to read Erskine May on this matter with respect to the rules and references for Members with regard to private proceedings. That is what I suggest other Hon. Members may wish to do.

Mr. Prud'homme: A question of privilege.

Mr. Speaker: If the Hon. Member for Saint-Denis is asking that the Chair apologize to him for saying "button up", I apologize.

Mr. Prud'homme: That is fine.

[*Translation*]

Mr. Rossi: Mr. Speaker, in the past I heard that kind of remarks here

[*English*]

Mr. Speaker: Order, please.

Mr. Rossi: At least you should have asked if he said it.

Mr. Speaker: Order, please. As far as the record shows, nothing was said that the House can—

Mr. Rossi: Ask him.

Mr. Speaker: Order. The Chair has ruled on the matter.

The Hon. Member for Windsor West (Mr. Gray) on the business question?

Mr. Gray (Windsor West): I want to ask the business question but I also want to ask whether, if such a situation arises in the future, you will be able to take judicial notice of the fact that the Member for Nunatsiaq (Mr. Suluk) made a statement in the House and a Conservative Member made a statement as well.

Mr. Speaker: Order. Will the Hon. Member for Windsor West (Mr. Gray) resume his seat? The Hon. Member knows, particularly as House Leader, that continuing to comment on a Speaker's ruling is improper. Therefore, I recognize the Hon. Member for Windsor West on the business question.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I will ask the Government House Leader about the business of the House. I am asking the Speaker how we may look on a similar matter in the future.

Mr. Speaker: Even if it were in order to comment on the ruling, it could not be in order to put a hypothetical question because the Speaker could not answer it. The Hon. Member knows that. Does the Hon. Member have a business question?

Hon. Ray Hnatyshyn (President of the Privy Council): He already asked it.

Mr. Speaker, I thank the Hon. House Leader of the Official Opposition for the usual question. I indicated last week that the debate on the Budget would continue to its termination tomorrow. Next week it is my intention—as I have already advised the Opposition House Leaders—to call *inter alia*, as we say in Saskatoon, Bill C-87, the Bill respecting Canadian

Arsenals Limited, Bill C-99, with respect to the authority of the Government to borrow a record low amount of money to service economic objectives, and Bill C-91, the Bill with respect to the Competition Tribunal, for second reading. In the usual way, I would like to indicate that we will be monitoring the debate and after consultations with the Opposition House Leaders, and if there are any changes to be made, I will advise the House, but that will be my intention for the business of the House into Monday and Tuesday.

• (1510)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Speaker: The Hon. Member for Saskatoon East (Mr. Ravis) had the floor at one o'clock. Resuming debate.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I will try to make this last seven minutes of my remarks uncontroversial. I will talk about the deficit for a moment. This morning I focused on the reduction of the deficit and Government spending. I just want to spend a moment on the whole question of deficit reduction because there are people in the Opposition, the press and the business community who are asking if the deficit is really being reduced and if it can be reduced in the future. As I said earlier in my presentation, last year we targeted for a deficit of $33.8 billion, sad as that may sound, but that was the state of the economy we inherited. I think the important thing is that what we targeted for we met. We achieved that target. What we are now forecasting is that the deficit will be at a level of $22 billion by the year 1990-91.

There are people who will probably ask how we can really achieve that. I believe the important thing is that we are saying publicly that that is our target for 1990-91. It is probably a first in recent Canadian history that a Government has come right out and said: "This is what we are shooting for", and providing there are no unforeseen circumstances, I have every reason to believe that we will achieve that particular level of $22 billion and that is just a matter of three or four years away.

With respect to the question of whether debt management is being done fairly, I believe there are some critics who are saying that the cuts have not been deep enough and others who are saying that taxes are too high. I would like to say as a Member of Parliament—and I guess all of us sitting in the House would agree—that on the day of the Budget it cost us all personally, in addition to the tax cuts, $1,000.

Mr. Redway: Tax increases.

Mr. Ravis: In addition to the tax increases, as my seatmate reminds me, it cost each one of us $1,000 in a salary cut. So, personally, I am saying, yes, I think we have gone far enough in terms of cuts.

I would like to refer to the Budget which indicated a 70 per cent deficit reduction, by commitment, to expenditures and a 30 per cent reduction coming from extra taxes. What that really boils down to is that for every tax dollar the Government will receive, it has cut $3 in spending. That is another first in the history of the Canadian Government, I am sure. Cutting that deficit that severely is certainly a first. The Government is coming to grips with the excessive spending which had been going on.

Another key element is that the Government has shown not only leadership but, in particular, has shown by example its determination to come to grips with these problems. If there was one criticism we all heard during the election campaign, I am sure it was to the effect: "When will Ottawa start to demonstrate to the rest of the country that it is prepared to tighten its belt and share some of the burden?" If I heard that once, Mr. Speaker, I heard it 500 times at the door. Canadians were getting tired of not only high taxes but the lack of any example being set by Ottawa, and not just in Ottawa, but with respect to money spent by the federal Government right across the country.

In conclusion I would like to touch on a few points. First, I am proud and, as I said earlier, am more determined than ever, that the Budget is staying on course towards economic prosperity and employment for Canadians. Second, our new Government is putting a stop to the financial mismanagement which was threatening the future of our nation. This mismanagement was causing our country to become a laughing stock, not only domestically but internationally. The Nielsen task force, to which I alluded earlier, and the report of which will be revealed next Tuesday, March 11, and the regulatory reform to which the Government House Leader referred this morning, are just two examples of how the Government is prepared to come to grips with some of the mismanagement.

Our record of more efficient Government, I believe, speaks for itself. The accomplishments of the Government are only a beginning. There are people out there saying it is not enough. They want more jobs. That is understandable, but I believe we can be very proud of our record and I am satisfied and confident that there is a lot more to come. Certainly, the business community, which has created so many of those jobs feels the same way. Of the 580,000 new jobs, approximately 80 per cent were created by the private sector. I believe that is a reflection of the new confidence in the federal Government.

I believe another thing Canadians are happy with—I know I certainly am—is that the Government is being honest with Canadians. It is restoring the trust which the previous Government certainly lost. The game plan of November, 1984 is still the same game plan we are using today and which was in the Budget delivered last week. It takes a lot of courage, a lot of political will and a lot of example in leadership to come up with the kind of Budget which comes to grips with those

serious problems. That is the solution to the real economic recovery we are looking for down the road.

One lady said to me during the election campaign about a year and a half ago that she fully agreed with many of the problems the country faced, but, she said: "After all these years, how can you possibly take it away?". I think that very well sums up the problem this Government is facing.

I trust Hon. Members of the Opposition will join with us—seeing that an election is probably two or three years away—in some of the positive things which are happening in this country today and will not harp on so many of the negative and critical things they seem to find in any Budget which is given.

The Acting Speaker (Mr. Paproski): Questions and comments. I will recognize the Hon. Member for Winnipeg North (Mr. Orlikow), then the Hon. Member for Sarnia-Lambton (Mr. James), and then I will see how much time we have left.

Mr. Orlikow: Mr. Speaker, I have a question for the Hon. Member for Saskatoon East (Mr. Ravis) who spent his time—not surprisingly as a Government Member—in lauding this Budget. How can he defend this Budget as being fair based on the current issue of the *Financial Post*—not a very radical journal—which gives three examples of what happens to taxpayers? In case one, the gross income is $40,000. The income tax in 1984 will be $9,145. In 1987, it will be $9,957, an increase in round figures of $800. With respect to case number two involving a gross income of $60,000, the income tax paid in 1984 would have been $14,909. In 1987, as a result of the Budget, it will be $13,708, a reduction of $1,201. With respect to case number three involving an income of $150,000, the income tax paid in 1984 would have been $53,448. In 1987, as a result of the Budget, it will be $47,978, a decrease in round figures of $5,400.

● (1520)

Does the Hon. Member think it is fair to reduce the taxes of people in the top income brackets while increasing the taxes of people in middle and lower-income brackets? Is that his idea of fairness?

Mr. Ravis: Mr. Speaker, I think the Hon. Member is playing some games with numbers here.

Mr. Orlikow: Not me, it's *The Financial Post*.

Mr. Ravis: I finished off my presentation by saying that we would probably hear some negative comments from members of the Opposition. That is exactly what I expected.

When it comes to fairness—and I certainly stressed this in my presentation—I do not like the fact that I will be paying more taxes. The Hon. Member for Winnipeg North (Mr. Orlikow) does not want to have to pay more taxes. However, we have but two options. The first is that we can let the printing presses run. We can stick our heads in the sand and pretend these problems do not exist. The second option we have to face up to is, as the lady said the other day on *Cross Country Check-up:* "I don't want my grandchild who will be born in May to have an $8,200 debt on its head". Unfortunately, whether we like it or not, it will have an $8,200 debt on its head.

Mr. James: Mr. Speaker, I was interested in the comments made by the Hon. Member for Saskatoon East (Mr. Ravis). He spoke about the 70-30 split. My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), read from a newspaper article. Rather than take issue with his figures I would like to point out what was written by Bruce Little in *The Globe and Mail*. He wrote the following:

> According to the fiscal plan, federal revenue in 1984-85—the year the Tories took over—amounted to 16.8 per cent of the gross national product. Spending was 25.9 per cent of GNP and the deficit—the difference between the two—was 9.1 per cent of GNP.

He went on to state:

> If the economy turns in a middling performance over the next five years, Mr. Wilson's fiscal policy moves will change those figures dramatically.
>
> By 1990-91, the deficit would be down 5.6 percentage points to 3.5 per cent of GNP. Spending would have fallen to 21.4 per cent, a decline of 4.5 percentage points, while revenue would have increased by only 1.1 percentage points to 17.9 per cent of GNP.
>
> That means that spending cuts would account for fully 80 per cent of the decline in the deficit and tax increases only 20 per cent, an even better split—

No matter whether one talks about a 70-30 split or a 80-20 split, we have brought about an excellent record.

As Vice-Chairman of the Public Accounts Committee, and in connection with what the Hon. Member has talked about, can he provide examples of waste and mismanagement which he has seen and which the restraint processes in the Budget will see eliminated?

Mr. Ravis: Mr. Speaker, with respect to the Public Accounts Committee, I wish my colleagues in the House of Commons would read a little more about us and come to some of our meetings in order to see the type of work that is being done. I can give the Hon. Member some examples of matters which we have identified. One has to remember that it is a non-partisan committee which looks at good management of the bureaucracy of Government. One of the things we identified was the scientific research tax credit which involved a bit of political policy, political decision-making. There are certainly some indications that the senior bureaucrats were not giving good advice to the Government of the day. Unfortunately, that measure will cost the Government something in the order of $3.4 billion, which will have to be absorbed by the taxpayers. We also identified a great deal of real estate space which the previous Government had acquired. I refer to literally thousands of square feet of real estate space. That space has been disposed of along with a number of public buildings which were no longer required by the federal Government. Certainly in the area of cash management there will be savings in this neighbourhood of well over $100 million. Those are just three examples which I can give to the Hon. Member.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I welcome the opportunity to make an intervention at this time and to congratulate the very useful contribution made by my colleague, the Hon. Member for Saskatoon East (Mr. Ravis).

I noted that in his remarks he referred to the continuing thrust of this Government toward job creation led by the private sector, which was initiated in the November, 1984 Economic Statement and continued through the May Budget and the most recent Budget. I wonder if my colleague's constituents have noted with amusement the antics of front-bench members of the opposition Parties who, back in November, 1984, felt that the idea of the private sector being able to lead the way in job creation would be rather amusing. I realize that the concept is foreign to them. Indeed, back in November of 1984 those who sat on the front benches of the Opposition were wondering whether it would be a matter of 60,000, 100,000 or 200,000 jobs lost as a result of the policies enunciated. At that time one opposition front-bencher said: "Last night, the Minister produced a program which gave Canadians tax increases and cut-backs which will destroy thousands of jobs". The fact is, on the contrary, far from losing 50,000, 100,000 or 200,000 jobs, the Government has created 580,000 new jobs. Furthermore, most of these jobs are permanent, durable and lasting jobs, unlike the few which were created by our predecessors which were jobs of short duration. These were jobs in the area of painting fences, cleaning up cemetaries and the like, after which the workers would be laid off and back on unemployment insurance.

I am wondering if the Hon. Member's constituents have noted with amusement the about-face of members of the Opposition who back in November of 1984 were jeering. They were saying how risky this was and how terrible and dire the results would be. Now that we have seen hundreds of thousands of jobs created through the policies of the Government we can see the spectre of the Official Opposition suggesting that these job-creation figures come about as a result of a time lag. In fact, they have come about as a natural progression of their own bankrupt policies which are now somehow producing these hundreds of thousands of new jobs. Have the constituents of my colleague from Saskatoon East noticed this hypocrisy on the part of members of the official Opposition and are they giving credit to the outstanding policies of our Government?

Mr. Ravis: Mr. Speaker, I mentioned earlier that there is a certain amount of cynicism out there. It is understandable why a great many of my constituents are cynical given some of the negative things which they hear day after day, not only from members of the Opposition but from members of the media as well. Nobody seems to like good news. It seems to me that when one takes a look at some of the economic trend lines these days, in terms of what has been happening in the country, I am proud to stand in my place and take some of the credit along with my colleagues. I think my constituents can see through all that. They are saying: "This Government is on the right track. Let's give them a chance. Sure, they are not perfect, they will not do everything overnight". I think it is important that one look at the direction in which we are going. That is the most important thing. Where are the trend lines pointing? They are all pointing up. There is a renewed sense of confidence in the country. There is a sense by the small business sector in particular that it wants to make some investments because there is a brand new Government in Ottawa.

• (1530)

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Scarborough Centre (Mrs. Browes), followed by the Hon. Member for Kamloops-Shuswap (Mr. Riis), and that will be it.

Mrs. Browes: Mr. Speaker, I compliment the Hon. Member for Saskatoon East (Mr. Ravis) on his presentation today, in particular on how he approached the topic of the deficit reduction and the agenda for it. He expanded upon a number of words such as leadership, trust and confidence. I believe those are the kinds of things for which Canadians are looking.

Many people in my riding have been in touch with me, and I should like to refer to some of their comments in this area. One constituent wrote: "I am a senior citizen who listened to Michael Wilson present the Budget. I accept this Budget which I feel is fair to all segments of our population. It is moderately tough but all reasonable persons will understand that it has to be in order to reduce the deficit". Another constituent wrote: "Please thank Mike for his no-nonsense Budget. We are lucky to have Mr. Wilson in this critical post. People I talk to appreciate his guts, strength, fortitude, intelligence and devotion at this difficult time". Another constituent wrote: "It is a step in the right direction", and another wrote: "It was long overdue".

These are examples of some of the sentiments and comments of people in the riding of Scarborough Centre. Could the Hon. Member indicate whether they are representative of the kinds of comments from the constituents of Saskatoon East?

Mr. Ravis: Mr. Speaker, possibly the Hon. Member did not hear me mention that one of the most commonly used expressions about the Budget when I was in Saskatoon last week was: "It is long overdue". On the other hand, nobody likes the bitter pill, the fact that we have to face up to the reality of the country today and pay additional taxes, but they were saying that it was long overdue.

Mr. Attewell: Mr. Speaker, I rise on a point of order. I am not totally familiar with the House rules, but I believe the Hon. Member for Saskatoon East (Mr. Ravis) went about 22 minutes, and normally 50 per cent of the time is allowed for comments or questions. Would Your Honour consider adding a bit of time so that I might ask him a question, inasmuch as he went over?

The Acting Speaker (Mr. Paproski): I went a little overboard as far as the Hon. Member for Saskatoon East (Mr. Ravis) is concerned, and I have already given a little more as far as the 10-minute question and comment period is concerned. I will now recogize the Hon. Member for Kamloops-Shuswap (Mr. Riis). There are many other Hon. Members who want to speak on the Budget. Would the Hon. Member please resume his seat. I do not mind being lenient as far as speakers are concerned, but there are other Hon. Members

who want to participate. I will entertain a short question from the Hon. Member for Kamloops-Shuswap, and that will be it for this speaker, I regret. Then we will carry on with debate.

Mr. Riis: Mr. Speaker, I appreciate the opportunity to ask a very short question of the Hon. Member for Saskatoon East (Mr. Ravis). Today in Question Period, the Hon. Member for Yorkton-Melville (Mr. Nystrom) asked the Minister of Agriculture (Mr. Wise) whether he had fought for the removal of the investment tax credit for farmers, which will result in $150 million actually being taken away from them? Knowing the concern of the Hon. Member and his interest in farmers, did he support the removal of the investment tax credit for producing farmers?

Mr. Ravis: Mr. Speaker, as the Hon. Member for Kamloops-Shuswap (Mr. Riis) knows, I am not part of the Cabinet, therefore I was not consulted on that particular issue. I am sure he fully understands some of the things in the Budget for the agricultural sector, such as commodity based mortgages and assistance to farmers who have their backs against the wall by providing some review of their financial situation. There is no question that things are tough in the agricultural sector, as they are in the small business sector and as they are in the corporate sector. Everyone is having to bear some of the brunt. Those people in the most dire straits will be receiving the most assistance, and I think we are addressing that—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I would like to take advantage of this opportunity to discuss a Budget that contains the highest tax increases since World War II.

Today, I want to focus on small business. Since September 4, 1984, the Conservative Government's political rhetoric has been that it has done some very important and very significant things for small business.

First of all, I would like to give a short description of small business in Canada. The small business sector is a healthy one. Small business is essential to continued job creation and economic growth in Canada. In fact, it is estimated that this sector has provided 70 per cent of the jobs created in Canada between 1979 and 1980, and practically all the jobs created in Canada, if we extend this to include the recession from 1980 to 1982. Furthermore, Mr. Speaker, at least 90 per cent of our businesses in Canada are small and medium-sized businesses, and they represent over 30 per cent of this country's Gross National Product.

We are often told the Liberals did nothing for small business and did not understand the small businessman. I would like to mention some of the programs set up when the Liberals were in power.

From 1980 until the April Budget in 1983, we took a number of measures aimed at helping the small business sector. I intend to describe some of these programs and measures. We had a program to promote sub-contracting with Canadian businesses (August 1980). The purpose of the program was to give Canadian small businesses better opportunities to bid on subcontracts related to major projects carried out by the federal Government's main suppliers.

The reduced tax rate for small businesses was introduced by a Liberal Government in 1972, but for the first time a Conservative Government narrows the tax rate gap between small and large companies. I will give more details on this later on.

Mr. Speaker, the latest change was made in the November 1981 Budget. The tax deduction was raised from $150,000 to $200,000 and the over-all ceiling from $750,000 to $1 million. Today still the ceiling is set at $200,000. Those were Liberal measures for small businessmen.

Acknowledging the great importance of small- and medium-sized businesses, the Hon. Marc Lalonde announced various measures in his last two Budgets. Together the two Budgets of April 1983 and February 1984 provided tax incentives and new expenditures of more than $2.2 billion in 1984-85, $1.8 billion in 1985-86, and $1.4 billion in 1986-87.

I could go on and on, Mr. Speaker. Earlier today my colleague on the other side read letters supportive of the Minister of Finance, so if it were allowed by the Standing Orders we in the Opposition could also read letters, perhaps during a whole week. I have no intention of doing that, so I will deal directly with the proposals contained in the Conservative Budget of February 26, 1986.

First of all, Mr. Speaker, the 3-per-cent inventory allowance deduction has been eliminated. This is a hard blow to small businesses, Mr. Speaker.

Even the small corner store merchant who must keep an inventory worth between $25,000 and $30,000 to operate will have a tax loss; on top of that, the 3 per cent inventory allowance is eliminated right now, while the small income tax reduction and the other 3 per cent taxes will apply in April 1987 and January 1, 1987 respectively.

Now, the elimination of salary deferral is another blow for small businesses. What happens when the owners or shareholders start a small business? They often have liquidity problems, especially during the first year, so they take a small salary or no salary at all to help pay their bills and develop their new venture.

● (1540)

I mention this because, as an accountant, I often had to do this kind of planning. At the end of the year, I had to sit with a small business owner and prepare his first balance sheet. Realizing that his wages were low, he would suggest to give

himself a bonus to make his financial statements presentable and consistent with those of other similar businesses. This way, the small businessman could delay his income tax payment for one year. Since February 26, this is no longer possible. The Minister of Finance (Mr. Wilson) has decided to hit him where it hurts most. Small businessmen will no longer do that. They will have to pay within 180 days if they want to reduce this bonus. Of course, whenever they declare bonuses or commissions, major corporations have to pay within 180 days, but not small businesses.

The general 3 per cent surtax is another low blow, Mr. Speaker. It will hurt especially the smallest of the small businesses, those which are not incorporated. They will have to pay the 3 per cent surtax effective January 1987, while the large corporations which are paying 5 per cent now, will have to pay only 3 per cent beginning January 1, 1987, a two per cent reduction. The Minister has increased the burden of Canadian consumers and small businesses while reducing that of large corporations. Such are the consequences of this Conservative Budget, Mr. Speaker.

Now that I have explained the surtax, let us go on to the corporate tax rebate. At the time of the tax reform during the 70s, Mr. Speaker, it was a well-established fact that there was a difference in the tax rates for large companies and small businesses. This difference was a well-established fact. There was a 21 per cent deduction for small businesses. The Minister of Finance says that the tax returns will be simplified, but I am anxious to see how this will be done. The tax return for corporations, Form T-2, now provides for a set rate of 46 per cent for all businesses, from which you then subtract the 21 per cent deduction for small businesses and the rebate for provincial taxes, and you get a rate of 15 per cent.

In the Budget of February 26, the Minister of Finance decided to lower this rate from 15 to 13 per cent, but not immediately. This will occur over two years, the rate will decrease by 1 per cent on April 1, 1987, and by 1 per cent on April 1, 1988. However at the same time, the Minister decided to reduce the tax rate applicable to large companies by 3 per cent, from 36 to 33 per cent. There is therefore a decrease of 2 per cent for small businesses and one of 3 per cent for big corporations. That is social justice.

[*English*]

That is what is fair with this Government? He is talking about fairness. Why do big corporations get a reduction of 3 per cent and small businesses get a reduction of 2 per cent, Mr. Speaker? And it is not over yet.

The big manufacturing corporations get a 4 per cent tax reduction and the small business manufacturing corporations get a 2 per cent tax reduction. That is what is fair? Small business for years and years during crisis periods created all the jobs and here the Government is not rewarding small business, it is rewarding big corporations.

That is how fair this budget is, Mr. Speaker. That is why yesterday the Minister of Finance (Mr. Wilson) in answering my questions said that the Progressive Conservative Party is the Party of small business. That is how the Party considers small business. It is not the Party of small business, it is the Party of big business.

[*Translation*]

Mr. Speaker, he has abolished the investment tax credit. Of course, this credit also helped small businesses by encouraging people to invest in small business. This credit has been abolished.

Let us now talk about the federal sales tax. I would like to refer first to the building industry, which is vital for our economy. Do you know that federal sales taxes in this industry have increased by 8 per cent in eight months? There were no taxes before. Since the Budget of last May, the Government has started to tax building materials, and there is now an 8 per cent tax on this industry. Since November 1984, the federal sales tax has gone up by 3 per cent. Is this fair?

[*English*]

Is that fair? That is what Members opposite say when they are trying to sell the Budget. They should be asking themselves whether a 3 per cent increase in federal sales tax in 16 months fair?

The Progressive Conservative Party when it was in opposition was screaming that increasing the sales tax was no good and that it was not fair. The first thing the Conservatives did when they got into power was increase the federal tax 1 per cent.

Let us see what happened in the pre-consultation period. The Minister of Finance said that before he prepared a budget he would consult people to see exactly what they want so as to accommodate everyone.

[*Translation*]

Mr. Speaker, one of the many things suggested by the Canadian Federation of Independent Business was the very interesting proposal that expenses associated with developing a potential business should be deductible for income tax purposes. It is true that if an established business decides to open a subsidiary, such expenses are deductible. By the same taken, if a taxpayer decides tomorrow morning to rent premises, sign a contract and open a small business, and if, finally, he does not succeed, why should his expenses not be tax deductible? This is what the Canadian Federation of Independent Business asked during the consultations. However, there is no such proposal in the Budget.

The Canadian Organization of Small Business also asked that owners, members and partners in small businesses have an opportunity to invest in a retirement savings plan within their small businesses. Last year, in the May Budget, the Minister of Finance allowed funds to be invested in small businesses, provided that neither the owner nor members of his family nor his partners would invest money in such funds.

Mr. Speaker, as we very well know, a small business has to do without a board of directors or senior management. Everything is done by the owner, by members of his family or by his partners. How do you expect big corporations, big business to invest in small businesses when the first question asked is: "What about your five-year projections? Where are your financial statements for the last five years? Have you figured out all those things?" Do you think that small businesses, the really small ones have five-year projections, that they have enough time on their hands to make five-year projections? They work day and night keeping busy as delivery man, driver, manager, secretary and accountant all in one. They have do do everything. To those people this budget offers nothing.

Mr. Speaker, I would also like to quote a few comments we heard on budget night from those organization and say how they viewed this Budget.

[*English*]

To start with, let us see what the Canadian Construction Association had to say. There were no surprises in the Budget. Bill Nevins said that the 1 per cent increase in federal sales tax effective April 1 presents a severe problem for the construction industry. It could cost the industry an additional $75 million. He was upset that there was not much advance notice given for the increase.

[*Translation*]

And that is another problem in the construction industry, Mr. Speaker, and we discussed it on a number of occasions here in this House. Long-term contracts are signed but taxes are increased as of now. Once contracts are signed, how will contractors go about collecting that tax?

• (1550)

[*English*]

The association said that contractors sell on a fixed price basis. Therefore, the contracts already signed will not take this increase into account. The contractor will have to pay for this out of his profits. Since last May the construction industry has been hit three times with tax increases: July 1, 1985; January 1, 1986; and April 1, 1986. Because construction projects take one, two, or even three years to complete and bids are made well in advance, the contractor must absorb the tax increases.

The Budget does not aid the fragile business recovery that just began in 1985. The rate of growth of business investment will be reduced. The Minister of Finance projected in his Budget that the rate of growth would be 7 per cent and Statistics Canada yesterday projected 2.5 per cent. The Member is laughing. Those are the figures of Statistics Canada.

The Canadian Construction Association also said the Budget does not give a positive framework for business. The phasing out of the investment tax credit, the elimination of the inventory allowance, and a 3 per cent corporate surtax will not help the industry, but will slow the recovery.

On Budget night Tim Bennett of the Canadian Federation of Independent for the Budget of the Minister of Finance to bear fruit. The cancellation of the 3 per cent inventory allowance will hurt all small businesses with large inventories such as car dealerships, farm equipment dealerships, and jewellers. The 3 per cent surtax on income tax will hurt proprietorship and partnership small businesses.

The federation would like to have seen a one-year holding period minimum requirement on real estate property in order to qualify for the capital gains exemption tax. It would like to have seen a limit set at $5,000 per year on private pension contributions in order to close a loophole which is very costly to the Government. The federation felt that the restrictions on the 50 per cent RRSP investment in small business should have been lifted to permit the investor to place his money in his own business, or that of a relative or a friend.

Geoffrey Hale of the Canadian Organization of Small Business said that capital gains exemption tax should have been redesigned to be further targeted at long-term equity investment. He said that whether or not the deficit can be reduced below $30 billion is totally dependent upon the investment rate. That is what everyone has said.

Corporate taxes are actually increasing, contrary to first impressions, as indicated by the elimination of the 3 per cent inventory allowance, the phasing out of the general investment tax credit starting January 1, 1987, and limitations on the ability to defer taxes by deductions for unpaid remunerations. Mr. Hale said that there is basically nothing in this Budget for the successful small businessman. The 3 per cent surtax on income tax negates all advantages to proprietorship and partnership businesses.

The night of the Budget the Retail Council of Canada was disappointed but not surprised. It was concerned that the Government sees the deficit as an expenditure problem rather than a spending problem, and that the money is coming out of the public pocket. The Government is hoping that employment and consumer spending will increase substantially. The consumer has been hit twice; once with the sales tax, and again with the surtax on income. The Government is taking a huge gamble on prices and consumer spending. The rise of sales tax could negatively impact on economic activity.

The Retail Council felt it surprising that the Government has let sales taxes increase to 10, 11, and 12 per cent after being upset when the Liberal Government increased the sales tax from 8 per cent to 9 per cent. The council was upset that the inventory allowance was removed, effective immediately, whereas the corporate reductions do not start until next year. It felt that retail business was hit.

This is not a fair Budget, Mr. Speaker.

[*Translation*]

This is not a fair budget, and the proof is that a taxpayer in the $40,000 income bracket has to pay an extra $812, while the taxpayer with an income of $150,000 gets a $5,470 reduction. That is not fair, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions, comments. The Hon. Member for Don Valley East (Mr. Attewell) and from Montreal-Sainte-Marie (Mr. Malépart).

[*English*]

Mr. Attewell: Mr. Speaker, I could hardly believe my ears when listening to the comments of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). An analogy kept going through my mind of an arsonist giving a lecture on fire prevention. The Member is part of a Party which almost brought the country to its knees financially. The comments of this Member and those of the Hon. Member for Gander-Twillingate (Mr. Baker), who spoke the other day, are an example of the twisting and distortion which takes place.

The Member for Gander-Twillingate said that 23 per cent of our present debt was created by the Conservative Government since September, 1984. That makes me think of another analogy. Consider the case of a forest fire which has burned 3,000 acres. When the fire fighters are brought in it takes them several days to bring the fire under control, during which another thousand acres burns. Do we blame the firemen for the loss of the extra thousand acres? Of course not. We blame the people who started the fire. Canadians are not going to be fooled by this transparent rhetoric about what has happened recently.

Canadians will not forget that the last time the country had a surplus was in 1969-70. They will not forget that by 1975 the Liberal Party created a deficit of $5.7 billion. They will not forget that the deficit rose to $10 billion two years later. Canadians will not forget that by 1982-83 the deficit was $23.9 billion. Neither will they forget that when this Member's Party was in power it accumulated the largest deficit ever in the country, $36.9 billion in 1984-85. Canadians can see the facts, which are very clear.

I want to challenge the Hon. Member on a couple of comments he made about the fairness and equity of this Budget. I consider it to be very fair. In fact, I must again compliment the Minister of Finance for the balance he has achieved, not only between corporations and individuals, but also among individuals.

There are some very good measures contained in the Budget for the needy but, of course, the Member does not recognize that type of initiative. There is a balance between taxes and expenditure cuts at a ratio of 70 to 30. The financial statement of November, 1984, the Budget of May, 1985, and this Budget have consistently struck a balance. The best proof of that balance is the 580,000 jobs which have been created in only 18 months. The Member's Leader projected a loss of 200,000 jobs.

I urge the Hon. Member to be more complete in his assessment of the Budget and to have a little humility with regard to what his Party caused in the country. I suggest that he read the Budget a little more carefully. I understand that he is an accountant and he will appreciate the fairness in the Budget.

The Member spoke as if the surtax wiped out the decrease for small business from 15 per cent to 13 per cent. He knows that is not correct. It is 3 per cent of 15 per cent. In other words, .45 per cent. Clearly it does not wipe out the advantage for small business. I urge him to be a little more realistic and honest as to how good the Budget really is.

• (1600)

Mr. Gagliano: Mr. Speaker, the Conservative rhetoric is always to reduce the deficit. If they were serious about reducing the deficit, why did they give $2 billion to bank depositors who had more than $60,000 on deposit? Why did they give $2 billion to the multinationals? Why did they give a $1 billion tax reduction to the Reichmann brothers? They only cut $4 billion from the deficit this year but six months ago they gave away $5 billion. That is the rhetoric of the Conservative Party.

I agree with him concerning the 3 per cent inventory tax. However, what upsets me about the budget and corporate taxes, and I would like the Hon. Member to one day stand up and explain this to me, is why did the Minister of Finance reduce the big corporations' taxes by 3 per cent and the small corporations by 2 per cent? Why did he reduce the manufacturing tax on big corporations by 4 per cent and only 2 per cent for small manufacturing corporations? That is why I say this is not fair. The Government has been saying small business is the key to recovery. It is small business which creates jobs. Then why are we giving more—

Mr. Attewell: Is it unfair to create jobs?

Mr. Gagliano: —to big corporations?

[*Translation*]

Mr. Malépart: Mr. Speaker, the Conservative Member who spoke earlier reminded me of his leader. It is true the Budget is fair. It is a fair and good Budget for the rich, but there is nothing in the Budget for the poor, and the Budget attacks the middle class. And that is the truth, Mr. Speaker. I wish my hon. friend would tell me, and the Minister of National Health and Welfare (Mr. Epp) is here, what he thinks of a measure providing for prepayment of $300 of the child tax credit that covers only a certain percentage of the Canadian families eligible for the tax credit. Today, 1,538,000 families are receiving the full child tax credit, and the Government, by some magic and inhuman calculation, has decided that only one million families will receive the $300 prepayment of the tax credit, and 538,000 families will have to throw themselves on the mercy of the friends of the Conservatives, the tax discounters, who take advantage of the poor. Would the Hon. Member please explain how he could possibly say this is a generous Budget?

Mr. Gagliano: Mr. Speaker, my hon. friend from Montreal-Sainte-Marie (Mr. Malépart) is absolutely right. It is a discriminatory measure. It allows some people to receive a certain amount in advance and ignores many others. Mr. Speaker, last year they decided that to be eligible for the child tax credit,

individuals could earn as much as but not more than $23,500. This year they are increasing federal sales tax by one per cent, but to compensate for this, they give us a handout of $50 per adult and $25 per child, but only for those earning $15,000 or less, that is, those below the poverty line. Another clear example that this Budget is not fair. Although the Government is going to do everything it can and ask all Conservative Members to sell this Budget, it will not succeed, because people will begin to understand that this Budget is not fair.

[*English*]

Mr. Brisco: Mr. Speaker, I would like to make a couple of comments and pose a question. It is useful, most of the time, to listen to the Opposition to see if in their comments there are some pearls of wisdom which will shed new light, some new recommendations for change which may not have occurred to us. That is the role of the Opposition, to offer alternatives. I very much regret that I have not heard one alternative or one useful suggestion. Instead, I have heard nothing but railing against a Budget which people generally have accepted as a good Budget, including Mr. Bulloch who the Hon. Member made reference to. Did he not watch his own leader on television when the interviewer said: "Mr. Turner, don't you finally agree that this is a good budget?" I would also ask him if he read Jeffrey Simpson's column in *The Globe and Mail* on Wednesday morning? That would be an excellent guide to the thinking of Canadians on this Budget.

Mr. Gagliano: Which one should I take, *The Globe and Mail* or *La Presse*? They all say the same thing. *The Financial Post*?

Mr. Brisco: How about making a useful suggestion?

Mr. Gagliano: If you want to reduce corporate income tax, why not do it across the line? Why does small business get less than big business?

Mr. Brisco: Don't rationalize, just tell us how.

Mr. Gagliano: Well, if you decide a corporate—

The Acting Speaker (Mr. Paproski): On that basis, questions and comments are now terminated. It being four o'clock—

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Lévis (Mr. Fontaine)—The Economy—Le Conseil du patronat du Québec—The deficit—Government position; the Hon. Member for Don Valley East (Mr. Attewell)—Terrorism—International security measures—Canada's position; the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Unemployment Insurance—Difficulties facing early retirees. (*b*) Scope of regulations.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I am delighted to have the opportunity to enter this debate and indicate my strong support for the initiatives taken by the Minister of Finance (Mr. Wilson) in this Budget, as well as for the direction he has given this country since he assumed that portfolio. This is the third major initiative he has taken. His first was in November, 1984 when he laid down a program which indicated his strong intentions to move against the horrific deficit this country was facing. He was going to try to bring our accounts into order so that not only this but future generations would derive some long-term benefit from his actions. He moved from there to his Budget last year. We now have this Budget. We are onstream, moving in the right direction, and at the same time showing the Canadian people that the extra taxes we are going to extract from them will be far less than the cut-back in the over-involvement of Government in the lives of Canadians. As a result, we will be moving forward into the next decade in a way which should give every Canadian confidence that they have a man steering our economic course who fully understands the complexity of the financial situation in this nation. He has taken the type of steps that can only be of long-term benefit to the nation.

I noted that one Member, in questioning an opposition Member, indicated that 70 per cent of the cuts have come out of Government services. In other words, we are cutting back a bloated bureaucracy in a way which can only be of benefit to all Canadians. This will produce long-term savings for the people of this nation and result in their having to pay less taxes over the long term. I happen to come from Atlantic Canada and the only Prime Minister, until this Prime Minister (Mr. Mulroney), who really took a serious look at our economic problems and tried to take innovative actions of long-term benefit to our area was John Diefenbaker. The Diefenbaker years were good years for our part of Canada. In this Budget I see some new thinking, some innovative thinking, some real programs that are going to produce long-term benefits for the

people who live in Atlantic Canada. I congratulate not only the Minister of Finance, but the Minister of Regional Industrial Expansion (Mr. Stevens) and other Ministers in this Government for taking special time to put together new and innovative programs. I know they will produce a degree of momentum in the development of new industry in our part of Canada and new permanent jobs that are going to be of long-term benefit to our area.

• (1610)

I want to also congratulate the Minister of Agriculture (Mr. Wise), who is in the House, and to tell him how much I have appreciated the personal attention he has given to problems that face Atlantic Canada. I would like to congratulate him for the special and very good innovative thinking on the type of programs he has produced which are going to make the agricultural community once again know that it has a friend in Ottawa who is putting forward new programs and plans that are going to be of long-term benefit to them.

We have a lot of problems in Atlantic Canada. The Minister of Agriculture needs a lot of help from Members from all sides of the House. We still need feed grain assistance and we need a new program for the development of feed grains in our own area that the Minister is moving forward with now in a very positive way. I congratulate him for that, and I say to him that while we are in the period of developing the new initiatives for the development of feed grain production in our part of Canada we still need the additional feed grain assistance. This will allow our agricultural community to hold down their costs of production to compete in a fair and equal way with other farm products in this country. I have had numerous meetings with the Minister, and I find him to be up on everything in his Department. I find him to be very sympathetic to the problems that people face in our area, and I congratulate him for the work he has done.

I would now like to spend just a moment talking about what is happening in Atlantic Canada, specifically initiatives the Minister of Finance took in his Budget relating to Atlantic Canada that will mean new jobs, new opportunities and new developments for our people. One of the most important is the Atlantic Enterprise Program. This program is designed to help the private sector in this part of Canada grow, to stimulate the economy, and to provide the jobs and diversity we need.

This is only the latest step in a series of measures this Government has taken in support of the Atlantic economy since its election in September 1984. In total, during that period the federal Government has committed $1.5 billion to support economic development in Atlantic Canada. Some $611 million has gone to Newfoundland, $90 million to Prince Edward Island, $372 million to Nova Scotia, $328 million to New Brunswick and $100 million to the Atlantic region of Quebec. Our Government has not made empty promises. We have taken action to create employment and economic stimulus for Atlantic Canada. The budgetary measures announced by the Minister of Finance have heralded more growth for the region. The programs it contains are good news and takes the special needs of the Atlantic provinces into account. Together they will promote investment to bring in new employers and help existing businesses to expand.

The Atlantic Enterprise Program will provide the new initiative the Government felt was necessary to give Atlantic Canada an edge. It will build on the strength of the private sector, because we believe that this is the way to achieve the long-term economic growth which is needed in the region.

It contains two basic components. The first is loan insurance for businesses which need capital to establish or expand. The program will insure up to 85 per cent of the loans provided in the capital security, so important to a new or growing enterprise. Second, the Atlantic Enterprise Program will provide less expensive capital for businesses being established or expanded. It will reduce loan interest by up to 6 per cent. This can make a critical difference between a marginal and a profitable enterprise.

To give you an example, it means that someone who today has to borrow money at 13 per cent can have that 13 per cent reduced to as much as 7 per cent in projecting his forward movement as a new or an expanded industry in our area. It is a big incentive for a businessman who is either thinking of establishing in Atlantic Canada or who is thinking of expanding his operation there. This is a significant program which will provide $1 billion in loan assistance in the region. The result will be a healthy private sector which is essential to Atlantic Canada.

The Atlantic Opportunities Program is another federal initiative which will be of important benefit to the region. This consists of a series of special measures to significantly increase the level of public purchasing in Atlantic Canada over the next four years.

I want to congratulate the Minister of Supply and Services (Mr. McInnes), a new Minister in this Government, for taking hold of his Department and producing a program like this that is bound to be of tremendous benefit to our area. What he hopes to do is expand purchasing in Atlantic Canada from $1.6 billion to $2.2 billion, an increase of nearly 40 per cent in actual purchasing in our area. This $600 million dollar increase will generate an average of 5,000 new jobs a year.

That is what it is all about. That is what we mean when we are taking action and producing jobs for people in a real and concrete way. For so long I sat here in Opposition and watched the former Government throw money at every problem and produce what I call gyp programs, because everybody got gypped. The people who got the jobs got gypped because they got 10 or 12 weeks of UIC and then they got 40 weeks of doing nothing to requalify for UIC. They were locked into a UIC syndrome that meant they could never really improve the lives they lived. Nor did they have any hope of improving the lives that they lived. What we are doing is producing firm, permanent, long-term jobs for people rather than the gyp-program jobs of the last Trudeau Government. The Grits were gyps, and that is why they are out and that is why they are going to stay out.

Mr. Epp (Provencher): Hear, hear!

Mr. Coates: Mr. Speaker, I want to say that one of the leaders in producing a new confidence in Atlantic Canada has been the Minister of Regional Industrial Expansion. He has been aggressive. He has gone into Cape Breton, which fed off the former Minister of everything from Cape Breton Highlands-Canso who managed to spend taxpayers' money on producing runways at Port Hawkesbury so his private jet could land, where no one had anything other than a six or eight-week job at one time.

What we have now are long-term favourable programs that have excited the business community and have, from all of the applications that are coming in, produced in that business community a new confidence about Nova Scotia and about Cape Breton. I know that with the Minister of Regional Industrial Expansion's leadership we will continue to see new plants and new jobs being produced, not just in Cape Breton but in all of Atlantic Canada.

● (1620)

I want to speak about my province of Nova Scotia and indicate what has been happening there since the Government was elected and what will continue to happen in the future. In the past 12 months, 11,000 jobs have been created, including 3,000 in January of this year. The value of building permits in the first 11 months of 1985 was up $94 million, or 18.2 per cent compared to the same period in 1984. Bankruptcies were down 6 per cent in 1985 compared with 1984. Total housing starts in 1985 rose 51 per cent, to their highest level in eight years. Retail sales have increased by 8 per cent between December, 1984 and December, 1985 and have increased by 11 per cent since the September, 1984 election. The value of fish landing in the first 11 months of 1985 were up by $26 million or 11 per cent over the same period in 1984. The former Government left the fishery in a total shambles after years of disinterest and disrespect for the people involved in the fishing industry. Last year, the rate of closures of small and medium sized businesses in Atlantic Canada was 6.3 per cent, down from 8.9 per cent in 1984. The January inflation rate of 4 per cent in Halifax was below the national average of 4.4 per cent. That is the situation in Nova Scotia.

I want to talk about my constituency because during the Trudeau years I was a virtual undertaker, burying one industry after another as a result of bankruptcies. We did not have any good news in Atlantic Canada. However, in the years since 1984 we have seen the establishment or expansion of 21 industries directly related to assistance through DRIE. They are not the only industries that have been established but they had direct federal involvement.

On Monday I will be attending a press conference with the Minister of Agriculture for Nova Scotia and the Mayor of the town of Amherst, participating in the establishment of another industry in Amherst. Furthermore, I can advise the House that there are new plant possibilities under active consideration for Truro, Springhill and Oxford. I have also been personally involved in the establishment of a new luggage factory, with Korean participants, in the town of Amherst. Those are some examples of what is happening because the business sector in this country has confidence in the Government and the Minister of Finance.

Let me say a few words about national defence. We have seen much progress in national defence since the Government took office. Nowhere is that more apparent than in Atlantic Canada. One of my first acts as Minister of Defence was the re-establishment of Chatham as an air base. It is almost a cornerstone industry of northern New Brunswick and, if it had been left to the former Government, that base would have been dismantled completely. We have re-established it as an air base and we have reconfirmed the employment possibilities for those people of the north shore who are associated with that base. I want to congratulate Members from the north shore who worked closely with me in re-establishing that base.

There are many new developments at Goose Bay that will be of tremendous benefit to Newfoundland and Labrador. The Department of National Defence has re-established itself as the lead Department in handling that base. There are many activities associated with NATO in relation to major utilization of that base which will be of tremendous benefit to the people of Happy Valley, in particular, and the people of Newfoundland, Labrador and Atlantic Canada generally.

I am absolutely committed to major improvements in the naval element of the Armed Forces. We must take major steps to ensure that our navy is properly constituted and that it has the ships it requires. Currently, Saint John shipyard is the lead yard in building six new frigates,. While I was Minister, I began the definition program for the second batch of six frigates and I say to the Government that we must move forward quickly in getting that second batch of six frigates on line in order to benefit from the volume buying associated with the construction of those frigates.

I compliment the Saint John shipyard for establishing a centre of excellence with the recruitment of 600 to 700 top qualified people in the construction of warships. We have not been involved in this activity for many years. I have great confidence in their ability to manage the second batch of six frigates that should be constructed. We need new submarines quickly for our navy as well as new helicopters.

We must re-establish the navy which Prime Minister Trudeau and his Government let deteriorate almost to the point of oblivion. The Government must take the necessary steps to establish the navy as a significant part of our Armed Forces if we are to meet our commitments as a partner in NATO.

I want to repeat that our Government has been progressive, with new and positive programs of benefit to all Canadians combined with a reduction in our involvement in their lives. We are moving forward with positive programs that will have long-term benefit for all Canadians. They can look forward to a Government that recognizes the social justice system and is sensitive to the just society. We will not forget those in need while providing a Government that is aggressive and sensitive but much smaller than its present size.

Mrs. Browes: Mr. Speaker, I want to compliment the Hon. Member for his excellent speech in which he outlined some of the positive effects the Budget will have on the Atlantic region, and particularly on the Province of Nova Scotia. The Hon. Member also has experience in defence and indicates that the Budget will have positive effects in this area.

I believe the Minister of Finance (Mr. Wilson) deserves much credit in being able to implement positive measures to produce the necessary prosperity in the Atlantic region while maintaining the justice that is so important for that area.

My constituents are quite weary and some are very angry about the burden which was left as a result of the spending of the previous Government. The national debt left as a result of the previous Government's spending represents an average of $7,000 over the head of every single Canadian.

Let us consider some of the statistics. Last year's Nobel prize winner for economics, Franco Modigliani, is a noted economist. He said that in reaching levels unprecedented in peacetime, the deficit has become a serious threat to the well-being of younger and future generations of Americans. His comments, of course, were in reference to the United States deficit which, on a per capita basis, is less than our own. So it is time the brakes were applied.

• (1630)

I would just like to refer to a telephone message which came into my constituency office the day after the Budget. My constituent said: "Thank you for bringing down the kind of Budget the Liberals never had the fortitude to introduce". I believe that the kind of positive comments mentioned by the Hon. Member in his speech are a great tribute to the Minister of Finance (Mr. Wilson) and to our Government, that we have been able to have those positive elements in the Budget and at the same time reduce the deficit and reduce waste.

We recognize the Hon. Member's long service in the House of Commons and the experience and wisdom he has gathered as a Member of the House of Commons and as a great Canadian. I wonder if he might comment on the relationship of this Budget to other Budgets he has had the experience of debating in this House?

Mr. Coates: Mr. Speaker, I appreciate the Hon. Member's remarks and I also appreciate her special work in relation to the former Hon. Member for Prince Albert, the Right Hon. John Diefenbaker. I wish her well in that regard. I am looking forward to the birthday celebration this September.

I would like to say that it has been many years since I can recall a Budget which actually, in a very forthright way, tackled the deficit, and which has given us the long-term projections which, in turn, give us some hope that some day we might be able to balance the Budget in this country again. I was in the House at a time when Ministers of Finance did bring in balanced Budgets, but it was a long time ago.

Today we have a great concern about our dollar as compared with the United States dollar, whether it is at 70 cents, 68 cents or 72 cents. I think it is important to stabilize our dollar somewhere. More importantly, as far as myself and other Hon. Members in this House are concerned, we must stabilize it at a point, even if it is below 70 cents, which will allow interest rates to come down. For instance, a two point reduction in interest rates would mean $100 a month less for a person carrying a $70,000 mortgage. That is a big incentive to our Party, and to our Government, to try and get interest rates down at least two points. Let us hope that when the dollar is stabilized—at whatever level it is stabilized—we will be able to move interest rates down in a positive way, which will be of assistance to all people carrying mortgages at the present time.

Mr. McKenzie: Mr. Speaker, I would like to congratulate my hon. friend from Nova Scotia on his excellent presentation. He gave us an update on the economic upswing in Atlantic Canada.

Mr. Wise: It came from his head and his heart.

Mr. McKenzie: Yes, as the Minister of Agriculture (Mr. Wise) just said, it came from the Hon. Member's head and his heart. With respect to the $300 million being funded for the Atlantic Accord and the $200 million Canada-Nova Scotia Development Agreement which has been signed and, for initial projects, approved, will this now mean that many young people in Atlantic Canada and in Nova Scotia will now have a future in their own province? I know in the past, because of years of Liberal neglect, many people, especially the youth of Nova Scotia, had to leave their home province to find employment in other parts of Canada. Will the different developments and agreements which have been signed for Nova Scotia and Atlantic Canada mean that they will now be able to stay in Atlantic Canada and have some hope for the future?

Mr. Coates: Mr. Speaker, I thank the Hon. Member for that question. I want to say that the type of programs the Hon. Member has outlined, and the type of new innovative thinking of a new and strong Government with its special attitude towards Atlantic Canada, will ensure the future for that region. The Minister of Agriculture just signed a new agreement with the three provinces on red meat which indicates this new type of aggressiveness. The youth in Atlantic Canada, because of programs such as the Hon. Member pointed out, have a new sense of confidence about their future in our part of Canada. They are thinking about living, getting educated and working there rather than going elsewhere in Canada looking for jobs.

There is tremendous co-operation coming from the provincial Government of Nova Scotia, the Buchanan Government, and it is that kind of co-operation that has produced the type of new plant establishments which are giving new hope to young people, not only in my province but in our region. The Government has to be complimented for its aggressive and innovative approaches to the problems we face.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. Debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to participate in the debate this afternoon on the Budget presented to us by the Minister of Finance (Mr. Wilson). This Budget, like last year's Budget, and the Budgets which came from previous Liberal Governments, all have a common goal and strategy. That strategy was so ably described by the Canadian Conference of Catholic Bishops in their historic statement "Ethical Reflections on the Economic Crisis", published in 1983. The big problem in 1983 was inflation. Today it is the deficit. But what the Bishops stated in 1983 is still very applicable today. Here in part is what they stated, and I quote:

As recent economic policy statements reveal, the primary objective is to restore profitability and competitiveness in certain Canadian industries and provide more favourable conditions for private investment in the country. The private sector is to be the "engine" for economic recovery. To achieve these goals, inflation is put forth as the number one problem.

In today's terms, it is no longer inflation, it is the deficit. The Bishops go on to state that the causes of inflation—today it is the deficit—are seen as workers' wages, Government spending and low productivity rather than monopoly control of prices. The means for curbing our deficit are such austerity measures as deindexing of pensions, restraints and cut-backs in social spending. The Bishops go on to say, and I quote:

In effect, the survival of capital takes priority over labour in present strategies for economic recovery.

At the same time, working people, the unemployed, young people, and those on fixed incomes are increasingly called upon to make the most sacrifice for economic recovery. For it is these people who suffer most from lay-offs, wage restraints and cut-backs in social services. The recent tax changes, which have the effect of raising taxes for working people and lowering them for the wealthy, adds to this burden.

The Bishops continue in their statement. They state:

● (1640)

If successfully implemented, these programs could also have the effect of transferring income from wages to profit. Yet, there are no clear reasons to believe that working people will ever really benefit from these and other sacrifices they are called to make. For even if companies recover and increase their profit margins, the additional revenues are likely to be reinvested in more labour-saving technology, exported to other countries, or spent on market speculation or luxury goods.

In my remarks this afternoon I wish to analyze what the Bishops said in their statement of 1983, and demonstrate how very accurate those remarks are, given the economic realities and strategies of today.

The Budget again raises the tax load on middle and low-income groups and extends tax breaks to the corporations and the rich. As the Bishops stated, that was the strategy then followed by Liberal Governments, and it is again the strategy followed by the Conservative Government of the day. Since this Government came to office in the fall of 1984 it has raised the tax bite on the average Canadian wage-earner by some $1,305 through income and sales tax increases. Yet, at the same time, it has extended the tax exemptions enjoyed by the corporations. In fact, the Government will be taking an additional $7 billion out of the pockets of the average wage-earner next year while the corporations will be paying some $75 million less.

Earlier today I read an analysis in *The Financial Post* which showed that a taxpayer earning $40,000 per year will be paying an additional $800 in income tax in 1987. The same study showed that a person who earns some $150,000 per year will see a net decrease of some $5,500 in the taxes they will be paying in 1987. Our tax system is rotten to the core. There is no fairness in it. The tax credits, deductions and loopholes created by this and previous Liberal and now Conservative Budgets have shifted the tax burden almost entirely onto the backs of the wage-earners.

In the 1950s roughly one-half of public revenues in the country came from the corporate sector and one-half from individuals. Today, the relationship is approximately 25 per cent from the corporate sector while 75 per cent comes from the pockets of individual taxpayers.

I would like to illustrate just how unfair our present system is. A woman who is a teller with the Royal Bank of Canada paid more taxes than the Royal Bank paid in 1982, even though the bank made profits over $300 million that year. Yet the teller paid more in dollars and cents to the federal Treasury than did the Royal Bank of Canada. The kid who pumped gas for Shell Oil in 1982 paid more in terms of dollars and cents to the federal Treasury than did Shell Oil in 1982. These examples are just the tip of iceberg.

In fact, let us have a look at the Royal Bank of Canada, its profits and the taxes it paid. We have a statutory tax rate of roughly 49.5 per cent for banks. If we look at how much the Royal Bank paid in actual taxes, and how much it would have paid had the statutory rate applied, we would see that from the years 1977 to 1985 the federal Treasury would have collected an extra $1.135 billion. When one looks at all the banks grouped together one will find that if they had been paying the statutory tax rate from 1971 to 1983 the public Treasury would have been enhanced by some $3.286 billion. The reality is that the banks have been paying a much lower rate than a women who is a teller at one of these banks.

Of course, the oil companies and the banks are not doing anything illegal. These are tax provisions and loopholes which this Government and previous Liberal Governments put in place. I would ask Hon. Members to remember the theory which the Bishops so eloquently enunciated; that is, the economic strategy is one of allowing the private sector to be the engine of growth. Therefore, they are given all these tax breaks in order that they can earn hundreds of millions of dollars in profits and not pay one cent of tax. The hope is that eventually the money will be reinvested to create economic activity, according to the theory of this Government and previous Liberal Governments.

Let us examine whether they do in fact create economic growth and employment. I would remind Hon. Members that in 1983 the Bishops stated that they doubted that the average Canadian wage-earner would benefit from this type of economic strategy. They predicted that these extra profits would not be reinvested to create jobs but, in fact, they would be reinvested in labour-saving devices or shipped out of the country and invested elsewhere.

The Auditor General estimates that there is between some $30 billion and $50 billion in these tax expenditures. Some of them are personal deductions, child care deductions, charitable donations and so forth. However, a great many of these deductions are those which are aimed to encourage economic growth. They are deductions which are placed there for use by the corporate sector and the wealthy in order to have them reinvest, and to be the "engine of economic growth".

I would like to give Hon. Members some examples of what would fall into this category. In one of Mr. Lalonde's later Budgets, when the Liberals where in power, he wanted to encourage research and development. Thus he implemented a tax credit for scientific research and development. It was estimated at that time that this one provision would cost some $100 million in terms of lost revenues to the public Treasury. The darned thing has ballooned and the public Treasury has now lost some $3.5 billion. The Tories claim some credit for this. They say that at least they closed the door on this major scam. They placed a moratorium on it in October of 1984. However, they allowed some loopholes to remain. In this respect they allowed a grandfather clause. In other words, if you and I had an agreement on the back of an envelope, Mr. Speaker, that agreement would be honoured. By October of 1984 some $1.5 billion of public money had been lost as a result of this cam. The amount is now $3.5 billion. In other words, since the Tories came to power and since the moratorium was put in place another $2 billion has been lost through this one major loophole.

Mr. Ravis: Come on!

Mr. de Jong: It is true. The Hon. Member doubts what I say. He says: "Come on!" I invite him to check the figures of Revenue Canada. This moratorium caused the loss of an extra $2 billion when the Tories came to power.

We must now ask the question: Did we have $3.5 billion in new research and development in the country? No one in their right mind would claim that we have had an additional $3.5 billion in new research and development. It was nothing but a tremendous waste of money. Our universities are starving for funds, as is the National Research Council. Yet, they have been cut and cut again. We have blown $3.5 billion of public moneys for nothing as a result of what is called tax expenditures. Those are loopholes and ways of avoiding the payment of taxes.

I would now like to give some specific examples in this regard. We find that Northern Telecom chalked up $3.3 billion in sales in 1983 and showed $325 million in profit. Yet it managed to end the fiscal year without paying any taxes. We see that in 1982 TransCanada Pipelines Limited had $4.7 billion in assets with pre-tax earnings of some $182 million. Yet it paid just a 7 per cent effective tax.

• (1650)

We mentioned the case of Shell Oil, with assets of $4.7 billion and pre-tax earnings of some $302 million, not paying a cent of tax. How is that possible? Is that just?

Canadians are demanding a change, tax reform and justice. As a people we are not afraid to tackle the deficit, but surely Canadians have every right to expect that when we tackle the deficit the Royal Bank of Canada and Shell Oil will pay their fair share, rather than it being left on the backs of working Canadians.

How dare the President of the Royal Bank of Canada, Mr. Rowland Frazee, sent all of us a nice letter saying how much he is concerned about the deficit and how we must reduce it to save our country? He sits at the top of a corporation, a financial institution, which can get away without paying a cent in tax on over $300 million worth of profits. The gall of the man, the very gall of those who sit in high corporate boardrooms and dictate to us sanctimoniously that we should reduce Government spending—in other words, reduce social programs—and tighten our belts.

Of course Mr. Frazee and the leaders of the corporate sector say: "We have tax breaks so that we can create jobs. There is nothing illegal about them. We have them so that private industry can be the engine of economic growth". We have some grave doubts about whether it is an efficient engine of growth. Studies have shown that it takes some $77,000 in corporate tax cuts to create one job, but that general Government expenditures—in other words, direct government expenditures—create a job at $13,000. If we are really interested in creating employment, I suggest that it should not be done through corporate tax cuts but through general Government expenditures, direct expenditures and grants. It certainly is a heck of a lot cheaper.

I should like to refer to the fallacy that if the guys at the top do well, eventually they will reinvest in new plant and equipment thus creating more jobs. I have in front of me a study of the top 100 Canadian corporations. It reports their annual profit increases from 1981 to 1984. These corporations saw their profits increase by some 97 per cent or almost 100 per cent, almost double, from 1981 to 1984. I know many workers who would like to have seen their income, salaries or wages double in those few years. Be that as it may, these corporations have been doing quite well. However, have they been reinvesting in new plant and equipment? The figures show that in actual fact the number of people working for them has declined by some 3.1 per cent. Some job-creation strategy!

Defeating the deficit is now our major goal. We hear that from the President of the Royal Bank of Canada. We hear from Government Members that we must bring down the deficit. I do not disagree with them; indeed we should decrease the deficit. The amount of money going to pay interest is scandalous. Of course we have to decrease the deficit, but these folks across the way say that the reason for the deficit is that the country is living beyond its means and that we have to learn how to tighten our belts. Also, they suggest that our social programs are a little too rich and it is time that we cut back. How sad it is to hear this reasoning being enunciated in the House and in newspaper columns from day to day.

Let us look at the statistics on what we spend as a country, as part of the Gross National Product, on social programs—

housing, education, hospitals, unemployment insurance and welfare. We are one of the lowest in the western industrialied countries. We are lower than the United States, Germany, France, Italy, Belgium, Denmark, Holland and Norway. We are lower than all these countries; we are even lower than Italy.

When I hear the argument that we are living beyond our means and that our social programs are a little too rich, are they trying to tell me that people in Italy can afford a richer social program than we can? It is shameful that a country with our strength and resources should have food banks from coast to coast, people going hungry, starving and sleeping in the streets. Yet, these sanctimonious people across the way, the Frazees and the presidents of banks are telling us that it is still too much, that we have to tighten our belts and cut back on our rich social programs to control the deficit. What a sham. What a tremendous sham.

If the Royal Bank of Canada, Shell Oil and Northern Telecom paid their rightful share, perhaps we could have wiped out our deficit. Certainly it would not be as high as it is today, even if they paid a 10 per cent interest on deferred taxes. There is some $30 billion in deferred taxes out there. If we charged them 10 per cent we could reduce our deficit overnight by $3 billion.

An Hon. Member: Not a chance.

Mr. de Jong: Absolutely, not a chance, because they are the so-called engine of economic growth and if the guy at the top does well, supposedly it will eventually filter down. That theory is similar to the one which indicates that if the horse is fed a lot of oats, eventually the sparrow will get some. It is a disgusting theory. It is one of the major shams which is occurring today, because it has not worked.

Let us look at the figures of investments in the country since the Tories have come to power. We must remember that during the election campaign they said: "Elect us and international business will have such great confidence that we will have new capital flowing into the country".

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member. Lately we have been reading articles such as the one by Alain Dubuc in *La Presse* indicating that an individual earning $20,000 will be faced with a $500 increase, that an individual earning $30,000 will be faced with a $600 increase and so on. Yesterday in *The Financial Post* it was indicated that an individual making $40,000 would have an increase of $812, that an individual making $60,000 would have a decrease in tax of $1,201, and that an individual earning $150,000 would have a decrease of $5,470. Would the Hon. Member indicate whether he thinks it is fair that the rich receive tax deductions and the poor and the middle-class have to pay more?

Mr. de Jong: Mr. Speaker, I thank the Hon. Member for his question. In the beginning of my remarks I quoted from *The Financial Post* and stated that it was not fair. Surely it is immoral, but it is part of the economic strategy that has been occurring, in which more and more is given to the wealthy and the rich at the expense of the poor.

Turning to the statement issued by the Bishops from which I quoted earlier, in their summation they indicated the following:

> For the present economic crisis, as we have seen, reveals a deepening moral disorder in the values and priorities of our society.

The Bishops condemned the type of Budget with which we are dealing. The Government cut back on the services of the poor, raised the taxes of the low and middle income workers and so benefitted the rich. The Bishops call it a deepening moral disorder in the values and priorities of our society. The Bishops continue by saying:

● (1700)

> We believe that the cries of the poor and the powerless are the voice of Christ, the Lord of History, in our midst. As Christians, we are called to become involved in struggles for economic justice and participate in the building up of a new society based on Gospel principles.

Unfortunately, the Budget we are dealing with today is a continuation of the moral disorder.

Mr. Wise: Mr. Speaker, I believe I am entitled to a question or two. I am seeking clarification from the Hon. Member for Regina East (Mr. de Jong) who was quoting from some conclusions made by the Canadian Catholic Bishops. Would he clarify whether those comments were directed to the recent budget of the Minister of Finance (Mr. Wilson) or do those comments and observations refer to a previous budget? Yes or no?

Mr. de Jong: As I indicated earlier in my remarks, Mr. Speaker, the statement was made in January, 1983.

Some Hon. Members: Oh, oh!

Mr. de Jong: The statement attacked an economic strategy that is surely no different. Had the Hon. Member and the Minister been in the House he would have heard the quotes I made from this document. He would have heard that recent economic policy revealed the primary objective is to restore profitability and competitiveness in certain Canadian industries. Is that not the same strategy as the one now when the Bishops stated that the present economic strategy is one of economic recovery through the engine of private industry? Is it not the same strategy that the Tories have now, that Lalonde had and that previous budgets had? Is there any difference?

Mr. Wise: There certainly is, Mr. Speaker.

Mr. Parry: Mr. Speaker, what does the Hon. Member for Regina East (Mr. de Jong) think of the budget setting a target only in the realm of the projected deficit? Could he tell us what he thinks of the underlying assumptions behind that

target and what he feels the true targets of a budget should be?

Mr. de Jong: It is obvious again that the real target of this budget—

Mr. Wise: Which budget are you talking about?

Mr. de Jong: It is true the target of this budget and of previous budgets have been—

Mr. Wise: The debate is on this budget.

Mr. de Jong: —to allow economic growth by giving all sorts of tax deductions and tax loopholes.

The Minister stated that reducing the deficit was a major one. He gave us some figures. He had a few assumptions. He assumed a certain price for the price of oil. He assumed a certain interest rate. From this we have from the Minister a projection that the deficit would be reduced to a shade under $30 billion. Of course, the Tories must be crossing their fingers that they do not have another Canadian Commercial Bank or a Northland Bank that will throw the projections out by another few billion dollars. These are very shaky figures.

Mr. Wise: Your comments are a bit shaky, too.

Mr. de Jong: Unfortunately, the Minister has not realized that if he can reduce unemployment by 1 per cent he will get an extra $2 billion. Why does the Minister not have a made-in-Canada interest rate policy, which the Tories talked about when they were in opposition, because every time that interest rates drops by 1 per cent the cost of the deficit gets reduced by $1 billion? There are definite, different alternate strategies in terms of dealing with the deficit. We violently disagree with the strategy adopted by the Government. The Bishops state that it is an immoral strategy. It is one based on the backs of the poor and the working people while benefiting the rich.

Mr. Wise: That is 1982.

Mr. de Jong: It is still true.

Mr. Mantha: Mr. Speaker, I have a question for the Hon. Member for Regina East (Mr. de Jong). The New Democrats go around painting good socialist colours all over the place. I have people in my riding who are out of work. They cannot pay their union dues. They are on welfare and they find enough money to pay half the rates, hoping that the unions will get them jobs. The New Democrats take money from these union people to run their campaigns. They are taking money from the very, very poor. Can the Hon. Member answer that question?

Mr. de Jong: Mr. Speaker, concerning contributions, I understand the amount paid for dues is around 5 cents a week. Why did the Royal Bank of Canada not pay any tax in 1982? Take a look at the type of contributions that bank made to the Conservative and the Liberal Parties. I ask the Member to explain to me how the Conservative Party with a budget of some $20 million last year raised some $10 million to $12 million from the corporate sector. You mean to tell me, Sir, that the $10 million to $12 million in contributions to the Hon. Member's Party were just contributions given with no expectations of a continuation in tax breaks? The worker who contributes to the New Democratic Party will have a guarantee that in this House of Commons someone will be standing up on his behalf drawing to your attention, Mr. Speaker, that the primary purpose of this Budget should be to create jobs. He will not be having someone, perhaps the Hon. Member and other Members standing, protecting and defending tax breaks to the Royal Bank of Canada which allow the Bank to earn over $300 million a year and not pay 1 cent in tax. That is the purpose of contributions, Sir.

Mr. Mantha: Mr. Speaker, I would like the Hon. Member for Regina East to answer whether these people have a choice. Do they have a choice, Sir?

Mr. de Jong: Mr. Speaker, it is a choice made by a majority vote within the local. If the majority within the local decide to affiliate and make a contribution to the New Democratic Party, that decision gets made. Might I ask again, the $10 million in corporate—

Mr. Mantha: No.

Mr. de Jong: I know he does not want to hear about this but I am going to tell him anyway. The $10 million in corporate contributions—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but the time for questions and comments is terminated. The Hon. Minister of National Defence.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I rise to participate in this debate in my capacity as Deputy Prime Minister and not as Minister of National Defence. I want to try to set the framework for what I am about to table next week in its global context.

In his budget last week, the Minister of Finance (Mr. Wilson) reminded all Members of the House of Commons, indeed, Canadians generally, that our strategy for economic renewal is based upon three fundamental principles. First, the way to create jobs is through private initiative. Second, good government does not mean more Government, it means more efficient government. Third, Canada's prosperity depends upon restoring the health of the nation's finances.

These are not principles the Minister of Finance invented last week. In fact, our Party espoused them throughout the 1984 election campaign, and our new Government reaffirmed them in an Agenda for Economic Renewal which the Minister of Finance tabled in November, 1984.

I want to address my remarks to the second principle, our commitment to more efficient Government and the manner in which that commitment is being realized through the process of program review.

In his Budget, the Minister of Finance announced that the reports of the study teams to the task force on program review would be released on March 11, next Tuesday. I will be tabling those reports in the House on that day at 11 o'clock, Mr. Speaker.

The work of the task force on program review and its study teams fulfills a commitment the Government made when it was sworn into office, and an obligation I accepted personally when I became a member of this Cabinet. The people of Canada deserve good Government. In my view, they proved on September 4, 1984, that they wanted good Government by electing this Government. Part of the mandate we received from Canadians was to improve the management of government, to increase Government efficiency rather than its size, and to improve the programs of government rather than just add more programs. We, who sought the responsibility of governing this country, also promised to find new ways of doing things. Those new ways included involving Canadians from all walks of life in policy and decision-making processes.

● (1710)

The work of program review has been one mechanism to honour this mandate. As Members of Parliament and all Canadians will see next Tuesday, March 11, the work of the study teams on program review represents a service to the public which, I believe, is without precedent in the annals of Canadian public administration. The results of the work of these dedicated teams of individual Canadians, as represented in their reports, provide knowledge of how the federal Government functions in a manner which has never before existed in the history of this country.

I am always surprised by the litany of some Members of the House who claim we do not know where we are going or what we are going to do when we get there. In point of fact, we have been steering a very narrow and very deliberate course since the first days of this Government.

I remind all Members that I received the terms of reference for program review from the Prime Minister (Mr. Mulroney) just one day after the new Government was sworn in. Our basic agenda for economic renewal was established by the Minister of Finance (Mr. Wilson) in November of 1984. That agenda was reaffirmed in the Budget of May, 1985, and in the Budget of last week. I am pleased to say that some of these measures had their origins in the preliminary results of the program review process.

It should be evident to all honest observers that the Government is following the same track that it has been on since the last election. It should be obvious by now that our actions are consistent with the directions we told Canadians we would pursue in our bid for election. Even more heartening, it is very obvious from our successes in both economic and social policy that we know exactly what we are doing. Moreover, we have a Minister of Finance who knows exactly where we are going.

From the perspective of the program review process, this means eliminating overlap and duplication. It means developing programs that are simpler, more understandable, and more accessible to the Canadians they are designed to help. It means reviewing and revising administrative, personnel, and management processes.

The results of program review are more than just improving the management of government. We are trying to remove serious obstacles to economic and social growth which have developed through decades of unchecked government. We are renewing the confidence of the Canadian people in their Government by making it work for them.

I want to be clear on one thing, however. The study team reports are not, by themselves, the sole source of wisdom available to Government in choosing new approaches and new instruments of change. The study team reports will influence Cabinet in making choices. They will help to provoke a more informed debate, and, in some cases, the proposals contained within them could be accepted unanimously.

The reports do not represent decisions which the Government has taken or is about to take, nor do they represent an articulation of government policy. They are a very valuable decision-making tool, and a perspective on government programs and services which has never existed before. We invited the private sector into the process of program review because we wanted a cross section of opinions, and because we wanted advice that was, above all, independent. The Government assumed that we would benefit greatly from the insights and experience of individual Canadians with backgrounds and credentials in labour, in large and small businesses, and from the professions.

You will find these insights and these refreshing viewpoints in the study team reports. The reports were prepared by 122 people from the private sector and provincial Governments, with the assistance of 99 federal public servants.

Mr. Speaker, there were 19 study teams in all. Each of them had three months to complete their investigations, undertake their analyses of findings, and develop conclusions for their report. The teams worked sequentially in that they commenced their work as soon as they were appointed. Thus, while each team took only three months to report, all 19 teams took a year to complete their activities.

In addition, I was asked in September of 1984 by the Prime Minister to undertake a review of regulatory agencies of the Government. The report of this review process is also being released at the same time as the study team reports since it relates quite closely to the work of at least one of the program review teams.

In developing proposals and options, study teams had to deal with an often confusing and contradictory array of programs and services. Within the limits of time and available information, the teams together compiled a management mosaic of about 125 federal departments and agencies involving approximately 170,000 public servants. The study team reports, which will be released next Tuesday, contain descriptions and assessments of 989 federal programs and services. In addition to these program assessments, study teams produced summary overviews which analysed specific issues or combinations of

programs. These are also included in the reports along with optional courses of action for the Government to consider.

It is my deep conviction, Sir, that the people of Canada have a right to the information contained in these reports. For too long, Canadians have had to find their own way through a maze of conflicting Government programs and services. For too long, Canadians have had no idea of what their tax dollars were paying for or who was benefiting from them. We are about to change that. The 20 volumes which will be released contain an image, a snapshot if you like, of the federal Government, more current, complete, and comprehensive than has ever been developed in the history of democratic governments around the world. At no time has the Government of Canada ever been as forthcoming or as open.

When I say the study teams did a thorough job despite their adherence to a very rigid time schedule, I am referring to the many thousands of pages of study team reports. If Members opposite take the time to read these reports, they will find the legacy of Governments of the last 20 years. They will find that the cost of burdensome Government regulations has been underestimated by more than 50 per cent. They will find that no one really knew the extent of Government property holdings, or how much it cost in operating funds and personnel just to look after them. They will find that the cost of a ten-dollar hammer might approach $50 by the time all the procurement forms are finally filled out.

I hope the House will indulge me by allowing me to exceed the allotted time in order to inform it fully of the framework within which these reports are being tabled next week.

• (1720)

I must emphasize that the study team reports are not just a list of horror stories of the kind produced by the Auditor General in his annual reports. They are reasoned, analytical assessments of the programs which came within the terms of reference of each of the study teams. Each study team received terms of reference which, practically speaking, gave them *carte blanche* to look at just about anything relevant to their review process. As they went about their work, they started discovering things and developing conclusions that did not quite fit into their program review reports, but these concerns arose again and again throughout the entire review process. It soon became evident to the private sector advisory committee that these issues warranted special consideration and a focus of their own.

What are these issues that tend to be so pervasive, overriding, and particularly troublesome for public sector managers? What is the hidden and so far incalculable cost to the public? For obvious reasons, people involved in the program review process began to call them the generic issues, and it is these issues which must be addressed before the full benefits of the review process can be achieved. First among these issues is a phenomenon which was termed the universal subsidy. This is a constant theme running through virtually every study team report. The teams report that successive Governments used subsidies to solve many different problems, to equalize between the haves and have-nots, to support failing enterprises, to provide essential services, and to encourage specific economic and social behaviour in companies as well as individuals. Mostly, these subsidies rewarded and supported activities rather than results.

As a consequence of this phenomenon, the Canadian economy has become like Gulliver, tied down by a multitude of Lilliputian subsidy ropes, each rope infinitely thin yet together immobilizing. To put it bluntly, past Governments in this country have encouraged Canada to become a nation of program junkies. As long as this situation prevails, I for one will be concerned about our ability to compete in international markets or to develop an economy which can adapt to changing realities.

The universal subsidy has been allowed to flourish thanks to another phenomenon which emerged from the program review: inadequate knowledge of the fiscal totality. Until this program review, no Government has had a comprehensive overview of the impact of tax provisions and statutory and non-statutory expenditures. The program inventory compiled to support the review process demonstrated the extraordinary importance of tax provisions which comprise 39 per cent of total expenditures in relation to the other categories. As a consequence, new program proposals have never been challenged or debated within the total fiscal context. Further, there has been insufficient recognition that tax expenditures constitute expenditures as large as all statutory program costs.

The third generic issue uncovered by the study teams relates to program evaluation, the procedures for evaluation within the federal Government itself. Routine Government program evaluations were found by study teams to be inadequate for the work of program review. These evaluations tended to be self-serving and were inclined to overlook the fundamental rationale for programs, concentrating instead on impact and delivery criteria. Further, departmental evaluations suffered from tunnel vision, with their focus on internal programs to the exclusion of similar activities of other government Departments and agencies.

It is primarily in the context of these three generic issues that federal expenditures have been growing with the momentum of a rolling snowball. However, study teams also noted a number of other generic issues which tend to impede the overall performance of Government. They include the power of inertia in a system as large as the federal Government, and the lack of institutional memory, which means that Government is constantly reinventing the wheel or developing solutions to problems regardless of the impact of previous solutions to the same problems. Perhaps the most intractable issue of all is the well-known deficiencies in the personnel system which tie the hands of personnel managers and reward longevity rather than productivity.

There are no easy solutions to these generic problems, but solutions must be found. These issues have been routinized and entrenched in successive government bureaucracies for the past two decades but they must be dealt with, and soon. As a Government, we must support a new attitude for Canada's Public Service, an ethic based on productivity improvements,

greater efficiency and the reallocation of priorities within the limited resources available. To put this issue in the sharpest perspective, it is not individual public servants who have created these problems, it is the environment within which they try to function to the best of their abilities which is at fault.

As I reviewed these issues through so many of the study team reports, I was struck by the need to improve the system of management control and accountability if we are to improve productivity within the Government generally. As I mentioned earlier, if we are to correct the many problems identified by the study teams, we must first develop a system for proper management accountability.

All Members of this House are aware of some of the decisions which have been made by this Government that have arisen directly out of the work of the study teams. These have been announced over the past year, beginning with the May, 1985 Budget tabled by my highly-esteemed colleague, the Minister of Finance.

I do not propose to list all of these decisions today or identify all the Government's actions which have arisen, directly or indirectly, out of the work of the 19 study teams involved in the program review process. Decisions in the areas of agriculture, job creation and training, and services and subsidies to business were announced in this Government's first Budget. Subsequent announcements dealt with the Canada Assistance Plan, veterans' programs, housing and real property management. Personally, I announced a major initiative with respect to a national strategy for regulatory reform just two weeks ago, which was the subject matter of the remarks of our House Leader just yesterday. These major announcements are but the tip of the iceberg of activities which are a direct result of the program review process. The study teams, in simply doing their work, have raised the awareness of both politicians and bureaucrats on issues that need resolving and problems which have to be addressed.

The impact is pervasive. There will be very few Government decisions announced over the next few years which have not been influenced, positively or negatively, marginally or totally, by the reports that the study teams laboured so intensively to produce. Sir, the first stage of the process of program review that has just been completed is a credit to the people from both private and public sectors who worked so diligently throughout the past year. They have captured a snapshot of the federal Government for which there is no parallel. I believe that the storehouse of information which has been placed on the public record will keep public administration and political science academics, as well as the general public, interested for many years to come.

If you examine the basic themes of the Budget as put forward last week by my colleague, you will find that we want to restore fiscal responsibility, we want to bring the deficit down to manageable proportions, and, ultimately, eliminate it completely. We want to improve the current taxation system while at the same time restraining government expenditures. We want to help those who are in need today as well as protect our ability to help those who might be in need tomorrow.

• (1730)

In this regard, I believe that the stellar accomplishments of the Minister of Finance have had fundamental support in the work of program review as pursued by the 19 different study teams. If we can create programs that are flexible, that meet real needs, and that are responsible to their clientele, then we have done something that no Government over the past two decades has been able to accomplish.

While that may be a credit to this Government, it is a bigger credit to the people from the private sector and the public servants who worked so diligently during the past year on the production of these study team reports. The decision-making process that was designed to deal with the findings and options presented by the study teams assures the prerogative of Government to act independently and responsibly. By tabling these study team reports next Tuesday, it is my hope that our Government can provide all Canadians with a further opportunity to think about and to influence government decisions in an open atmosphere, where mutual respect is the order of the day.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Mitchell: Mr. Speaker, I did have a question, and I would certainly like to acknowledge from the Minister's report the tremendous volume of work that has gone on in these 19 study team reports. I would like to ask him a question related to the process. I assume there were 19 committees of some kind established. He refers of the private sector. I wonder if he could tell me who were on these committees, and I am particularly interested of course, this week being International Women's Week, in whether or not there were 50 per cent women on the committees?

Mr. Nielsen: Mr. Speaker, I am sure that the Hon. Member would not expect me to name a full response to her question today. There were 122 members of the private sector. All of that information in detail will be part of the published volume that will be tabled next Tuesday at 11 o'clock. I assure her that the composition that she is inquiring about now is addressed in explicit detail.

Ms. Mitchell: Could you not give me an idea of how many women?

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

Mr. Boudria: Mr. Speaker, a question on the same topic as the Hon. Member from Vancouver. Would the Deputy Prime Minister confirm that in the case of the agricultural study team there were no members from East of Montreal, no members from West of Toronto, no women and no youth, and

no one from the agricultural sector other than an official from a sugar company that sat on that team?

Mr. Nielsen: Again, the hon. gentleman will see with precise detail exactly who were on these study teams and where they were drawn from, but I can assure him that the study teams consulted broadly throughout the country with all levels of Government, with industry and with producers in the case of agriculture.

I should have mentioned to the Hon. Member who asked the last question that I am deeply indebted, as should we all be, to the work of the private-sector study team leader who headed up the separate study on regulatory agencies, Louise Martin.

Mr. Gagliano: Mr. Speaker, I know that the Hon. Deputy Prime Minister (Mr. Nielsen) cannot give me an answer today in full detail and I am waiting anxiously for next Tuesday, but could he indicate to me today if the report will include the Federal Development Bank?

Mr. Nielsen: There are references to that particular program in at least two of the study team reports that will be coming down. The answer is yes.

The Acting Speaker (Mr. Paproski): Since there are no more questions or comments, debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in debate on the Budget. I would like briefly this afternoon to speak to you of issues that affect my riding, more particularly I would like to talk about the farming community, the youth of my constituency and the industry in the riding that I represent. This includes textiles, footwear and many others in that sector. I would also like to discuss middle-class families and how they are affected by this Budget. First of all I want to talk to you about the agricultural sector.

You probably remember only too well, Mr. Speaker, that during the last election campaign the Conservative Party made several promises to the people of Canada. I draw to your attention a booklet concerning those promises. I just happen to have a copy of it here in front of me. It is entitled *338 Tory Promises*. This is a complete list of all the major national promises that the Tories, in the last election campaign, made to the people of Canada. Did it ever promise things. It promised to the people of Canada—and I notice that the Hon. Member for Nipissing (Mr. Mantha) across the way is paying attention to this—113 different things involving spending more money. There were five promises involving the spending of less money. Two promises to increase revenues and twenty-six promises to decrease revenues.

What did the Government do? The Government increased the deficit and claimed that it was being reduced. The Government made several cut-backs and increased the staff of the Prime Minister (Mr. Mulroney), among other things. As you see, in general the Government made promises that it could not live with, and now of course and it should not be to anyone's surprise, least of all the Government's, it cannot deliver on the package it presented to the people of Canada during the election campaign.

This Budget is actually not the second but the third budgetary document of this Government. The first document, of course, was the expenditure and program review of November 8, 1984, a day which, of course, has become affectionately known as black Thursday—November 8, 1984—because of all the cut-backs in this particular document.

What specifically did the Government cut? In the area of agriculture, to give you an example, the Government in 1984 cut $6.2 million from the dairy program, and $9.4 million from the operations of Government Departments. It closed down Canagrex and cut off $6.6 million there. It deferred some capital projects, and that cut $8.4 million off the Budget, and increased service fees in the amount of $32.3 million for a total of $62.9 million.

In the May 23 Budget of last year the budget for agriculture was reduced by $50 million annually starting in 1985-86. Of course that means there is another $50 million that was cut off in this year's Budget. The Government increased by 2 cents a litre the excise tax on gasoline and diesel fuel. That of course runs in direct contradiction to the promises this Government made during the last election campaign. We saw tax increases on cigarettes and liquor, and this of course affected the grape-growing industry of the Province of Ontario which I represent. What happened on this whole issue? Let me outline for you a comparison of election promises with delivery by the Government. It promised to reduce the price of farm fuels by 20 cents a gallon, by removing 9 per cent federal sales tax and by not collecting the current excise tax. Do you know what the Government did instead? It increased the price by 2 cents a litre on May 23. The Government said it would extend and expand the Farm Credit Corporation, with special interest rate subsidies. The only thing the Government did there, of course, is it decreased the effective rate of the FCC from 14 per cent to twelve and three-quarters per cent only for those individuals who were financed at a rate of 14 per cent and less.

We have presently in this country 25 per cent of all farmers who are in financial difficulties. This means that roughly or 65,000 farmers in Canada, are in financial difficulty.

• (1740)

In the last Budget the Government announced what it considered to be new measures to improve the farm sector. It promised measures that would partially defer the repayment of loans for 5,000 farmers. Earlier this week I asked the Minister of Agriculture what he will do for the other 60,000 farmers who are also in financial difficulty. During the election campaign the Conservatives said they would assist farmers who were in difficulty, but they did not say at the time that they would only assist a small number of them while ignoring the rest.

The Budget we are discussing today provides for a 1 per cent increase in the federal sales tax. This represents a large increase to a farmer buying a $100,000 silo. It will cost another $1,000 for that purchase. When one analyzes the

federal sales tax increases as they affect the farming community, the amount of tax increase is greater than the budgetary allocation the Government has made to assist farmers. Obviously, the farmers come out with less after the Budget than before the process began.

Let me talk briefly about the disadvantaged people in our society. Perhaps Leonard Shifrin, a well known commentator who writes for *The Toronto Star* and other papers, put it best when he said:

> Indeed, some of the poor will actually be a few dollars better off as a result of Wilson's new offering, though others will be worse off.
>
> A family of four with a $15,000 income is well below the poverty line anywhere in Canada. But under our preposterous tax system, it pays more than $1,000 of income tax. And the surtax Wilson is now introducing will add a further $20 levy.
>
> At the same time, the 1 per cent in the federal sales tax will pile another $50 or so onto the family's tax load.

Whether one is rich or poor, one has to repair or replace the refrigerator or other major appliance when it breaks down. The fact is that the least advantaged people in our society are paying a disproportionate amount because they can least afford that tax increase that some of us may think is very small.

On the night of the Budget the Leader of the Opposition said:

> It's becoming impossible to improve one's quality of life in the face of this kind of Government attack.

He said that those from 30 to 50 years of age earning from $15,000 to $40,000 a year are the ones who are hit right between the eyes.

I want to talk about the middle income people in our society who are so often hit by tax increases. They must bear the burden. The middle class seems to be getting smaller and smaller. The number who are well off seems to be increasing and there are more and more poor people in our country that we consider to be affluent.

[*Translation*]

Mr. Speaker, I should like to deal now with the problems young people are facing in our society. You are aware that a few days before the Budget speech, a report entitled "Youth: A Plan of Action" was tabled in the House in which the Canadian Senate suggested extending the Katimavik Program to offer still more help to young Canadians who need it most. What did the Government do?

In its Budget, it started by dispossessing the Minister of State responsible for Youth of her portfolio or purse, thereby eliminating her department for all practical purposes. From now on, the Minister will have no money and no budget.

Today, in the House, we heard an Hon. Member saying that in a document he had read, the Minister herself was quoted as saying that her responsibility was simply to convince young people to join the Progressive Conservative Party. Mr. Speaker, it is a disgrace to see a Minister of the Crown forget about young Canadians and think only of the political gains the party in Government could make.

Illiteracy is another problem which affects a great many young Canadians. It is a very serious problem which most Canadians and a great many of their elected representatives would rather forget then deal with.

In my federal riding of Glengarry-Prescott-Russell, there are quite a number of my constituents who just cannot read, a situation which is not unique, Mr. Speaker. I am sure that although Hon. Members opposite do not seem to be too concerned with the issue, if they could think it over for a few minutes, they would realize that our educational system unfortunately has created a situation in which a great many people are facing the same problem.

Mr. Speaker, the most amazing thing is that such a great proportion of illiterates are young people.

And I call your attention to the following recommendation contained in the Senate report which reads as follows:

> Our committee supports the proposal of a national campaign against illiteracy.
>
> The Committee feels that the recommendations in the "Obstacles" report that have not yet been implemented should be, and that it is important to acknowledge the special needs of the young who have learning problems or handicaps.

Mr. Speaker, I call your attention in particular to the areas where it is seen that this Government is attempting to make quite significant budget cuts in social programs.

[*English*]

I listened to the discourse of the Deputy Prime Minister (Mr. Nielsen) in which he spent considerable time of the House telling us how he and others within the Governement are trying to find ways to cut back Government expenditures and make the system more efficient. One cannot help but wonder how a Governement that encourages blatant patronage, as the Tories do, can talk honestly and sincerely about cutting unnecessary expenditures.

I see that one of my Conservative colleagues has woken up. I want to remind him that when my constituents who live near the national capital and work on Parliament Hill or elsewhere in the public service see their salaries and benefits being cut back and their jobs abolished, they do not take too kindly to what we heard earlier today about the patronage of the Government.

• (1750)

[*Translation*]

Mr. Speaker, we have seen a 57 per cent increase in the estimates for the Office of the Prime minister (Mr. Mulroney). Where are the Budget cuts in the Prime Minister's Office? We fail to see any. There were 30 ministers in the previous Government, the new Government now has 40. But the same Government is telling us that we must slash whatever expenditures they consider unwarranted.

I put it to you, Mr. Speaker, what am I supposed to tell my constituents? What should I tell Mr. Rémi Saint-Jean, for

instance, one of my constituents who lives in Cumberland, Ontario, and works for the Department of Public Works and whose job as a janitor is threatened? What am I going to tell him? Am I going to tell him that the Minister will make sacrifices, that the Government will make sacrifices if he loses his job? No, Mr. Speaker, this will not happen. The Government still will have 39 or 40 Ministers, 39 or 40 limousines, 39 or 40 executive assistants, and so forth, constantly giving to those who are well off and taking away from middle income people and the most in need.

[*English*]

A few days before the Budget came out, Canadians became aware of a rumour that the Government might increase gasoline prices. The Hon. Member from Mississauga is chuckling at that proposition. But we know of course the Government did not intend to make a major increase in gas prices at that time. It was a deliberate strategy, in my view. I submit to you, Mr. Speaker, that the Government attempted to scare the people of Canada by participating in the propagation of these kinds of rumours so that when the Budget was not quite as offensive as the rumours—in which the Conservatives likely participated—indicated, then Canadians were supposed to be grateful. They were supposed to be grateful for the fact that there was no tax increase on gasoline.

Mr. Gauthier: There is one percent.

Mr. Boudria: I recognize the fact, of course, as my colleague the Hon. Member for Ottawa-Vanier (Mr. Gauthier) pointed out, that the federal excise tax increase will include gasoline, to the extent of 1 per cent, which really means one half cent per litre. We should all be aware of the fact that the Government, through its policy of not encouraging Petro-Canada to reduce the prices on gasoline, is indeed causing a situation of serious hardship on the taxpayers of Canada.

Across the border—and I happen to have been in the United States last weekend—gasoline was selling for approximately 90 cents a U.S. gallon. There are parts of this country where we are paying almost that much, in Canadian dollars, of course, for a litre of gasoline. Indeed, we are paying in the 65 cents to 70 cents a litre range in some parts of the province of Quebec, and 55 cents in my riding, only 10 miles from the Parliament Buildings. That price for gasoline is totally unjustified. The people of Canada expected that the Government, as part of its budgetary measures, would at least have a suggestion in its Budget that it would be cutting off the increases—

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired, but he is such a popular Hon. Member that I am sure the House will allow him to continue until six o'clock. Is it agreed?

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Thank you, Mr. Speaker. I would like to take this opportunity to congratulate my colleague for Glengarry-Prescott-Russell (Mr. Boudria) on his excellent speech.

I am somewhat familiar with his constituency and I know that he represents a large number of medium and low income families. Since the Government has now changed the definition of the poverty line by lowering it arbitrarily to $15,000 as this is the cut-off level for certain Government programs according to the budget papers, and since 1,538,000 families now receive the child tax credit, whose cut-off level was set at $23,500, and this Budget provides a prepayment of $300 for one million families next November, can the Hon. Member tell us what it will mean for the standard of living of a family in his constituency that 538,000 families will not eligible for this prepayment. For instance, in his constituency, is a family with four children and an income of $17,000, which will make this family uneligible to the prepayment of the tax credit next November, not just as deserving as a family with one or two children and a $15,000 income? Why is this Government insensitive to the fact that 1,538,000 families receive the tax credit and why has the Government arbitrarily decided to exclude 538,000 of these families? Has the Hon. Member anything to say about this?

Mr. Boudria: Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is raising a very valid point. Naturally, someone in my constituency who has an income of $15,002 rather than $14,999, especially if he has a large family, needs the cheque as much as the family earning a few dollars less. This decision is extremely arbitrary and very unfair for my constituents since a great many of them have low or medium incomes. I am sure that the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), whose constituency is close to mine, agrees with me, and I trust that the Deputy Prime Minister (Mr. Nielsen) will let her speak later on. If he allows her to speak, I am convinced that she will want to make a few comments.

[*English*]

This Government will be remembered for tunagate, deindexation, patronage, free trade when it promised the opposite, privatization, lay-offs in the Public Service, bank failures and Ministerial resignations. I say to those Hon. Members opposite that this is not my Government. It is the Government of the Party in power. I may not even claim to like it. But it is goofing up, messing up so many things that I ask those Hon. Members to pick themselves up, get themselves organized and try to make this country work. Investors across the world are losing confidence in the Government because of its activities and because of the way it has gone about totally removing the confidence everyone had. In so doing, it is creating damage not only to itself—and I do not particularly care about that part of it—but to all of us in this House. The actions we saw today are an example of that. The Government is creating damage and that Party should pick itself up by its bootstraps and try to at

least act as if it knew what it was doing and run this country appropriately.

The Acting Speaker (Mr. Paproski): If Hon. Members wish to ask the Hon. Member questions, he has four minutes left for tomorrow. He is such a popular Member, I know everyone here would want to ask him a question. Please come back tomorrow.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

THE ECONOMY—LE CONSEIL DU PATRONAT DU QUÉBEC—THE DEFICIT—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on February 14, 1986, during Oral Question Period, I asked the Minister of Finance (Mr. Wilson) whether he was going to give us a balanced Budget, a Budget that would try and reduce the deficit. We know that the current cumulative deficit totals $230 billion, a deficit accumulated by the Liberals as a result of their social policies.

This deficit has definitely discouraged investment by our business people, and I am talking about both small businesses and large corporations. The deficit also puts us in an untenable situation in the long term. A country is a little like a family or a business. It cannot always afford deficit financing, something our predecessors have never understood.

However, Mr. Speaker, a deficit of this size, a deficit of $230 billion, is a drain on the savings of Canadians and puts upward pressure on interest rates. Interest rates have increased so much in recent years because of the previous Government's enormous deficit.

To visualize what a deficit of $230 billion means, suppose we divide it by the population of Canada, which is 25 million, which gives us a deficit of $9,200 for every Canadian man and woman, including Canadians less than a year old and those who are nearly 100. That is what a deficit of $230 billion means.

The message given by the Minister of Finance was very clear: in 1984-85, we had a deficit of $38 billion, after last Liberal Budget. Last year, we announced a deficit of $33.8 billion and we remained within this estimate. It was the first time in twenty years that a Minister of Finance managed to meet his own estimates. The present Leader of the Opposition (Mr. Turner) did not, nor did any of the other former Ministers of the Liberal Government. This year, we announced a deficit of $29.8 billion, and by 1990, we expect to have reduced the deficit to between $11 billion and zero.

I would like to quote a national accounting firm, Price Waterhouse, on the deficit we are going to reduce this year. Now this company can certainly not be accused of any political involvement, and in its tax bulletin published under the heading "Attacking the Deficit", it says: "The Government provides 70 per cent of the ammunition and taxpayers 30 per cent." This according to Price Waterhouse, a national auditing, accounting and consulting firm.

Over the last eighteen months we have demonstrated the strength of our first Budget. Unemployment has dropped from 11.7 per cent to 9.8 per cent. Our first Budget gave us 580,000 new jobs, and 156,000 of these were in Quebec. We created 9,750 jobs per month in Quebec. The Liberals created 475. When we brought down our first Budget, the Leader of the Opposition said contemptuously that the Budget would lose us between 200,000 and 300,000 jobs. We created 560,000. The Leader of the Opposition was out by 700,000 quite a difference!

And besides that, Mr. Speaker, we have set an example. Our Prime Minister (Mr. Mulroney) did what the Leader of the Opposition refused to do, and took a $20,900 cut in salary. Our Ministers and our Members have accepted cut-backs of $10,000 and $1,000 respectively, and we have introduced incentives for small- and medium-sized businesses.

Contrary to what has been said, we lightened the tax burden of small- and medium-sized businesses and we removed the 12.5 per cent dividend tax imposed in 1981 by Mr. MacEachen, a fact which my colleague did not mention in previous speeches.

In conclusion, Mr. Speaker, the deficit will reduce the cost of money, and that is something the Liberals did not dare explain. Indeed, Mr. Speaker, Canadian men and women will pay $2,000 less on a typical $50,000 residential mortgage, and our businessmen will pay less in interest.

That is the kind of effort we have made to control the deficit and boost the economy. I commend the Minister of Finance (Mr. Wilson) for his Budget aimed at restoring financial stability.

• (1805)

[*English*]

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I find myself in rather a quandary. After a brilliant statement of that nature, I am not sure whether it requires any response whatsoever. However, perhaps a few points should be re-emphasized.

The Canadian economy performed substantially better in 1985 than most observers anticipated with real GNP growth of 4.5 per cent. The unemployment rate declined to 9.8 per cent

in January of this year. Since September, 1984, 580,000 jobs have been created.

Mr. Gagliano: You don't know how to count.

Mr. Cook: It the Hon. Member opposite would listen to those figures, he would realize that we have to be doing something right.

Since the fall of 1984, great progress has been made in controlling government expenditures and reducing the deficit. This restraint resulted from eliminating or reducing Government programs, improving management procedures and increasing Government efficiency. As well, steps have been taken to increase the efficiency and fairness of the tax system. These changes, combined with some increases in tax rates, will over the medium term contribute to further reducing the deficit.

As a result of these initiatives, the net public debt, which averaged almost 23 per cent per year from 1974 to 1984, will grow by only 17 per cent this year and by less than 10 per cent in 1987-88. Those are the important figures for the public to know, those are the important figures for the public to consider.

TERRORISM—INTERNATIONAL SECURITY MEASURES—CANADA'S POSITION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on December 2, 1985, I rose in the House to ask a question of the Secretary of State for External Affairs (Mr. Clark) on how Canada could bring pressure to bear on countries to tighten security measures and to take other strong steps to eliminate terrorism and hijacking.

My question was prompted by the tragic deaths of 59 people, including two Canadians, Valina Leonard and her infant son, Andrew, during the hijack and subsequent Egyptian commando raid on Egypt Air flight 648 last November 24. The hijacking of this flight was only one of a number of terrorist incidents in 1985.

On December 27, 1985, 19 people were killed and many injured in almost simultaneous attacks on the airports in Rome and Vienna. It was the thirteenth major terrorist attack in the world causing loss of life in 1985. Regrettably, 1985 became a period of resurgence for terrorism—a year of the assasins.

Terrorism also came closer to home for Canadians. On March 12 of last year, Claude Brunelle, a Pinkerton guard at the Turkish Embassy here in Ottawa, was killed, and the Turkish Ambassador, Coskun Kirca, was seriously injured during an attack on and the seizure of the Embassy by three self-proclaimed members of a group called the Armeniam Revolutionary Army. As a result, Pinkerton security guards were replaced with RCMP special constables.

Subsequently, authorities in Toronto and Montreal received calls allegedly from the Armenian Secret Army for the Liberation of our Homeland, threatening bomb attacks on the transit systems of both cities, unless the three held for the Ottawa attack were released. Fortunately there were no bombs. I used the word "allegedly" just a moment ago because no proof exists that the Armenian community was involved in this threat. As a matter of fact, I had two meetings with executives of the Armenian Community Centre in North York, including the President, Levon Hasserjian. They were distressed, to say the least, at these aspersions cast on that great community of hard working, decent Canadians.

• (1810)

On June 23, 1985, Air Indian Flight 182, en route for India from Canada exploded and plunged into the sea off Ireland, killing all 329 people aboard. On the same day, CP Air Flight 003 flew from Vancouver to Tokyo where some passengers were to transfer to an Air India flight for Bombay. Two Japanese luggage handlers were killed when a bomb hidden in luggage exploded.

After the Air India tragedy, the Deputy Prime Minister (Mr. Nielsen) said:

> We will not allow this country to become a killing ground for international terrorism.

What has happened in Canada and to Canadians is just one piece in the world mosaic of international terrorism. We have the killings at the Rome and Vienna airports, the hijacking of the Italian liner, *Achille Lauro*, and the murder of Leon Klinghoffer, the hijacking of TWA Flight 847 to Beirut, assasinations and bombings. There are many instances of terror. Terrorism is a declaration of war against the western world, and it threatens us all. It threatens Canadians on their home ground.

In January, 1986, security measures were increased at the Ottawa International Airport and the Pearson International Airport in Toronto. One of the difficult decisions we face as members of an open society is how to protect ourselves and our society from the threat and violence of terrorism, while still protecting those precious freedoms which we, in our society, guard so carefully.

What can we, as Canadians, do to combat international terrorism? On January 10, 1986, the Prime Minister (Mr. Mulroney) made a statement which I will quote:

> Those who murder and maim innocent people, and who bring anarchy to civilized society, should have no sanctuary, no comfort and no indulgence.

On January 30, 1986, Senator Kelly rose in the other place and proposed a special committee to study international terrorism because, as he said:

> We do not know enough about the extent to which terrorist groups are locating or have located in Canada, and I think we should know more. I do not think we know enough about the actions Canada can and should take to combat international terrorism.

One group will be taking action this Tuesday, Mr. Speaker, the North American Jewish Students Network Canada. A delegation of students from across the country will come together in Ottawa to take part in a one-day student mobilization effort against terrorism. This day-long event will be the culmination of an intensive nation-wide campaign against terrorism.

I have had the pleasure of dealing with Network on several occasions, most recently to celebrate the release of Anatoly Shcharansky with Naomi Noyek, the chairperson of Anti-Terrorism Day 1986, and Dan Ronen, the chairperson of Network's Political Action Committee.

On March 11, these students will be meeting with Members of Parliament, holding a memorial for victims of terrorism on Parliament Hill at 2 p.m. at which Mr. Edward Leonard and his Member of Parliament, the Hon. Member for Bow River (Mr. Taylor) will be present. A panel discussion on international terrorism with students and Members of Parliament will be held at 3.30 p.m.

I commend Network to my colleagues in the House of Commons and the other place, and I hope they will find the time either to meet with the students on that day or, if the schedule does not allow, at least to focus their attention on the issue of international terrorism.

No society or individual is immune to terrorism. It is time for Canada to take a leading role in combating this insidious cancer of terrorism.

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, speaking before the Memorial Fund Committee on November 3, the Secretary of State for External Affairs (Mr. Clark) stated that freedom to travel safety was the very essence of what international order was all about, and that there was a real danger that global terrorism would come to dominate the international order. In Canada we have been painfully aware of the tragedies visited upon us by international terrorism and, as the Secretary of State for External Affairs said, we intend that Canada should be in the forefront of countries seeking new initiatives to combat it.

• (1815)

The international community has become sensitized to the issue. In specialized bodies such as the Milan Crime Conference and the International Maritime Organization, resolutions have been passed condemning international terrorism. On Friday, December 6, for the first time, a strong anti-terrorist resolution was unanimously adopted at the United Nations General Assembly. It urged the further development of international co-operation on the prosecution and punishment of acts of hostage taking and abductions as manifestations of international terrorism.

Canada is determined that the scourge of international terrorism should come to an end. We have taken steps within the country to strengthen the security of our airports, and more will be done. Canada deposited its instruments of ratification of the U.N. Convention on Hostage Taking on December 4 and is undertaking negotiations with a number of countries to establish or strengthen extradition arrangements, an essential step in deterring potential terrorists.

More needs to be done. Despite the blows that have recently been struck against international terrorism, the phenomenon is by no means defeated, and the threat to the international order and to civilized international conduct is still grave. I must emphasize that Canada remains determined in dealing with the immediate impact of this tragic phenomenon. Canada will come to grips with its underlying causes and will do everything possible to ensure that Canada's airports and ships remain safe for Canadians to travel anywhere.

[*Translation*]

UNEMPLOYMENT INSURANCE—DIFFICULTIES FACING EARLY RETIREES. (B) SCOPE OF REGULATION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, last February 25 I put a question to the Deputy Prime Minister (Mr. Nielsen). According to a report by the *Office de la construction du Québec*, 5,432 pensioners will not be entitled to unemployment insurance, despite the fact they have paid premiums.

Mr. Speaker, we seldom get answers from the Government side, but now and again they are so illogical that we have to raise the issue again on the late show, we simply have to try again in the hope of some clarification.

Mr. Speaker, the illogical answer was: "The matter is before the Forget Commission and they will be reporting in due course." Mr. Speaker, if the Government were really serious, if the Government really wanted to wait until the Forget Commission has dealt with the problem, why not wait until the Forget Commission complete their work and make their report public? Should the commission report suggest that retirees did not have the right to collect unemployment insurance after working and paying premiums, then they would say: Well, according to the report, such and such regulation applies.

However, Mr. Speaker, without notice or comment, an unfair and insensitive regulation has been enforced since January 5.

Mr. Speaker, particularly in the construction industry there are people between 50 and 55 and even 60 who may have decided to accept early retirement in 1981, 1982, 1983 or 1984. A worker might have figured he would be eligible for monthly payments from his retirement fund contributions, or again he might have worked a few weeks in the summer when the weather is fine and, at the time of early retirement, this work would have made him eligible for unemployment benefits to supplement his income and take care of his children. As a matter of fact, Mr. Speaker, I know specific cases of people in my riding who have retired early from construction jobs and still have children attending high school or university.

It is not fair for these two or three people who accepted to take an early retirement that the Government decided on January 5, 1986 to cut off their unemployment insurance benefits. Naturally, this means that they will not be able to send their children to university, and this is why I find this decision unfair, Mr. Speaker.

In closing, I would like to quote for the record from a report of the *Office de la construction du Québec*, which clearly states that the worker who reaches the age of 65 is no longer protected by the Unemployment Insurance Act. For a retired worker to be affected by the recent changes to the unemployment insurance regulations, he must be under 65 and his annuity must exceed $321.75 a month. In such a case, he will no longer be entitled to unemployment insurance benefits. Can someone live with $321.75 a month nowadays, Mr. Speaker? It is ridiculous. In fact, the Office says:

> We can establish at about 6,800 the number of pensioners whose monthly income exceeds $300 a month and who are under 65.

Half of them are under 60, Mr. Speaker.

However, in the same report, Table 1 shows that, in 1984, 5,432 pensioners registered hours of work during the year, and we can presume that a very high proportion of them are under 65. This is why we say that, realistically, at least 5,000 construction workers in Quebec are penalized by these unfair and unsensitive regulations—

• (1820)

[*English*]

Or, as we say in English, unfair.

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the unemployment insurance program has operated on certain basic principles. Most important are these two: universal payment of premiums to pool the risk; payment of benefits to those who are both unemployed and not receiving income as a result. The changes the Government has made are consistent with those principles.

There are those who seem to believe that unemployment insurance should operate like a savings plan or prepaid pension scheme. The fact is that unemployment insurance is not, and was never intended to be, any of those things. The Minister of Finance (Mr. Wilson) announced on November 8, 1984, as part of the Expenditure Reduction Program, that the UI rules dealing with pension income arising out of an employment would be changed as of December 31, 1984. On December 20, 1984, Cabinet decided to postpone to January, 1986, implementation of that change. This was in order to allow the private sector sufficient time to adjust to the changes. The pension regulations have now been in force since January 5, 1986. Any claimants in receipt of UI benefits on and after that date became subject to the new rules. The starting date of a claim has no impact. Claimants are allowed to earn up to 25 per cent of their benefit rate before deductions are made from benefits payable. The program is being administered according to its basic principles. If the Forget Commission suggests that fundamental principles should be revised, then this Government will consider making the appropriate changes.

I would repeat that for all to hear very clearly: If the Forget Commission suggests that fundamental principles should be revised, then this Government will consider making the appropriate changes.

[*Translation*]

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

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Friday, March 7, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE BUDGET

ANTICIPATED REIMBURSEMENT OF TAX CREDIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Yesterday, Mr. Speaker, I sent a letter to the Right Hon. the Prime Minister (Mr. Mulroney), and I would urge all Hon. Members to do the same thing and support my request.

You have all noticed that the Government's Budget contains an error concerning the tax credit prepayment, the kind of error that was made with respect to the deindexation of old age security pensions. Knowingly or not, the Government decided to ignore 538,000 families entitled to the tax credit. As a result of the ceiling arbitrarily set at $15,000, the Government penalizes those families and delivers them in the hands of tax discounters.

Now then, Mr. Speaker, considering that the greatest majority of those families are headed by women, and considering that we are on the eve of International Women's Day, I am sure—

Mr. Speaker: Order, please. The 60 seconds have expired.

* * *

INTERNATIONAL WOMEN'S DAY

TRIBUTE TO MARIE GÉRIN-LAJOIE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, tomorrow March 8 being International Women's Day, I should like to pay homage to an outstanding Quebecer and Canadian, Marie Gérin-Lajoie.

She was French Canada's first graduate bachelor. She was the forerunner of those who took up the fight for the cause of women. She worked for many years in social services and founded the *Institut Notre-Dame-du-bon-conseil*, a religious group devoted to social action.

Marie Gérin-Lajoie belonged to a great family that associated privileges inherent in academic achievement and wealth with social responsibilities.

It was her mother who fought to open Quebec's first classical school for girls. Her mother was also one of the founders of the *Fédération nationale Saint-Jean-Baptiste*. Her grandmother founded Sainte-Justine Hospital.

Mr. Speaker, Marie Gérin-Lajoie was certainly far ahead of her time in her thinking about the place of women in society. The story of her life is an example which should be a source of inspiration to all of us.

* * *

[*English*]

HOUSING

HALIFAX VACANCY RATE AND RENTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, adequate affordable housing is a problem that affects many Canadians. It is a very serious problem for persons in the Atlantic Region, and an especially serious problem for women.

In the Halifax region the housing vacancy rate has been below 1 per cent for the past five consecutive years. This makes finding housing difficult for all persons, but for female-led, single parent families, it is almost intolerable.

The average monthly rental cost for an apartment in the Halifax area is $583, while the average monthly shelter allowance for a family of three or more is only $468. As a result, over 65 per cent of female-led single parent families in the Atlantic region have had severe affordability problems in finding housing, even at the 30 per cent level of income for shelter.

Today, March 7, a group of women called Mothers United for Metro Shelter, are demonstrating in front of the Halifax Legislature demanding adequate and affordable housing for themselves and their children. I hope the Tory Government is listening.

* * *

BUDGET

EXTENSION OF NORTHERN TAX BENEFITS

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the Budget brings to northerners and those living in remote regions of Canada the long-awaited announcement of equity and increased fairness with respect to the taxation of northern benefits. Reports from across the Yukon, Northwest Territories, and northern Manitoba indicate an appreciation for a Budget which recognizes and addresses the high cost of northern living. The new system extends housing, travel, and person-

al tax measures to a wide range of northerners for the first time.

Let it never be said that the Government does not look after the poorer regions of Canada. Let the record show that the majority of Northerners applaud the courage of the Minister of Finance (Mr. Wilson) in bringing this increased tax equity to northern Canadians.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Richard Grisé (Chambly): Mr. Speaker, in the Budget brought down last week by the Minister of Finance (Mr. Wilson) we see a development we have not seen since the beginning of the postwar period: a reduction in Government spending. Not only has this Government managed to bring a decade of irresponsible spending on the part of the previous administration to a halt, it has reversed the trend. Thanks to measures taken by our Government, the deficit will drop below $30 billion and the increase in the national debt will be under control.

Our actions will increase the confidence of investors in Canada's prospects and will help bring down interest rates. This will provide for a continuum in the creation of jobs in this country, an area that under this administration has progressed remarkably well. Mr. Speaker, like all other Canadians, the people of the riding of Chambly agree with our Government that reducing the deficit and creating jobs should be our primary goals if Canada is to become prosperous once again.

* * *

[*English*]

THE BUDGET

REACTION IN NEW BRUNSWICK

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, what do New Brunswickers think of the Budget? I will quote from an editorial in the Moncton *Times and Transcript*. It reads:

> Fair, firm, and probably effective. The Budget is unpleasant, but necessary medicine to restore economic health. It is a finely crafted intricate plan to cut spending, increase revenues, stimulate employment, encourage confidence in the dollar, lower interest rates, reduce the deficit and debt charges, yet give help to those regions, sectors, groups, and individuals most in need.
>
> It is linked to trade and jobs, using the business sector as the engine of growth, and is intended to send a mesage to the financial communities at home and abroad, where there is no sentimentality, that the Government is serious in tackling the deficit.

NATIVE ECONOMIC DEVELOPMENT PROGRAM

DELAY IN PROCESSING APPLICATIONS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have stood in this House a number of times over the past few months to address problems concerning the Native Economic Development Program and, more specifically, its inability to achieve what it was mandated to accomplish. Since the Conservative Government took office it has continually reminded Canadians about efficiency, co-operation, and, of course, jobs, jobs, jobs. The experience of applicants to the NEDP leads me to believe that the opposite is in fact the rule of thumb.

Groups such as the Nishnawbe-Aski Development Fund, and the Yukon Indian Development Corporation have been frustrated for far too long by a Ministry which does not appear to recognize the major purpose for which it was intended. That purpose, of course, is to foster an increased economic base for the first citizens of Canada.

The Minister of State for Small Business (Mr. Bissonnette) is in one respect, at least, more fortunate than his colleague responsible for youth—he has some money in his budget with which he can actually do something. Why does he not stand in this House and tell the people of Canada that he is sorry for dragging his feet all this time and that, after Question Period today, he is really going to get to work?

* * *

[*Translation*]

POLITICAL PARTIES

METHOD OF FINANCING

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, I am starting a public debate on the method of financing Canadian political parties, with a view to limiting contributions to political parties to $5,000 per year, and only by individual voters, which would exclude corporations, associations and unions. I shall have another opportunity to inform the public on the subject at the national convention of the Progressive Conservative Party of Canada, which will be held next week in Montreal.

I would ask all Members on both sides of the House to examine the information I have prepared and to think about this proposal, so that together we can help put the political process in Canada on a more ethical basis and improve the democratic process.

Not only should political parties make sure that financial contributions do not impose a measure of dependence on the party, there should not be the slightest hint of such dependence.

• (1110)

[*English*]

INTERNATIONAL WOMEN'S DAY

PLAUDITS FOR FILM *VISIONS OF WOMEN*

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today I am very proud to join my colleagues in observing International Women's Day, a day which marks the concerted move by women to participate fully in the consideration of the social, political, and economic concerns of our society as full partners. Last July I had the opportunity to participate at the UN End of the Decade Conference on Women in Nairobi. The Conference proved to be a giant step forward for the democratization of the women's movement. It has now become a populist movement for women around the world.

The National Film Board produced, through Studio D, in co-operation with the private sector, a very fine film called *Visions of Women/Visions des femmes*. It is challenging and celebrating and—

[*Translation*]

—and it makes a commitment to celebrate the status of women and the success of this conference.

[*English*]

I would like to encourage all Members here today—

Mr. Speaker: Order, please. Sixty seconds.

* * *

INTERNATIONAL WOMEN'S DAY

APPOINTMENT OF WOMEN TO GOVERNMENT BOARDS AND AGENCIES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, when International Women's Day was first celebrated, Canadian women were in the throes of fighting for the most basic political right, the right to vote. Today the full range of issues of concern to women occupy centre stage in our political arena. This is due to the remarkable growth in the influence of women's groups and the integration of women into the decision-making process. The Government has made steady progress in its efforts to accelerate the appointment of women to federal Government boards, agencies, and commissions.

[*Translation*]

Since we have been in power, one quarter of these positions have been filled by women. Last week, the Minister of Justice (Mr. Crosbie) announced a 22 per cent increase in the appointment of women judges.

Our Government will keep up this trend until women account for 50 per cent of such appointments.

S.O. 21

[*English*]

THE BUDGET

EFFECT ON BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, today the Prime Minister (Mr. Mulroney) is attempting to do the impossible, sell his Budget in British Columbia, a province where food banks, unemployment guidance centres, UIC and welfare are the major growth industries. With unemployment hovering around 14 per cent and youth unemployment at more than 20 per cent, with a pending crisis in the forest industry regarding U.S. trade, the mining industry in neutral, the fishing and agricultural sectors in serious difficulty, and business still reeling from the recession, what does the Government do? It raises taxes by $1,305 per household, ignores the forest and mining industry, cuts back on help to farmers, reduces support for the fishery, and offers no special consideration to one of the hardest hit areas of Canada. The Budget will actually worsen the economic condition of British Columbia through federal Government lay-offs, program cut-backs, and reduced consumer purchasing power. After years and Socred/Tory-type Budgets in British Columbia, the Prime Minister will have a tough time convincing British Columbians that Socred/Tory times are not tough times.

* * *

[*Translation*]

AGRICULTURE

GOVERNMENT'S PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the Budget of the Minister of Finance announces economic assistance programs for farmers. For instance, the Government will increase the budget of the Farm Credit Corporation during the next two years. A $700 million program has been set up for commodity based mortgages. These mortgages will be offered at a 6 per cent interest rate to farmers who have serious debt problems and will assure them of having long term and stable financing.

Initiatives will also be taken to make it easier for farmers who must look for another job. A new program will provide them with vocational guidance, retraining and temporary financial assistance services. These measures to support Canadian farmers will cost $65 million this year and $130 million next year.

The 3 cents a litre fuel tax rebate for primary producers will be extended for one year to January 1, 1988.

Mr. Speaker, all this is in addition to the many achievements of our Government to ensure the prosperity—

Mr. Speaker: Order, please. Sixty seconds. The Hon. Member for Westmorland-Kent (Mr. Robichaud).

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

OPPOSITION TO BILL C-96

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I rise today to express my opposition to Bill C-96, legislation which will cut federal contributions to provincial health care programs by over $4 billion over the next five years. According to the Canadian Medical Association, the cuts will create a two-tier health care system in Canada where one quality of health care will exist in richer provinces, and second or third-rate services will exist in the poorer provinces.

The New Brunswick Medical Society agrees with the Canadian Medical Association and has expressed its concern over the effects the cuts will have in our province where health care programs are already approaching a crisis due to a lack of funds. New Brunswick does not have the money or the taxing ability to raise its share of health care costs, and the Conservative Government, obsessed with slashing, should realize that and withdraw—

Mr. Speaker: Order, please. Sixty seconds.

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

LOSS OF JOBS IN QUEBEC—MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, yesterday hundreds of workers came to Parliament Hill to ask the Government to take action and help them save their jobs in Lauzon. This morning, we hear that 44,000 people in Quebec lost their jobs during the month of February, and that 23,000 young people have lost their jobs in this country. My question is directed to the Minister of Employment and Immigration. What does the Minister intend to do to help the 44,000 Quebecers who lost their jobs in February, and especially the employees at Davie Shipbuilding in Lauzon who were laid off, or will be in a matter of weeks?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we are pleased to see once again that the employment level is keeping to below 10 per cent. This is the second month in a row where the rate of unemployment has been below 10 per cent at this time of year. We know that some 52,000 jobs have been created in the Province of Quebec over the last year. We know as well that that is not good enough. The programs that we have put in place are working. That is why we will continue to move in this direction. We want to make sure that job creation in Quebec is at the same level and rate as it is elsewhere in the country.

YOUTH UNEMPLOYMENT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister did not answer my question. I will try with another one, and I may be luckier. My supplementary is directed to the Minister of Youth. As I said a moment ago, 23,000 young Canadians lost their jobs in February. Does the Minister think that she can be of any assistance to the unemployed youth of the country since she has no budget, no program? What can she do for the youth of this country with a chauffeur and a limousine?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there are some $700 million in employment and training programs directed to young people in this country. It is having an impact. Certainly we want to see more done. I have said that time and time again. With the Job Entry programs, Challenge '85, Challenge '86, and the institutional training programs for young people, these are having an impact. That is why there are far more young people working today than when we took office in 1984.

Mr. Garneau: Mr. Speaker, I understand that the Minister of Youth does not even have the responsibility to answer the question in this House.

* * *

[*Translation*]

THE BUDGET

INQUIRY WHY REGIONAL ECONOMIC DEVELOPMENT ENVELOPE FUNDING HAS BEEN REDUCED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my supplementary is directed to the Minister responsible for regional development. This morning's figures indicate that unemployment is very high in a number of regions across the country. Could the Minister explain, considering the high unemployment rate in these regions, why the Budget papers tabled by the Minister of Finance show that the regional economic development envelope has been cut by $15 to $9 billion for the years 1984-85 to 1987-88?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, clearly this is one more opposition MP who has not understood the facts. Perhaps we can get through to them this way—in the hour that they intend to question the Government negatively, another 70 Canadians on average will be added to the work force of the country.

Some Hon. Members: Hear, hear!

Mr. Stevens: That is every hour of every business day another 70 Canadians are getting jobs. Just think if the whole 70 of the Opposition could get back to work—

Mr. Speaker: Order.

* * *

● (1120)

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

PROTECTION OF JOBS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, who wanted to hear some positive questions. Here is one. Yesterday, 1,000 workers came here from Quebec, begging for jobs. On what page and at which item is there any indication that these people will have their jobs? Could the Minister inform the House where it says so in the Budget?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I said in response to a similar question yesterday, the Government is responsible for the bulk of the work that is now going on in shipyards. We plan to continue to route work into our shipyards.

If the Hon. Member will be patient, I am sure that even he will be rather pleased with the type of work that the Davie shipyard and other shipyards will be able to gain in the coming weeks and months.

[*Translation*]

REQUEST FOR SOLUTION TO PROBLEM

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. I asked a positive question, and the Minister was incapable of giving me an answer about the Budget. Now for my supplementary. Forty-four thousand jobs have been lost in Quebec! Could the Minister inform the House which page says how we can prevent the loss of 5,000 jobs in the East? What about the designated areas? On what page are they?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, clearly the MP has not been listening. When I said that another 70 will be added to the Canadian workforce nationally in the hour they apparently intend to spend with their negative questioning, it is partly a result of the very excellent Budget brought in by my colleague, the Minister of Finance.

[*Translation*]

THE BUDGET

WOMEN—SOCIAL JUSTICE—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State (Finance). Yesterday, I met with representatives of a number of women's groups from Quebec. All, without exception, said that the Conservative Budget's substantial tax increases put a heavy burden on women. Is that the meaning of Conservative justice?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, first let me point out that one of the interesting things about the employment figures published this morning is that jobs for women have increased. I think most women would be happy to hear that.

As I said yesterday, the people of Canada know that this is a fair Budget and that it targets our spending to the areas which need it most. There is a refundable tax credit for people in the lower tax brackets, and the child tax credit is being paid earlier. That is something of benefit to women across the country.

DURATION OF SURTAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, all Canadians, particularly women who make decisions affecting the family, know full well that the taxes imposed by the Government, taking into account the compensatory measures brought in, are an unjust burden on every Canadian family.

My supplementary question is directed to the Minister of State for Finance in the absence of the Minister of Finance. Considering that it is the woman who is usually involved in the decision-making process in the family, and that the 3 per cent surtax is very unfair because it hits everyone the same, why did the Minister of Finance tell a Montreal-based journalist that the Government intends to lift the surtax on the rich next year but has not planned to lift the surtax on ordinary Canadians until 1988? Why is there that injustice?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the surtax on the rich is considerably larger than it is on the poor, as the Hon. Member knows.

For an elderly widow with an income of $10,000, the increase as a result of the surtax is $2, which is more than offset by the refundable sales tax credit.

STATEMENT ATTRIBUTED TO MINISTER OF FINANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want the Minister to deal with the question of unfairness. Is it Government policy, as the Minister of Finance told a Montreal journalist, that the Government plans to lift the surtax of 3 per cent on ordinary Canadians? Although this is not in the Budget, he plans to do it in 1988, which is an election year,

while lifting the surtax on the rich next year. Is that fair? If it is good enough for the rich next year, who not lift the tax for ordinary Canadians at the same time?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the tax policies of the Government are directed particularly at those most in need, and the Hon. Member knows that. We have already suggested in the Budget that the refundable sales tax credit is an innovation that is evidence of the kinds of things we think are useful for people in lower-income brackets and that are fair.

* * *

[*Translation*]

ETHICS

AWARDING OF GOVERNMENT CONTRACTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns once again the compensation contracts a number of Conservative Members want to award to the party's financial backers.

According to a report by Canadian press yesterday, a Conservative Member who chose to remain anonymous said that similar lists had been drawn up by other Conservative Members.

Could the Deputy Prime Minister inform the House how many more Conservative Members engaged in drawing up similar lists, and could he give the House the assurance that he will put an end ot this practice immediately, to ensure that Canadians will not see their taxes being spent in this manner.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what the hon. gentleman is talking about and I do not think he does either. Contract procurement practices are set down by the Treasury Board. I think the Hon. Member might be referring to the matter he raised yesterday. The practices that were designed and laid down by the Government of which he was a supporter are still in place and, if anything, are more rigid now than they were under the previous administration.

REQUEST FOR COMMITTEE DISSOLUTION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, if I do not know what I am talking about, could the Deputy Prime Minister tell us why the Member published the "Sorry, I'm Tory" letter of yesterday? Will the Deputy Prime Minister immediately cause the dissolution of the Ritz-Carlton committee chaired by Mr. Roberge, a comittee that has as a member the Hon. Member for Quebec East? Will he put an end to this right now in order to ensure that the Government continues to have the faith of the Canadian people and the faith of all Members of the House, which he could ensure by dissolving this kind of repugnant committee—

Mr. Speaker: Order, please. The question is clear.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is a question I answered yesterday. The explanation was quite simple. The hon. gentleman who originated the letter, recognizing his mistake, has (*a*), apologized for it, and (*b*), written to all of the original recipients of the letter to tell them the correct procedure which is set out in the Treasury Board guidelines and Public Works procedure for the allotment of contracts.

Mr. Boudria: What about the Ritz committee?

Mr. Speaker: Order, please.

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THE BUDGET

EFFECT ON WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of State for Finance and concerns the Robin Hood myths of the Minister of Finance. Is the Minister aware that figures from the National Council on Welfare show that the combined effects of the 1985-86 Budgets, excluding sales tax, will take $58 of disposable income from a woman with two kids who exists at half the poverty line? Is this the kind of meeting of special needs about which the Minister of Finance has been talking?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not understand how many times I have to explain this to Hon. Members opposite. What we have done was to aim our policies at the people who need them the most, the people with the lowest incomes. Everyone loves to do numbers, but we know what the truth is.

NATIONAL COUNCIL ON WELFARE STUDY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, apparently the people who need it most are those in the highest income brackets. Is the Minister also aware that this study from the National Council on Welfare contradicts the Robin Hood philosophy of the Minister by indicating that a poor family headed by a woman will lose $58, not even including sales taxes, while a rich man who earns over $100,000 per year will gain $422? How is that possibly helping those in greatest need?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member forgets some of the other things that we have been doing in this connection. One is that we have reduced the dividend tax credit which is aimed directly at this mythical male person about whom the Hon. Member is talking. We have also eliminated income splitting.

• (1130)

We have introduced a minimum tax. I do not understand why those people opposite do not seem to be able to read.

* * *

YOUTH

INCREASE IN UNEMPLOYMENT RATE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Secretary of State for Youth. For several weeks now the Minister, with her chauffeured limousine, has been boasting about her advocacy role in promoting her Government's success in creating jobs for the youth of the country. The unemployment figures released by Statistics Canada this morning show an increase in youth unemployment from 15 per cent to 16.4 per cent. What is the Minister's next move to ensure her credibility with our youth and improve the lot of unemployed youth?

Mr. Boudria: Hire a young chauffeur.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want the Hon. Member to know that youth unemployment has come down 2 percentage points since this Government took office. Some 50,000 more young people are at work today and have meaningful jobs than when we came into office in September of 1984.

Mr. Gauthier: Because they are getting older, Flora.

Miss MacDonald: We are continuing that progress with Job Entry programs for those young people who have not been able to finish high school, for summer students who are coming out of university and college with Challenge '86, and with any other number of programs which are underway in the Department of Unemployment and Immigration.

I would urge the Hon. Member to make sure that those people in her part of the country get their applications in by the end of the week—

Mrs. Pépin: Order.

Miss MacDonald: —for Challenge '86 projects for young people.

[*Translation*]

BUDGETARY ESTIMATES—YOUTH—GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, since the Minister has lost her voice and her staff, I am giving her another opportunity to speak up and answer for herself.

Where in the estimates can one find funds earmarked to create more employment for the 700,000 youth who are hopeless and jobless?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, $700 million have been set aside this year for youth training and job creation. More than 200,000 youth are now or will be involved in employment programs this year.

That is what the Government has done. The unemployment rate has gone down to the lowest level ever and this trend will continue.

* * *

MINISTER OF STATE (YOUTH)

INQUIRY IF LETTER MADE PUBLIC ORIGINATED FROM DEPARTMENT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State (Youth). Can she confirm that the letter made public yesterday did come from her department and bear her signature?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, we have checked this last night and indeed the letter came from my department and bears my signature.

Quite obviously an error was made when the letter was drafted. Neither I nor my department ever intended to use public funds for partisan purposes.

I would suggest the wrong word was mistakenly used, and it should read "Party", not "Government". I do not think that anyone in a political "party" would not want to recruit people, so there was an error in the text.

If this incident has embarrassed the Government, my colleagues or the House, I apologize.

[*English*]

REQUEST THAT MINISTER RESIGN

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, does the Minister not recognize that in the circumstance in which she has clearly lost control of her office, she really has no choice but to resign?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I have not lost control of my office. I have no intentions of resigning.

Mr. Robinson: It has lost control of you.

Mrs. Champagne: I have made a mistake, and I think there is no one in this House who can boast of the fact that they have never in their lives made a mistake of one word somewhere.

Mr. Turner (Ottawa-Carleton): Right on.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Broadbent: It was a mistake the letter became public.

An Hon. Member: Come on, Ed.

Mr. Speaker: Order, please.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Minister of Energy, Mines and Resources said that part of the decrease in world oil prices had been passed along to the consumers in a two-cent per litre reduction at the pumps. I want to know why only part of the saving has been passed along to the consumers? And why do we have to wait so many weeks for further benefits?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, has answered this question any number of times in the House, including yesterday. She pointed out that there is oil in the system, that the price decline reflects earlier declines, and we would expect that recent declines will be reflected as well.

Mr. MacLellan: Mr. Speaker, the Minister of Energy, Mines and Resources has never answered this question, never.

WHOLESALE PRICE OF PETROLEUM PRODUCTS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Will the Minister of State for Finance tell me and this House why the Canadian wholesale market price for Canadian products in Canada is kept artificially high when the market price for refined products in the United States is going down? Will the Minister tell the consumers why this is happening? And will she tell the independent retailers why this is happening?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have no evidence that there is an artificially high price for petroleum products in the Canadian system, absolutely none, and I do not think the Hon. Member has, either.

If the Hon. Member knew how the market works, he would not need to ask this question any more. It has been answered any number of times by my colleague, the Minister of Energy, Mines and Resources.

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LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In spite of the Government's claim of an outstanding record in job creation, Statistics Canada shows that there has been a drop in the real unemployment rate from 10.9 per cent to only 10.7 per cent since the Conservatives were elected back in September of 1984.

Mr. Crosbie: Come on. You are really straining.

Mr. Nystrom: And there has actually been a loss of 149,000 full-time jobs since the election of her Party. In light of this information, how can the Minister justify cutting $100 million from the Canadian Jobs Strategy when there has been a real loss of 149,000 jobs since September of 1984—full-time jobs?

Mr. Crosbie: Your nose is getting a little longer.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what is happening in this House is that we have "Statistics Allmand", "Statistics Nystrom", and I am well content to stay with Statistics Canada.

Mr. Crosbie: How is that nose now?

Miss MacDonald: Statistics Canada reported this morning that the unemployment rate has stayed below 10 per cent, and that since September of 1984 almost 580,000 new jobs have been created.

Mr. Crosbie: Oh, they don't like that.

Miss MacDonald: It is widely spread across the country; in all regions, in all age groups, and in all sectors. We know it has to improve, and that is why the Minister of Finance brought in the Budget he did, and we will see improvement again.

Mr. Nystrom: Mr. Speaker, I am talking about real Canadians, not seasonally adjusted Canadians.

Mr. Rodriguez: Right on.

ELIMINATION OF YOUTH DEPARTMENT BUDGET

Mr. Lorne Nystrom (Yorkton-Melville): Would the Minister explain why her Government eliminated the entire budget of the Department of Youth when youth unemployment has gone up since the election of the Conservative Party in September of 1984, in real terms, from 17.5 per cent to 18.1 per cent?

• (1140)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the unemployment rate for young people is 16.4 per cent—down two full percentage points since we came to office. This means there an additional 50,000 young people who are at work today who were not at work in September of 1984.

I have already said we do not think that is good enough. We want to continue that progress, which is why we are putting $700 million of funding into youth employment programs this year. We expect that at the end of the year, Sir, you will see even better progress than we have had to date.

AGRICULTURE

PRICE OF WHEAT—ESTABLISHMENT OF COMMITTEE

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I wish to ask a question of the Parliamentary Secretary to the President of the Privy Council.

On December 13, 1985, a motion was passed in the House calling for the establishment of a committee to examine the domestic wheat price. What is the status of that reference at this time?

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Government is well aware of the Hon. Member's interest in this matter. I can tell him that the terms of reference are presently a matter for discussion among the House Leaders—

Mr. Speaker: Order, please. I was a bit worried about the question because it is really a question of House business. I think that perhaps it should be put that way.

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[*Translation*]

THE BUDGET

NEW 6 PER CENT TAX—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a question for the Minister of State (Finance). According to the Conference Board, the Government would not be able to reduce the deficit as it had hoped. Can the Minister of State (Finance) confirm whether the new 6 per cent business transfer tax to be levied as early as October 1 this year will offset the Government's revenue shortage not forecast in the February 1986 Budget? How do you propose to balance that Budget?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am a little bit bemused by all this focusing on what the Conference Board has said and has not said. Perhaps I could quote precisely what it has stated in its own hand.

Although we have used different assumptions regarding oil prices and interest rates, our analysis shows the federal deficit to be under $30 billion for 1986-87 and decreasing thereafter.

Some Hon. Members: Hear, hear!

REQUEST FOR ASSURANCE ON NEW TAX IMPLEMENTATION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my supplementary question is also for the Minister of State for Finance. Can the Minister assure the House, and all Canadians, that no new tax will be implemented until the next Budget?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that is a hypothetical question. The Hon. Member is once again trying to spread confusion on the basis of a newspaper report concerning a Conference Board study which we did not write and for which we are not responsible.

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[*Translation*]

STATUS OF WOMEN

IMPACT OF PUBLIC SERVICE LAY-OFFS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister responsible for the Status of Women. Could the Minister explain why the Government has done nothing to assess the impact on women of its job cuts in the Public Service? Is it fair that most of these job cuts should be concentrated in the Public Service where wages are the lowest, therefore affecting job categories where the proportion of women is the highest?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I wish to thank the Hon. Member for posing what is a very sensitive and difficult issue. As Hon. Members know, the situation which was outlined by the President of the Treasury Board is a temporary one. The former Government Departments become tremendously unwieldy. I have been in touch with the President of the Treasury Board about the sensitivity in relation to these necessary actions. The Government has taken a number of actions which are designed specifically to see that those affected such as women enter the Canadian Jobs Strategy. If we look at the question of employment, broadly speaking, and particularly—

Mr. Speaker: Order, please. The Hon. Minister is making what should be a statement. On a supplementary question, the Hon. Member for Ottawa Centre (Mr. Cassidy).

REQUEST THAT STUDY BE CONDUCTED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, whether or not the situation is temporary, the lay-offs which are taking place are permanent. Will the Minister responsible for the status of women ensure that the Government undertakes and publishes an impact study with respect to the effect of the Public Service job cuts on women? Since women make up 41 per cent of the Public Service of Canada, will the Government guarantee that no more than that percentage of employees who are women will be fired as a result of the job cuts?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to assure the Hon. Member that there is a maximum amount of sensitivity in this whole area along the lines of which the Hon. Member speaks. The question of employment equity, and the question of getting women out of ghettoized jobs where they are the first affected when there are these movements in any part of the economy, are a matter of priority. This is also true for the question of equal pay for

work of equal value, so that people, especially women, are not so adversely affected when these sorts of situations are forced upon us.

* * *

[*Translation*]

EMPLOYMENT

EQUALITY—RESPECT FOR WOMEN'S NEEDS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In his Budget speech, the Minister of Finance announced the creation of a new job strategy targetted at women who want to return to the labour force. Could the Minister assure the House that she will respect the needs of women in her new program, contrary to what she has done in Bill C-62 dealing with employment equity?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not understand the question.

[*English*]

Bill C-62 is before the House for debate. I trust that the Opposition will give support to employment equity. When the Hon. Member was the chairperson of the Advisory Council on the Status of Women I know that she did not put forward any proposals for employment equity. At this point I would urge her to move forward, to progress, to come into the real world, and to support programs which give women a chance.

[*Translation*]

EMPLOYMENT STRATEGY—MINISTER'S COMMITMENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish simply to emphasize that the Governement has turned down all the amendments that the Liberal Party had proposer to this Bill. Could the Minister, and I hope she will listen to and understand my question because she failed to answer it the first time around, could the Minister assure the House that she will not implement a new job strategy program if women as a group do not feel that this program meets their requirements? That is quite clear!

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as part of the Canadian Jobs Strategy, which started in September of last year, there was a particular program which was directed toward women re-entering the workforce after having been out for a number of years. I have had a chance to visit a number of these projects across the country. This morning, at a meeting with representatives from womens' organizations, I had a chance to talk about these projects. I was told by all that this is a very excellent approach to take, to help women get back into the labour force. I wish the Hon. Member would—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

STATUS OF WOMEN

FREE TRADE WITH UNITED STATES—IMPACT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister responsible for the Status of Women. Canadian women have denounced free trade with the United States because of the major disturbance it is likely to create for women employed in the service industry. Does the Minister think it is fair to open up without adequate protection this area where 80 per cent of workers are women?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I wish to thank the Hon. Member for raising a question on which I have had a number of representations from womens' groups across the country. I wish to suggest to the Hon. Member that I think the women of Canada have a lot of faith in the future of the country. They also recognize that, as we enter into discussions, we are doing so because those most vulnerable at the moment, in terms of these fluctuations, tend to be women who are ghettoized in many jobs. I have had conversations with Mr. Reisman and the Minister for International Trade. I have been pressing them to see that within the negotiation team there will be a person or group particularly designated to see that the interests of women, who tend to be the first affected, or who are in vulnerable jobs, will be protected.

Mr. Langdon: Mr. Speaker, I hope that person will, in fact, be a woman.

REQUEST THAT STUDY BE MADE PUBLIC

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, will the Minister guarantee that the study with respect to the impact of free trade on women being undertaken by Labour Canada will be made public and discussed directly with women representatives of the banking, insurance, communications and other service industries affected?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I can assure the Hon. Member that the discussions which are undertaken, and the mandate of those negotiating, will be to be in touch with those who are particularly concerned. Obviously there has to be a dialogue. If at the end of the day there is an agreement that is good for Canada, it will be because there has been a discussion and an agreement in the interests of all Canadians, particularly women.

• (1150)

EXTERNAL AFFAIRS

CIA FUNDING OF BRAINWASHING EXPERIMENT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Justice. It concerns the nine Canadians who were part of the brainwashing experiments in the late 1950s.

Florence Langleben, who was one of the nine, died on January 2, 1986. Her son, Wayne, lives in my riding of Don Valley East. He would like to know when the Government will release all the facts on this sordid experiment, and especially the facts about the CIA funding of this terrible experiment.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, when we came into office this problem came to our attention. We have taken action on the problem.

Mr. Rodriguez: With the speed of a snail.

Mr. Crosbie: Some months ago I appointed an independent outside counsel, in the person of Mr. George Cooper of Halifax.

Mr. Rodriguez: Is this a crab following a dead cod?

Mr. Crosbie: If the hon. gentleman wants to answer this question, he can. Perhaps he knows more about it than I do.

Mr. Broadbent: Probably.

Mr. Crosbie: That may be. But he has certainly not achieved anything in that connection for a number of years now.

Mr. Heap: Neither have you.

Mr. Crosbie: Why does the wise one not wait and listen to see?

Mr. Heap: We have waited a long time.

Mr. Speaker: Order, please. None of this back and forth. It is not getting the question answered.

Mr. Crosbie: Mr. Speaker, this is a matter of great importance to certain people. Why there should be these cheap interjections, I do not know.

Mr. George Cooper was appointed by me to act as an independent counsel to review in detail any connection the Government of Canada or any of its agencies had with respect to these certainly unfortunate events of some years ago. He is expected to conclude his report shortly, and the Government will then consider his report to see whether the Government has any responsibility whatever in connection with this matter.

I have no doubt that, after we receive the report and have had some time to consider it, we will make a statement, if not make the report public.

In the meantime, two members of the Department of Justice visited Washington at the beginning of this week—

Mr. Speaker: Order, please. The Hon. Minister knows I cannot let him go on. He may want to complete this answer under Statements.

Miss MacDonald: But it is very important.

Mr. Speaker: All the questions and answers are important. The Hon. Member for Westmorland-Kent.

* * *

[*Translation*]

RAILWAYS

FUTURE OF CN SHOPS AT MONCTON

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have a question for the Hon. Minister of Transport.

[*English*]

My question relates to a declaration made by the Minister's press secretary who said that maintaining the CN shops in Moncton from a purely business standpoint would be impractical and a money loser.

Is the Minister using his press aide as a messenger to the people of Moncton? Is he preparing them for bad news?

Hon. Don Mazankowski (Minister of Transport): No, Mr. Speaker. I think the Hon. Member knows that this is a matter that we take very seriously. There are several options being considered. An evaluation in being undertaken. I share with the Hon. Member the concern of the workers involved, and I can also assure the Hon. Member that we are trying to work out a satisfactory and positive solution to this whole difficult problem.

AIDE'S STATEMENT

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, does the Minister believe that such a statement from a ministerial aide is good publicity for the CN shops, especially when CN is looking at different arrangements to keep the shops open and protect the 1,200 jobs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in a very emotional debate, such as that which is taking place on this very important issue, a lot of statements are made, some of which vary in degrees of accuracy. I think the Hon. Member himself has, from time to time, tended to overstate the case. I hope that he will just be patient and work with us toward working out a satisfactory solution.

YOUTH

WORDING OF MINISTER'S LETTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of State for Youth. I want to give her the opportunity to correct a very serious misleading of the House in which she indulged—and I say that quite seriously—earlier in the Question Period.

The Minister has acknowledged that she wrote a letter to her cabinet colleagues. She said there was only one word in it that was a mistake.

Considering the whole letter is about partisan politics, and begins with references to a political agenda and includes these sentences, Mr. Speaker—

Mrs. Mailly: She has already dealt with that.

Mr. Broadbent: I am in your hands, Mr. Speaker.

Mr. Speaker: The Hon. Member knows that this is becoming a long preamble. Could we have a question?

Mr. Broadbent: Considering the Minister says in the letter:

> Caucus requires tools to maintain its political linkages with youth—
> Support to the recruitment efforts of the PC Youth Federations—

—are important: Which one word among these many was the error the Minister made?

Mr. Rodriguez: The whole letter.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I have apologized for anything in the letter which could—

Mr. Rodriguez: The whole letter.

Miss Champagne: —be construed as a partisan word.

I think that linkages with youth by members of any caucus are very important. I would imagine the Leader of the New Democratic Party would certainly want his people to have linkages.

We are working with the young people of Canada. Now that they know what we have done, what we are doing, and what we will be doing for them, I can understand why the Leader of the New Democratic Party would be worried.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister.

Considering that letter is a blatant attempt to use public funds for the recruitment of young people to the Conservative Party of Canada, would the Deputy Prime Minister not acknowledge that this is an abuse of the powers and responsibilities of a Minister, and request the Prime Minister of Canada to ask for this Minister's resignation?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know how much further the hon. gentleman, or Members applauding opposite, would want any Minister to go. She has been honest and forthright—

Mr. Broadbent: She got caught.

Mr. Nielsen: —in admitting the authorship of the letter, in admitting a mistake of the letter and in apologizing for it.

Surely even the Hon. Leader of the New Democratic Party is sufficiently human to admit mistakes from time to time and to apologize for them.

Mr. Broadbent: If you are in the Cabinet you resign, Mister.

* * *

STATUS OF WOMEN

ABSENCE OF FEMALE GUARANTORS FOR PASSPORT APPLICANTS

Mr. David Daubney (Ottawa West): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I would like to direct my question to the Minister responsible for the Status of Women.

Is the Minister aware that groups or professions eligible to act as guarantors of passport applications are almost without exception male-dominated ones, and, for example, the profession of nursing is not included on that list? What is the Minister prepared to do about this apparent, if unintended, discrimination against 50 per cent of the population?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to thank the Hon. Member for raising this matter. It is a matter which, on reflection, has a good deal of validity.

I will undertake to talk with my colleague, the Secretary of State for External Affairs, who has responsibility for passports, and review that list in this light.

* * *

NATIONAL DEFENCE

CANADIAN FORCES BASE SUMMERSIDE—CONSTRUCTION OF COMBINED MESS

Mr. George Henderson (Egmont): Mr. Speaker, I had a question on potatoes for the Minister of Agriculture. However, as he is absent, I will address a question to the Minister of National Defence.

On January 24, 1985, the Government announced a new Combined Mess for CFB, Summerside. Construction was to begin in October, 1986. Is that project on schedule?

Hon. Harvie Andre (Associate Minister of National Defence): Unfortunately, Mr. Speaker, I do not have that information at my disposal. I will take the Hon. Member's

question as notice and, as soon as I obtain the information, I will bring it to the Hon. Member's attention.

PROVISION OF FUNDING

Mr. George Henderson (Egmont): Mr. Speaker, there is nothing in the Estimates for that project. Is that an oversight in the budgetary process or is the project being delayed? I would like to have a response to that question, Mr. Speaker.

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I cannot give the exact number of projects we have on the go but it is in the hundreds.

In any event, the final decision on which will proceed this year, for Estimate purposes, must be in by October 31. As a consequence, the fact that it is not in the Estimates cannot be taken as absolute assurance that it will not be proceeded with this year.

* * *

● (1200)

EXTERNAL AFFAIRS

NICARAGUA—WOMEN KILLED IN AMBUSH BY CONTRAS—UNITED STATES FUNDING

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister for External Relations. In Nicaragua recently Contra invaders financed by the United States ambushed a truck, killed four peasant mothers, wounded others, and killed a Swiss agronomist. Will the Minister publicly ask President Reagan to withdraw his request to Congress for $100 million more to pay and arm the murderers of women, children, and civilians in Nicaragua?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the Canadian Government has already announced its policy concerning Nicaragua and Central America. I personally have had the opportunity to visit that country. We have a program which we apply very consistantly and we continue to support the Contadora effort.

[*English*]

Mr. Heap: Mr. Speaker, that was not an answer to the question. I asked for a public statement of opposition to the funding of these murderers.

REQUEST FOR DEMILITARIZATION OF CENTRAL AMERICA

Mr. Dan Heap (Spadina): Mr. Speaker, since the Minister has visited the region and is, therefore, familiar with the support of the churches for the Nicaraguan Government in its opposition to the funding of the Contras, and the support of at least eight Governments in that area, will she join those Governments and churches in asking for the demilitarization of Central America, including the withdrawal of American troops?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, it is both the practice and tradition of the Mulroney Government to co-operate with volunteer organizations. We are also involved in various programs with Church organizations. I want to emphasize that the Canadian policy differs considerably from the American policy and that we have every intention of sticking to it.

* * *

[*English*]

POINT OF ORDER

CORRECTION TO ANSWER DURING QUESTION PERIOD

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I rise on a point of order, this being the first opportunity to correct something I said during Question Period. During Question Period I said that in the vicinity of 50,000 new jobs had been created in the Province of Quebec since the election. That was a mistake. I should have said that 112,000 new jobs have been created.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

POINT OF ORDER

GOVERNMENT RESPONSE TO COMMITTEE REPORT

Mr. Speaker: Yesterday the Hon. Member for York Centre (Mr. Kaplan) raised a point of order which drew attention to an apparent breach of Standing Order 99(2), formerly 70(16), for those who have figured out the new numbering system.

The Standing Joint Committee on Regulations and Other Statutory Instruments requested a comprehensive response to its fourth report presented on October 17, 1985. The Standing Order provides that a comprehensive response should be tabled by the Government within 120 days of the presentation of a special committee report when such a request is made.

I must rule that the Hon. Member has raised a valid point of order, the Standing Order being quite clear. I simply indicate, therefore, that the Member has raised a point of order and this ruling will serve to draw the breach of the Standing Order to the attention of the Minister.

Mr. Gray (Windsor West): Mr. Speaker, could you give the House some guidance as to what happens to remedy this breach of the Standing Orders which you have noted?

Mr. Speaker: I am afraid that I cannot. The Hon. Member may wish to read the Standing Order. He will find that it is silent on that matter.

Statements by Ministers

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

TABLING OF GOVERNMENT'S RESPONSE TO FOURTH REPORT OF STANDING JOINT COMMITTEE

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, under the provision of Standing Order 99(2) of the House of Commons, I am pleased to table, in both official languages, the Government's response to the fourth report of the Standing Joint Committee of the Senate and House of Commons on Regulations and Other Statutory Instruments.

Mr. Speaker: That is the remedy.

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

TABLING OF GOVERNMENT'S RESPONSE TO FIFTH REPORT OF STANDING COMMITTEE

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, pursuant to Standing Order 99(2) I have the pleasure of tabling the response of the Government of Canada, dated March 7, 1986, to the fifth report of the Standing Committee on Labour, Employment and Immigration presented to the House on Thursday, November 7.

[*Translation*]

PRESENTATION OF REPORT ON DAY CARE

Hon. Walter McLean (Minister of State (Immigration) and Minister responsible for the Status of Women): Mr. Speaker, I have the honour of tabling in the House today, in both official languages, the March 7, 1986 Report of the Task Force on Child Care, pursuant to Standing Order 67.

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

* * *

[*English*]

STATUS OF WOMEN

INTERNATIONAL WOMEN'S DAY—STATEMENT BY MINISTER

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, it is an honour for me, as Minister responsible for the Status of Women, to rise in the House on the eve of International Women's Day. We all know that International Women's Day began as a one-day protest of intolerable working conditions for women in the United States.

[*Translation*]

Today, this event has undergone considerable expansion and is celebrated throughout the world during a full week of activities.

[*English*]

International Women's Day is one illustration that the women's movement has become global in scope. The movement's character is such that it can embrace women of all cultures, races, and economic conditions. Women are bound together by their commonality of purpose, their movement toward equality, and their desire for an equal chance.

Nowhere was this world-wide sharing of goals more evident than at last year's Wold Conference of Women in Nairobi, Kenya. The Nairobi Conference was a landmark event. I am proud to say that Canada was instrumental in the development of a comprehensive blueprint of action to improve women's status to the end of this century. These strategies for the future are being used to guide our Canadian development of policies related to women and issues of concern to women. They include our employment equity legislation designed to improve the status of women in the workplace, and our efforts to position more women in decision-making positions in government, agencies, boards, and commissions.

The Government made a promise that in its first term of office appointments of women to federal boards and agencies would reach 30 per cent of all appointments made *en route* to the eventual goal of a full 50 per cent. I am pleased to say that we are not far short of that interim goal.

Some Hon. Members: Hear, hear!

Mr. McLean: Improvements have been made to public and private pension plans. Further, new laws will facilitate the enforcement of support orders. There will be a legislated end to the decades of discrimination perpetrated against Indian women. The Canadian Jobs Strategy, for example, is now in place. It ensures that women have an equal chance in all federal training programs.

Since we took office in September, 1984, employment for women has increased by 306,000. Unemployment among women has decreased by 79,000. Fifty thousand young women have found jobs under Challenge 85.

[*Translation*]

These programs, as well as others we have developed, are tangible proof of the Government's commitment to creating conditions that will give Canadian women, on an equal footing with men, an opportunity to achieve their full economic potential.

[*English*]

That same philosophy, Mr. Speaker, underlies the Budget. While recognizing those most in need, its intention is to restore the nation's economic confidence through fiscal responsibility which will create an economic climate in which Canadian women, as well as men, can see their initiatives and efforts fairly and justly rewarded. Presently, women own one-third of Canada's small businesses and their numbers are growing. Women are responsible for starting two-thirds of Canada's new small businesses, and this is having an important effect on the Canadian economy. Women entrepreneurs will find evidence of the Government's support and encouragement in this

Budget. It will reduce the tax rate on small business income, double the amount of guaranteed loans available under the Small Businesses Loans Act, and broaden the tax rules providing deductions for allowable business investment losses.

• (1210)

[*Translation*]

Mr. Speaker, today I tabled in the House the report of the Task Force on Child Care.

[*English*]

The important and comprehensive body of research the task force presented will be a valuable formulation to the public hearings of the parliamentary task force on child care. I expect it to be a useful guide in the ongoing discussions addressing Canada's child care needs. Finally, I believe the report will encourage public discussion and debate on child care and child care needs in this country. It is a much needed debate because child care is fundamentally linked to women's equality. It is fitting that an airing of such issues should be renewed on this, the eve of International Women's Day.

In conclusion, as we salute the women of Canada, indeed the women of the world, it is timely to recall the commitment made at the Halifax First Ministers' Conference chaired by the Prime Minister (Mr. Mulroney) and attended by the Premiers, to bring front and centre next meeting scheduled for November for the economic equality and social justice issues as they relate to women.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it gives me great pleasure to rise on the occasion of Internatinal Women's Day. I especially want to emphasize the work of women, both outside and inside the home, of all women whatever their income, and to tell them that this is their day and that it is also a good day for Canadian women to tell this Governement that instead of simple statements of principle, they want this Government to keep all the nice promises we have been hearing since the 1984 elections.

I wish to stress the leadership given by the Canadian Government at the Nairobi Conference and point out that this Government should apply the same energy in implementing the principles discussed at this conference for the benefit of Canadian women. The Minister spoke about Bill C-62 on employment equity, and I simply want to remind the House that all the groups who appeared before the Parliamentary Committee said that they were dissatisfied with this Bill because it provides no objectives or quotas. Their recommendations were quite strong and, as an opposition Member, I must admit that I am certainly not satisfied with this Bill myself.

The percentage of women appointed to senior positions was also mentioned. The Prime Minister himself admitted publicly in November 1985 at the Halifax Conference that he was not satisfied with the percentage of women he had appointed. There have been statements in all the newspapers. As recently as this week, there was a statement by the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) about the appointment of ten businessmen to a new board set up to help amateur sport, but no woman was included. Once more, statements of principle are very important, but we are still waiting for them to be implemented.

We have examined the new Divorce Act. It is true that there have been improvements. However, during the election campaign, we were told that a central agency would be established to collect alimony payments. We are still waiting for such an agency.

Then, there is the employment strategy. In this regard, I would like to speak about the needs of women. Employment programs are being set up, but they do not address the needs of women. A tremendous number of jobs are said to have been created for women; but those are part-time jobs. And also, to reduce unemployment where women are concerned, they are referred to a program that creates ghetto jobs in which there is no opportunity for promotion. Those women who are living on unemployment insurance benefits are the ones who have been living alone for months and cannot then rely on any assistance program.

Who looks after their children? How can they learn to make up a budget? I think that job creation is good for reducing unemployment for promoting publicity for children's programs but as far as women are concerned, I can assure you that it will not work unless assistance programs are established. With no reference of course to part-time jobs, because most of them are part-time jobs.

Concerning the philosophy of the Budget, we know that it was supposed to help the poorest people. The poorest people are women responsible for single-parent families. They number over 72 per cent in Canada, and their income is in the range of $15,000 to $20,000 and they have been hurt by the Budget. There are taxes on drugs, a 3 per cent tax and a one per cent tax. I think it is unfortunate that the Budget has not been of any assistance to those women.

Speaking of women entrepreneurs, yesterday there was a press conference with women entrepreneurs in the Gatineau Valley area. They all told us: "We have no idea how we are going to survive with the new Budget."

Also when referring to the discussions, the Minister has tabled a report on child care. I am quite happy to have that report. Certainly all this will help the new parliamentary Task Force on Child Care. But then again, this involves the spending of an extra $1 million, and looking at the recommendations of the report that was tabled, I believe many of them could be implemented without having another task force on child care. The need is urgent. There are recommendations for the Government, recommendations that have to be implemented in 1986-87.

Then, at the end of the briefing we had on that report, we were told that the new Task Force on Child Care budget has just been cut to 5 points. Is this a public relations exercise on the part of the Government, or is it definitely its way of tackling the child care problem?

I obviously object to the cuts that were also announced in the new Budget concerning the positive action for women program of the Secretary of State. The Montreal Office of the Canadian Advisory Council on the Status of Women will close as of May 31, 1986. If this Conservative Government wants to show it is doing something for women, it will have to prove it. Concerning also the program for battered women and all the grants, it was acknowledged in this House last week that everything was under review, that we would see in due course where the grants would go. There would be an overall approach.

For now I will tell the Conservative Government that I am very satisfied with the declaration of principle, but I would very much like to see the Government fulfill all those wonderful promises we have been hearing about since September of 1984.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on International Women's Day, Canadian women join their sisters around the world to celebrate our achievements in working towards greater equality and our determination to work together in solidarity with our brothers to overcome the many obstacles that remain. At the Nairobi conference we joined women from rich and poor nations who are determined that Governments must make major changes to overcome obstacles and achieve real equality by the year 2,000. We will help each other.

Here in Canada, women in recent years have organized as never before to create a much broader understanding and to demand needed changes. We must remove economic barriers which still keep women in low-paying jobs with inadequate child care. We must continue to work for equal treatment and fair opportunity on all fronts. Women have achieved political power. We must use that power to bring about needed reforms to achieve true equality.

This Government made promises to women when it was elected. It is accountable to women to keep these promises. We are pleased that jobs for women have increased in some regions. However, we want these jobs to be adequately paid and full-time, with equal opportunities for promotion. Women want more access to training and retraining programs with child care, and language assistance for immigrant women. Women were promised employment equity. Unfortunately, the Government refuses to change the employment equity legislation to reflect the very serious concerns of Canadian women, particularly women trade unionists. We were promised pension reform and protection for older women. There has been no expansion of the Canada Pension Plan. The greatest crisis in Canada is perhaps the need for child care. Canadian women want definite action this year, not just a further delay.

In Nairobi, Canada advocated increased assistance for women in developing countries, women who are barely surviving and carrying tremendous burdens. I am ashamed as a Canadian that Canada has broken faith and has cut back on foreign aid to these women.

• (1220)

At the First Ministers' Conference in Halifax before Christmas the Prime Minister (Mr. Mulroney) committed his Government to a framework for economic equality with particular priorities to the impact of economic decisions on women. In the most important of government economic decisions, however, the Budget, the Prime Minister has broked his promises to the women of Canada. Unfortunately the Conservative Budget has dealt women a backward blow. Women who still earn 63 cent dollars will suffer most from the very unfair tax measures which will cost families over $1,300, including last year's sales taxes. This will push many women below the poverty line. The refundable tax credit will not begin to cover the actual sales tax poorest families' pay, much less compensate them for deindexed family benefits which will decrease the value of their income each year. Women are the victims as tough restraint programs are imposed by this Government. Women in clerical and service jobs are the first to go as public services are chopped, contracted out or privatized. The $4.8 billion Health and Welfare cut over the next four years and $2 billion in reduced transfer payments will deprive women of services as well as jobs. As I said, we are very concerned that Canada's job strategies also have had budget cuts.

Today we will be receiving the recommendations of the parliamentary Task Force on Child Care chaired by Katie Cooke. I am encouraged that the Minister has assured Canadian women that this important report will be given serious consideration and will provide the launching pad for this Government's special committee so we may find funding mechanisms for accessible, affordable quality child care. However, we do not want more promises. The Government must make an initial infusion of funds this year as an expression of good faith.

On behalf of Canadian women, my Party extends very warm greetings to women across Canada from the Atlantic to the Pacific, to the Arctic Circle. Women who give so much of their love, their talent, their energies and their work to their families, their neighbours, their fellow workers and, indeed, to humanity, we salute you.

* * *

Mr. Dan Heap (Spadina): Mr. Speaker, relating to the point of order that was answered by the Speaker about an hour ago about reports, I wish to ask the Minister of State for Immigration (Mr. McLean) whether he intends to fulfil the obligation of the Standing Orders by introducing this day a response to the fifth report of the Committee on Labour, Employment and Immigration, which was tabled in this House 120 days ago.

Mr. Deputy Speaker: The Chairman must rule that this is not a point of order, it is a question.

Mr. Heap: Mr. Speaker, the Chairman just ruled it is a point of order.

Mr. Deputy Speaker: The Hon. Member cannot address a question to the Minister at this time.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

SELECTION—TWENTY-SECOND REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the twenty-second report of the Selection Committee. If it is agreeable to the House, I intend to move concurrence in this report later this day.

* * *

[*English*]

PETROLEUM INCENTIVES PROGRAM ACT

Mr. Richard Grisé (Chambly): Mr. Speaker, as Chairman of the Legislative Committee I have the honour to present the report of the legislative committee on Bill C-85, an Act to amend the Petroleum Incentives Program Act without amendment.

[*Translation*]

In both official languages, Mr. Speaker.

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

* * *

[*English*]

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a point of order. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has asked, with the permission of the House, if I could introduce on his behalf the Bill that was just referred to.

Mr. Deputy Speaker: Is there unanimous consent to allow the Member for Essex-Windsor (Mr. Langdon) to present the Bill in the name of the Hon. Member for Winnipeg-Birds Hill?

Some Hon. Members: Agreed.

Mr. Steven W. Langdon (Essex-Windsor) (for Mr. Blaikie) moved for leave to introduce Bill C-276, an Act to Protect and Enhance the Quality of Drinking Water in Canada.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-277, an Act to Amend the Canadian Human Rights Act (sexual orientation).

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to implement the repeated recommendations of the Canadian Human Rights Commission and the unanimous recommendation of the Parliamentary Committee on Equality Rights to prohibit discrimination within federal jurisdiction on the basis of sexual orientation.

At the present time gays and lesbians are not protected from discrimination in employment or access to services or accommodation. This injustice and this denial of equality must end.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

Mr. Elliott Hardey (Kent) moved for leave to introduce Bill C-278, an Act to Amend the Export and Import Permits Act (import of motor vehicles).

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Hardey: Mr. Speaker, I am pleased to introduce this Private Member's Bill today, the purpose of which, as indicated by the title, is to ensure that 50 per cent of the market value of the parts of a motor vehicle imported into Canada from a country other than the United States are made in Canada. This Bill is being proposed in an effort to protect our automotive parts manufacturing industry. I call on Members from all sides of the House to read the Bill and lend their support.

Mr. Deputy Speaker: It is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Order Paper Questions

[*Translation*]

SELECTION COMMITTEE

CONCURRENCE IN TWENTY-SECOND REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House gives its unanimous consent, I move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

That the twenty-second report of the selection Committee presented to the House this day be concurred in.

Mr. Deputy Speaker: Does the Hon. Member for Ontario (Mr. Fennell) have the unanimous consent of the House to present this motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Deputy Speaker: Does the Hon. Member have leave to move the said motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1230)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 514 will be answered today.

[*Text*]

CANADA PLACE, EDMONTON, ALTA.

Question No. 514—**Mr. Rodriguez:**

Is the Government carrying out construction on Canada Place in Edmonton and, if so was the work tendered and (*a*) if so (i) on what date did the tendering take place (ii) how many tenders were received (iii) which firm or firms won tenders and for what amount (*b*) if not, what method was used to select the construction firm or firms?

Hon. Bill McKnight (Minister of Labour): The Government is not carrying out construction of Canada Place in Edmonton.

(*a*)(i)(ii)(iii) Not applicable.

(*b*) The project is being developed as a "lease-purchase" project, and under the terms of the contract the developer will lease the site from the Government of Canada for a term of 50 years, design and build the project, and lease 61,000 m^2 of space to the Government for a period of 35 years, with options to purchase at 20 and 35 years.

The project was tendered by means of a two-stage lease-purchase proposal call. The first stage invited interested developers, by means of a nation-wide newspaper advertisement, to submit information regarding their organization, their ideas regarding the development of the site, and the consultants and contractors they proposed to employ, together with information regarding their financial capability to undertake a project of this magnitude. Twelve developers responded to this invitation.

Seven developers were selected to participate in Stage II, which was the proposal call proper, and three developers submitted firm proposals. These proposals were evaluated on the basis of cost and design quality. The successful tenderer was Trizec Equities Limited, Calgary, Alberta.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 333 could be made an order for return, this return would be tabled immediately.

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 333 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

ECONOMIC DEVELOPMENT PLAN FOR MAGDALEN ISLANDS

Question No. 333—**Mr. Garneau:**

1. Did the Department of Regional Industrial Expansion implement an economic development plan for the Magdalen Islands area, in the Province of Quebec and, if so (*a*) on what date was the plan announced (*b*) what amounts were allocated (*c*) what is a list of authorized projects and, in each case, what amounts were allocated?

2. What amounts are available for 1985-86 in this area?

Return tabled.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: I wish to inform the House that because of Ministerial Statements, Government Orders will be extended by 17 minutes, beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from Thursday, March 6, 1986, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Deputy Speaker: There were four minutes remaining in the question and comment period following the speech by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). Further questions or comments? Resuming debate.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I was pleased to visit Newfoundland last week, as I frequently do, to promote the Budget. I will not say that I was defending the Budget because I found it was not necessary to defend it, only to explain those parts with which people may not be totally familiar. It is one of the finest Budgets ever presented to the House. I will not mention any of the possible exceptions, out of modesty, but it is a Budget based on the concept of enterprise, efficiency and equity. I will explain that as I go along.

My remarks are devoted to showing the kind of preferential treatment that we are offering Atlantic Canada. My theme will be that the Minister of Finance (Mr. Wilson) is like Prometheus bound, because he is faced with the desperate fiscal situation left to him by our predecessors. He does not have much room to manœuvre but where he has any room he has exercised his discretion to help Atlantic Canada, lower income people and the small business part of the economy in this country, because that is where the jobs are created.

First, I do not have much to say about the pitiful orations we have heard from the Official Opposition during this debate, including the depressing spectacle presented by the Leader of the Opposition in this debate. Rather than give my opinion, I will quote an impartial source. Jeffrey Simpson, a non-partisan person, had this to say in *The Globe and Mail* on March 5:

> The Liberals' response to the Budget offers further depressing evidence that hypocrisy and political opportunism are thriving on the opposition benches.

He said:

> The Liberals prefer everyone to forget that they are the architects of the slide from a balanced budget to a $36-billion deficit. Rather than inducing in them a pinch of modesty, to say nothing of shame, their shoddy stewardship of the nation's economic affairs is now conveniently ignored.

> Party leader John Turner, upon returning to public life, knew how shoddy that stewardship had been. He pledged repeatedly that if elected he would halve over seven years the federal deficit, then estimated at about $29-billion.

He goes on to point out how the Leader of the Opposition (Mr. Turner) came under the influence of Senator Keith "Gravy" who changed his mind on what he should do. The article goes on to state:

> The Liberals are now criticizing Mr. Wilson for a "massive tax grab," especially on low-and middle-income Canadians. But what is their alternative?

What is their alternative? Not once have we heard an alternative from the ragtag, tatterdemalion remnants on the Liberal benches. We know the alternative of the New Democratic Party; we have heard the same croaking alternatives for 15 years. However, we do not even know what the alternative of the Liberal Party of Canada is.

Mr. Simpson ended his article by stating:

> Liberal arguments merely reflect the party's grievous intellectual inconsistencies, to say nothing of flagrant opportunism and blatant hypocrisy.

A measured editorial writer from *The Globe and Mail* is making that judgment. Is it any wonder that poor Jean Chrétien had to flee from the grievous intellectual inconsistencies, the flagrant opportunism, the blatant hypocrisy and the depressing evidence that hypocrisy and political opportunism are thriving on the Opposition benches? It is a wonder that he could stomach it for so long.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I will leave the tatterdemalion ranks and make some positive comments.

I wish to address myself to Newfoundland because this is a part of the country that is certainly one of the more regionally deprived areas. Since September, 1984, 6,000 jobs have been created in Newfoundland. The figures are even better for the end of February. The total number of jobs created by our predecessor, between February, 1980—when the Liberals deceived themselves back into power after defeating the second greatest Budget of the century—and 1984 was 2,000 jobs.

The unemployment rate in Newfoundland has fallen by 4.6 per cent since the election; from 23.8 per cent in September, 1984, when we took office to 19.2 per cent at the end of February. The Hon. Member for Gander-Twillingate (Mr. Baker) has the gall and audacity to get up in the House and talk about jobs. The unemployment rate in Newfoundland while the Liberals were in power between 1980 and 1984 rose by 10 per cent. That is an astounding figure. Yet we hear these paragons—these sump pits of hypocrisy—asking questions about the job figures during every Question Period. The unemployment rate in Newfoundland rose by 10 per cent between 1980 and 1984 but has already gone done 4.6 per cent in the 18 months since we took office. The Minister of Finance and the Prime Minister (Mr. Mulroney) deserve a pat on the back because their record, compared to the miserable record of our predecessors, is absolutely Hellenic in its brilliance.

Let me give the House some more statistics. In December, 1985, manufacturers' shipments in Newfoundland were up by

41 per cent, compared to December, 1984. Bankruptcies were down 18 per cent and retail sales have increased by 7 per cent in the past year and 11 per cent since the September, 1984 election. The value of building permits is up by 11.5 per cent and 11 per cent more houses were under construction at the end of 1985 than at the end of 1984.

In spite of those facts, we hear those Members opposite trying to say that we are ignoring Atlantic Canada and that Atlantic Canada is somehow discriminated against. I will put the lie to that, if you give me enough time, Mr. Speaker.

I will not dwell on the pitiful shape of the deficit situation left to us by the Liberal-NDP alliance that practically wrecked this country in the last 15 years. I will not even mention that 22.8 per cent of all our spending in Canada for the year ending this March was to pay interest on the debt incurred by the Liberal-NDP wastrels and spendthrifts. It means that there was $25.61 billion that we could not spend on roads, services, economic development or improving the social security system. It had to be spent on interest on the debt left behind by those Members who we hear fussing every day about unemployment, jobs and Government policy. Mr. Simpson was being very polite when he talked about grievous intellectual inconsistencies, flagrant opportunism and blatant hypocrisy. He should have called it blatant opportunism and flagrant hypocrisy.

Let me explain what we have accomplished for Atlantic Canada in this Budget and elaborate on what has been done in Newfoundland in the past 18 months for which I and other Members here are proud to claim the credit. Action was taken for Atlantic Canada because we have influence.

● (1240)

I looked at a rag from Atlantic Canada called the "Atlantic Insight" magazine. One of its articles said that nothing has been done for Atlantic Canada and the poor PC Members there have no clout—they ain't got no clout. Well, if we ain't got no clout, why is the Government—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Just listen now. That is premature anti-clouting.

Mr. Gauthier: How about anti-mouthy?

Mr. Crosbie: What happened in the Budget? First, there was a new program introduced, the Atlantic Enterprise program. There are $1 billion worth of loans for Atlantic Canada for business start-up or expansion. It has to be a minimum loan of $250,000 or greater, for new capital investment. This will go together with the possibility of lower cost financing through interest rate buy-downs of up to 6 per cent. That is to give the private sector a chance to grow and expand in Atlantic Canada.

In Atlantic Canada someone said: "Oh, this is not going to help us. We don't have a very strong private sector". My answer was: "How are we going to get a stronger private sector if the Government does not help it to become strong?" Of all the parts of Canada, Atlantic Canada is receiving an entirely new program to help the private sector—that is, the four Atlantic Provinces and Atlantic Quebec. We are not forgetting our confreres in Atlantic Quebec, the Gaspé and Kamouraska, I think is the county. They are included in this program as well and we are happy to have them included. That is the great new program for economic development in Atlantic Canada. My comrade and friend, the Hon. Sinc Stevens, is in charge of that.

What happened to the investment tax credit? It is phased out across the country everywhere except where? Except Atlantic Canada. Is that discrimination against Atlantic Canada? Is that prejudice against Atlantic Canada? Does that show we have no clout? What utter crap, Mr. Speaker. The investment tax credit is phased out across the country except in Atlantic Canada and Atlantic Quebec. The 20 per cent tax credit has been extended. The 35 per cent for small business has been extended to the offshore to help the development of the oil and gas and mineral resources which lie offshore. So the rest of Canada was eliminated from this program.

I hope no one from the other areas is listening to me because I am speaking now to Atlantic Canada. The investment tax credit is left in place. Is that discrimination against Atlantic Canada? No, it is discrimination for Atlantic Canada because the Government knows that we are regionally deprived and we need assistance.

The 60 per cent tax credit in Cape Breton has been left in place. It is eliminated everywhere else outside of Atlantic Canada and that is discrimination for Cape Breton. Does that show a loss of clout of those who represent Atlantic Canada? Not on your life. That shows that the present Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) has a hell of a lot more clout than the person in the other place who sidled and snook up to that other place. He was shrewd enough to know that the shellacking was coming and he went to the other place and did not run in Cape Breton again.

I do not have time to go into all of the research and development, but there was a $300 million increase in research and development spending for the Natural Sciences and Engineering Research Council, the Medical Research Council and the Social Sciences and Humanity Research Council, which will help us because we do not have that much R and D spending going on in the private sector. We need these granting councils to play a key role.

I was told there is nothing in the Budget for fishermen. What twaddle! Fishermen, farmers and loggers are going to continue to receive the three cent per litre rebate on gasoline and diesel fuel used in commercial activities. It is extended for a year to January 1, 1988. That is over 13 cents a gallon for every fisherman out there in his boat. In the inshore fishery or otherwise, he pays 13 cents a gallon less for his fuel. That is what is there for fishermen.

There is the extension of the Small Business Bond, the capital gains tax exemption, and the increase in the refundable tax credit for R and D. The 12.5 per cent tax on dividend

distributions will be repealed. The federal tax rate on small business is going to be reduced from 15 per cent to 14 per cent.

We do not hear the hyenas opposite mention the tax reductions. We sure don't. It will be effective January 1, 1987. The federal tax rate on manufacturing processes and income of small business corporations is reduced from 10 per cent to 8 per cent. The ceiling on total Government guaranteed loans under the Small Business Loans Act more than doubles from $1 billion to $2.5 billion. Who does that help? Small business, that is who. Where are the most small businesses in the country proportionately? They are in Atlantic Canada. Who is this all helping? It is helping Atlantic Canadians, that is who.

I hope the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) speaks in this debate, because while he was in the Government, it was all temporary. Every year the Government had to extend the northern benefits. Now we have put them on a permanent basis. All those who live in northern Canada, including Labrador, will receive a new permanent system of tax benefits for housing and travel. Under the new system, 20 per cent of their net income can be deducted up to $225 per month. There will be an income tax deduction for employer provided medical and vacation travel, and it will apply to those who are self employed as well as to employees. The Hon. Member should get up and cross the floor if he opens his mouth in this debate today, because we have put in place these permanent benefits to encourage the people who live in the north and who are developing northern Canada.

There was also the assistance for low income Canadians. There are more low income Canadians, unfortunately, proportionately, living in Atlantic Canada and Atlantic Quebec than in anywhere else in the country. What did we do there? Whenever we had any money to spare at all, we gave it to the lower income Canadians. The Child Tax Credit increased from $384 a child last year to $454 a child this year. There is a prepayment of $300 a child to be made in November to claimants who have family incomes of $15,000 or less. That will help at least a million claimants. There is a new refundable federal sales tax credit, $50 for adults and $25 per child, for families and individuals with incomes below $15,000. I am asked what this is going to do for fishermen. The average income of inshore fishermen is less than $15,000 a year. What is the Budget going to do for them? It is going to put a lot of money right into their pockets. And there is the New Democratic Party with its picayune, seal-like minds, waving their little flippers in opposition to the Budget when the Budget is doing all these things to help lower income Canadians. Four million families and individuals will be helped.

What did we do to help the disabled? We increased the disability deduction by $250. Last year we extended assistance to an additional 120,000 disabled Canadians. There are 185,000 disabled Canadians who will benefit as a result of the Budget this year. We extended the spouses' allowance last year. Wherever we have had a chance to do anything with the miserable fiscal climate left to us by our predecessors, we have exercised it to help create economic opportunity in Canada, and to help lower income Canadians and small businesses.

I do not have time to go into the private pension plan improvements and the training and employment programs. There is a program for older worker adjustment of $125 million over the next four years. There is the Canadian Jobs Strategy. These are all helping Atlantic Canada tremendously.

Persons receiving social assistance are to have a special program. We are spending $100 million a year to try to get more of them to work. That helps Atlantic Canada tremendously also.

I see, Mr. Speaker that you are giving me the signal that I am running out of time. I don't have enough time and I have lots to say. In my last two minutes I am going to list some of the things we have done.

We set up the Offshore Development Fund for Newfoundland; 75 per cent from the Government of Canada, that is, $225 million. The Minister of Energy, Mines and Resources (Miss Carney) just announced $34 million worth of projects. We are supposed to have no clout?

We just put another $77 million into Fishery Products International in order to put it on its feet, and $5.6 million to upgrade its secondary processing facility at Burin. There is a $180 million roads agreement, $112.5 million of that put in by the Government of Canada.

Hon. Members opposite should see the monuments they are erecting to me down in Newfoundland.

We are pledged to build a penitentiary twice as large as the penitentiary which the Hon. Member for Grand Bay-White Falls-Ladrador pretends his then Government was going to put in. I have no time to go into the details. Perhaps hon. gentlemen opposite will ask me questions with respect to it.

• (1250)

Then there is money for pulp and paper mill modernization at Corner Brook and Grand Falls, some $46 million in total, $38.5 million of which is federal funds. I announced another $3.1 million for Abitibi-Price in Grand Falls several weeks ago. There will be $38.5 million in the federal Canadian Jobs Strategy program, $35 million from Ottawa.

There are two special programs to help fishermen. There is the extension of the Challenge '85 program in 1986. The allotment this year is over $5 million. There is MILAP assistance for Buchans and Corner Brook to the tune of $7.1 million which is money to assist 118 unemployed miners in Buchans. There is $300,000 for the benefit of five former millworkers in Corner Brook. I do not have time to elaborate. Hon. Members should have come with me to Buchans two or three weeks ago to see what they think there about who has clout and who has not and who is doing what for Atlantic Canada. Oh, it would have brought tears to the eyes of members of the NDP.

Some Hon. Members: Hear, hear!

Mr. Crosbie: There is $4.8 million in special programs for fishermen prevented by ice from fishing. There was another $9.5 million for fishermen last fall who did not qualify for UI, some 1,350 fishermen and 1,500 plant workers in all.

With respect to flood relief I turned over a cheque for $1.5 million in connection with the Exploits River flood damage. In regard to the Port aux Basques water supply, there was a promise made by the Liberals which was never carried out. We allocated $8.5 million for the Port aux Basques water supply. God, if I had the time to elaborate, Hon. Members would just fall over. They do not realize what we are getting away with.

There is a convention centre in the City of St. John's to which the federal Government contributed $1.7 million. There was some $93 million for the Goose Bay airport, a 10-year program of improvements there. We are going to—

Mr. Deputy Speaker: Order, please.

Some Hon. Members: More, more!

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I am happy to see the Minister has finally put his speech out of its misery. I am also happy to note that the Government has regained its confidence in the press in that the Minister quoted from an article written by Jeffrey Simpson from *The Globe and Mail* of March 5, 1986. I note that the Government now shows its satisfaction with the way the press reports its propaganda. I would like to ask the Minister this. Has he had lunch recently with anyone from the press so that he now has them on his side spreading the propaganda of his own Party?

Mr. Crosbie: Mr. Speaker, we do not express either satisfaction or dissatisfaction with the press.

Mr. Gauthier: You sure as hell did!

Mr. Crosbie: The press are there and we live with the press. Of course, some members of the press are even more accurate and truthful than other members of the press. When we see a national columnist who is not known to be partisan come to the conclusion that the response to the Budget by the Liberal Party is "depressing evidence that hypocrisy and political opportunism are thriving on the opposition benches" what can we do but note it and put in on the public record?

I am glad the hon. gentleman asked me the question since I am a bit angry with the press who did not make sufficient of the North Warning System. Of course, we are now placing North Warning Stations in Labrador. Would Hon. Members like to know what will be spent in Labrador with respect to two long-range radar stations at Saglouc and Cartwright and five short-range radar stations? In excess of $120 million. The press failed to report that I had arranged matters so that the consulting engineers doing this work are from Newfoundland. We are now busy ensuring that when the tenders are called they will be called in amounts which are not too large for Atlantic Canada and Quebec companies to handle. The press did not report on that. So this is a little failure of the press which I am glad the hon. gentleman gave me a chance to point out.

In addition, when we were in St. John's last week, the Minister responsible for housing announced a new federal-provincial global agreement in social housing with Newfoundland. The press neglected to give that the attention it should have been given. Some $6.6 million will be allocated for the Agnes Pratt Senior Citizens Home in the district of St. John's West which I have the honour to represent.

Mr. Gauthier: I didn't ask that, John. We are not interested.

Mr. Crosbie: Mr. Speaker, the Hon. Member is not interested. They are interested in Newfoundland. Some 150 chronic care beds will be implemented at the Agnes Pratt Home and the Golden Heights Home in Bonavista in the district of my friend, the Hon. Member for Bonavista-Trinty-Conception, Captain Morrissey Johnson, that seal captain of international renown.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The press should be criticized occasionally. Some $25 million will be spent under this new social housing agreement in Newfoundland for those who cannot afford to do it all themselves. Some 2,400 new households will be created in 1986. We are extending the Residential Rehabilitation Assistance Program throughout every nook and cranny of the province.

Mr. Gauthier: Don't get wound up, you're just supposed to answer one question.

Mr. Crosbie: That is being done because of the new Government in Ottawa and the Government in St. John's, and because of yours truly who has fought so hard. They will know down there when they receive their RRAP assistance who is responsible.

Mr. Deputy Speaker: Order, please. The Hon. Member for Essex-Windsor (Mr. Langdon) on a question.

Mr. Langdon: Mr. Speaker, one hesitates to give the Minister a chance to get wound up again. However, I cannot resist asking a few questions of him.

Mr. Gauthier: You won't get any answers!

Mr. Langdon: I would like to ask a few questions with respect to his superb oratory. However, the facts were not quite so superb, although the oratory was not bad.

With respect to his reference to the program for older workers, might it not have been fair to mention that there is a reduction in the amount of money to be provided in the Budget for older workers displaced and facing readjustment? Also, might it not have been honest when talking about the Canadian Jobs Strategy to mention that the Budget reduces the funds to the Jobs Strategy program and does not increase it? Might it not have been more accurate to have noted that the $50 rebate of which the Minister spoke so proudly is just to make

up for the loss which poor people in the Maritimes will suffer as a consequence of the 1 per cent increase in sales tax? In talking about Challenge '86 might it not have been more honest for the Minister to say that this program, too, has been reduced in terms of the amount of money it will receive this year? Finally, in talking about the Atlantic provinces, and if the Minister wanted to boast, might it not have been more wise to boast about the 3 per cent income tax surtax which every Maritimer and Newfoundlander will have to pay? That might have been a more fair and a more honest representation of the realities which Atlantic Canada will suffer as a result of the actions of this Government.

Mr. Crosbie: Mr. Speaker, beauty is always in the eye of the beholder, as is quite obvious. I could see that hon. gentlemen in the Opposition were not agreeing with some of the points I was making because not only could I see their heads rattling but I could hear them.

With respect to the points the hon. gentleman rattled off a few minutes ago, the unemployment rate has gone down to 9.8 per cent. It is under 10 per cent for the first time in three or four years. Therefore, if there is any diminution in the amount allocated for employment programs in the coming year, surely it is a reflection of the fact that the employment situation is better.

There is some $800 million allocated for employment and training programs in the coming year. There is $125 million allocated to the Program for Older Worker Adjustment which will replace the Labour Adjustment Benefits Program. There is a $100-million-a-year program for a duration of three years which will total $600 million with matching provincial funds. There are employment initiatives for people receiving social assistance. If he wishes, the hon. gentleman can say that is less. I say it is more and I say that the need is less than the need was and that the need, as the figures show today, will be going down.

• (1300)

We have a Budget that encourages enterprise. It encourages efficiency and reduction of Government spending and it is equitable. The hon. gentleman over there never mentioned the minimum tax that higher income people are going to have to pay of at least 25 per cent, also a part of this Budget. The official Opposition spent 20 years putting exemptions and tax loopholes into Budgets, exemptions and tax loopholes which we are now closing.

As one of the examples of equity in this Budget, we have the 25 per cent tax on higher income earners. It is reasonable to believe that that is not entirely equitable for some of them, but certainly in the context of the whole fiscal system, for the first time a tremendous loophole has been plugged, yet members of the NDP never croak up to say how appreciative they are of this. Certainly members of the Official Opposition do not because they are the ones who provided all these loopholes in the first place.

As an Atlantic Canadian, I am happy to have had the chance to explain to the House what we are doing in Atlantic Canada. I did not have a chance to explain how we doubled spending under IRDA and regional development last year. We are now spending over $80 million as compared to $40 million on average in the previous eight years of the Liberal administration. I did not have an opportunity to really go into this matter. If I had, I am sure that those over across the way would have been even more dumbfounded and green with envy than they are right now. I challenge one of them to ask another question, just one other question.

Mr. Deputy Speaker: Sorry, the time for questions and comments is over. Resuming debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I really must confess that while witnessing the tremendous oratorical skills of the Minister of Justice (Mr. Crosbie), I laughed unashamedly at much that he had to say. Almost everyone listening to his speech was overcome with the humour and the encouragement to laughter that so often characterizes those who are otherwise hurting deep inside. If the Minister of Justice had had to admit during the course of his oration how bad this Budget is, he would have had tears in his eyes. It is a fit substitution to encourage laughter in us and in his eyes. It is a fit substitution to encourage laughter in us and in himself to obscure the deep hurt that this Budget is going to cause him and his Party, and is already causing in the Province of Quebec as reported in the newspaper this morning.

The Minister said that our heads did rattle. Of course, the Minister's head does not rattle. It is so full of nonsense that it has little room for rattling. In fact, the Minister went so far as to subject the Budget of his own Party to *reductio ad absurdum*. I can understand that because when I went home last weekend I called a number of my constituents at random. The judgment that is to be applied to this Budget was expressed in no uncertain terms by all to whom I talked. It was expressed in a very simple, six-letter word, "unfair". The word "unfair" was used by those who themselves will be the victims, the average Canadians. But the Budget was also deemed to be unfair by those who are not going to be subject to the offensive imposition of taxes that the middle-income earners are being subjected to.

Senior citizens are appalled by this Budget that has another devious content, and that is that the average hardworking Canadian who has a hard enough time making ends meet will have to pay the cost for the poor while the rich go scot-free. The Budget is a clear attempt to alienate the average, hard-working Canadian from the poor who are being hurt the most by conditions in the country, conditions which are being perpetuated by the Government.

The complaint of unfairness in this Budget is something that will be repeated again and again. It has been repeated by members of the two opposition Parties and very quietly by members of the Tory Party itself. However, the complaint will come from all across the country until the devils are tossed out.

There is something even more significant in this Budget, something that continues a pattern of the past. The Government promised change. I have to describe an impression of politics that I had from the outside, and that is that politicians are too often unable to see beyond today's press scrum or next year's election sufficient to do the things that are necessary to assure the long-term destiny of this country. This has not changed. Those politicians have difficulty in addressing the concerns of the future and have difficulty doing things within a long-term context which will address in a deliberate, coherent and systematic way what must be done to assure that Canada's destiny will be properly fulfilled. That has not changed.

Part of assuring the future of this country is to assure the future of its young people. The plight of the youth of Canada has been described in recent weeks by the New Democratic Party task force on youth which consulted nearly 600 young people from coast to coast, and by a Senate Committee on youth engaged in a similar exercise. There are differences between the two reports, but they say quite clearly, as did the United Nations when it declared National Youth Year, that there is an incipient crisis among youth that must be addressed. It is a crisis that is manifest in the high rates of unemployment among the industrial nations of the world. It is so serious, indeed, that this alienation and unrest has caused riots in many of the cities in Europe.

In order to avoid that kind of social dislocation in other countries the United Nations, for that specific reason, declared last year International Youth Year.

In Canada we celebrated International Youth Year, sponsored by a Minister who was supposed to be an advocate of youth and who had the responsibility for focusing the concerns of this nation of the needs of young people. We know the sad litany of truths about the real intent of the Ministry of State for Youth. The Minister of Justice talked about hypocrisy. What would be more hypocritical than to have 700,000 young people unemployed, many without a hope for the future? The Ministry exploits the office, not for the purpose of helping youth but to assure the recruitment to the Progressive Conservative Party of the young people of this country.

We have had hyprocrisy from this Government until it is falling out of our ears. This is a Government that has been described as accident prone. No Government would be as accident prone as this Government if it were determined to follow reasonable principles of integrity and commitment to the needs of the people. The way in which the young people of Canada have been treated by the Ministry and the Government is a shame for which the youth are owed an apology.

In response to questions put to the Minister of State for Youth (Mrs. Champagne), we have been told that so much has been done to create jobs for young people and that this new Budget offers so much. If "lie" were not an inappropriate word, I would say that that was the word which could be properly applied to what the Government has done.

Youth are affected in the same way as others by some of the Budget measures. The new 3 per cent surtax will affect young people just as it affects all other people in Canada. Young people will also be affected by the sales taxes. They will be affected by all the taxes that affect other people. While young people are unemployed, one could have expected some effort on the part of the Government to manifest its interest in young people, not by cutting expenditures which benefit youth but by increasing expenditures for the benefit of youth.

• (1310)

Let us look at what the Government has done. The Minister of State for Youth has claimed that the Canadian Job Strategy is the Government's indication of a commitment to the needs of youth in job creation. My God, listen to this commitment, Mr. Speaker. Some $160 million or 8.6 per cent of the Budget out of the Canadian Job Strategy has been cut. That is how the Government serves the young people.

The Government tried to pull another dirty trick on the young people. The Government said $30 million will be put into the census and the young will get jobs. They want 12 week jobs, Mr. Speaker, but they will get six week jobs if they can get the jobs while they are going to school. They will also be in competition with the adults who are also seeking those jobs.

Mr. Rodriguez: Do they have to be Tories?

Mr. McCurdy: That is a good question. Of course, we have an indication that it may be necessary, through the communication of one of their Members, but we will not enter that dispute right now.

In addition to the $30 million diverted from Challenge 86 to the census, there was an additional cut of $8.6 million. This ia how the Government serves the youth of this country. If one looks at the Budget for the Secretary of State for Youth programs, we find it has been cut by $22.7 million, a decline of 56.6 per cent. Then, in 1987-1988 an additional $100 million will be cut from the Canadian Job Strategy. What promise for the future the Government provides for the young people. What promise for jobs? What promise for the future is it providing for the youth?

The Government has failed the future when it failed the youth. The Government has failed them both by this Budget.

Mr. Rodriguez: The Government has failed the test.

Mr. McCurdy: We could talk about the insensitive abolition of Katimavik. We could talk about the sorry litany of things not done for the youth but to the youth. The youth, we are told, by the Government, must be the human resources for future economic development. That is what the Government thinks of the youth. The youth are resources like fish, trees and soil. That is the Government's view. The Government does not address the human concern that the young should be properly educated, properly trained with the skills by which to build the country and so have successful and creative lives for themselves.

If we look at what the Government has done with the universities we will see that they are a shambles. In one university we visited the lights are being taken out of reading

rooms to save hydro. In another university they are burning books to save library space. In another university assignments are not given because there is not enough money to provide paper. Our universities are in a tragic situation, so bad financially that increasingly accessibility to the universities is being cut. Potential students who only recently achieved access to university, the women, the disabled, the minority groups and natives, are finding it too difficult to get into university. Someone going to university now has to borrow to the maximum, as low income families do. They will be faced with a debt of $40,000 in interest plus principal. It will cost them $350 a month for nine years before they have a secure life debt free from the cost of attending university. This is how bad the situation has become.

It is so bad that the best of our professors are leaving Canada and for those who get into university, they will find that the quality of education has deteriorated. Yet the Government is cutting the rate of increases in transfer payments, the rate at which it meets the costs of the operation of the universities with the provinces. This has been addressed, at least in part in previous discussions.

We have reached the conclusion that the heads of the Government are impervious to reason, to understanding, and in their ability to look to the future and plan for the future.

This attitude is manifested also in the nonsensical, hypocritical devious way in which the Government has treated science. This is a Government that claims to understand that if the country is supposed to have an economic future, it must be dependent upon the development of research and technology to a level which can reasonably be expected to compete with other countries. At present, we are winning a good, tight race, just slightly ahead of Italy. Pretty soon we will be behind Monaco, at the rate the Government is going.

Mr. Deputy Speaker: Order, please. The Hon. Member will have five minutes when we resume.

It now being one o'clock, I do now leave the Chair until two o'clock p.m.

At 1.17 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at 1.17 p.m. the Member for Windsor-Walkerville (Mr. McCurdy) had the floor. The Member not being present, we will continue with debate.

Some Hon. Members: Question.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of the Minister of Finance (Mr. Wilson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

An Hon. Member: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

An Hon. Member: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to.

* * *

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in view of the fact that there has been ample time provided for debate, I move, seconded by the Hon. Member for Gatineau (Mrs. Mailly):

That this House do now adjourn.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

● (1410)

During the ringing of the bells:

Mr. Deputy Speaker: The Chair has been informed that because of slippery conditions on the hill the buses are running late. Therefore, the ringing of the bells will be extended and the vote will take place shortly.

The House divided on the motion (Mr. Lewis), which was negatived on the following division:

Borrowing Authority Act

(Division No. 206)

YEAS

Members

Nil

NAYS

Members

Andre	Edwards	McInnes
Attewell	Fennell	McMillan
Beatty	Ferland	Merrithew
Bernier	Gagnon	Nicholson
Bertrand	Gérin	(Niagara Falls)
Bissonnette	Gervais	Nielsen
Blackburn	Grisé	Nowlan
(Jonquière)	Guilbault	Price
Bourgault	(Drummond)	St-Julien
Boyer	Hawkes	Scott
Brisco	Hockin	(Hamilton-Wentworth)
Cadieux	Hudon	Stevens
Clark	Jardine	Suluk
(Yellowhead)	Kempling	Tupper
Corbett	Kilgour	Vézina
Crosbie	Landry	Vincent
(St. John's West)	Layton	Warner
Crouse	Lewis	White—52.
Daubney	Mantha	
Della Noce	Martin	

● (1440)

Mr. Speaker: I declare the motion lost.

* * *

[*Translation*]

BORROWING AUTHORITY ACT, 1986-1987

MEASURE TO ENACT

The House resumed, from Friday, February 28, consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Jean-Guy Hudon (Parliamentary Secretary to the Minister for External Relations): Mr. Speaker, I welcome this opportunity to take part in the debate this afternoon,—I invite my hon. friends and colleagues opposite to come in,—to speak to the Budget tabled last week and to express my support for the Government's action at this time, which I may remind the House, is primarily aimed at maintaining a continuum. We shall see how the Budget continues and consistently maintains the principles laid down in the November economic message, the first financial statement tabled by the Minister of Finance (Mr. Wilson) on November 8, 1984, and the May Budget tabled a while ago. Mr. Speaker, I believe that this Budget, which is aimed at maintaining continuity, deserves to be analyzed and discussed, and that is why I welcome this opportunity to take part in the debate.

The Budget's action is sustained and logical and relevant, and it introduces and is part of a strategy to develop our country and to face up to our responsibilities. Mr. Speaker, this strategy . . . we must not forget that we are looking to the future and that we are particularly concerned with development plans. I must emphasize that the development plan is both regional and sectorial. I remember last year in the House when, after the election campaign and after the Minister of Finance had brought down his first Budget, a wholesale attack was launched on the Budget and the measures it contained.

Mr. Speaker, I don't know whether you remember, but at the time I compared the House to a chicken coop, because our hon. friends opposite kept saying: You promised jobs, jobs, jobs and all you did was cut, cut, cut. And they kept repeating the same "cut, cut, cut", sounding like a bunch of chickens.

Today, I suppose we could say the attitude of the Opposition has changed, but in any case they are not listening very carefully because there is no one in the House. Their attitude may have changed, Mr. Speaker, because 586,000 new jobs were created, and whatever the Opposition said at the time, which was widely publicized, and the press could perhaps help us in that respect, because they can go back to their files and see what they wrote. The press will tell us it is true, the Opposition told us last year: The Budget brought down by Mr. Wilson will lead to the loss of 200,000 jobs. And now, Mr. Speaker, we have 586,000 new jobs.

Mr. Speaker, that is why it is very important to take another look at Mr. Wilson's Budget speech and look at the statistics it contains, to show how beneficial our action as a Government has been.

Still on the subject of regional development, Mr. Speaker, I would like to say first of all that we are putting $3.8 billion into regional development—I will let my hon. friend from the Atlantic provinces elaborate on the Atlantic Enterprise Program and the Cape Breton Investment Tax Credit. I think it is only fair to have the Member for this region comment in greater detail on these measures.

● (1450)

Mr. Speaker, something must be said about measures especially designed for the North. Effective January 1, 1987, all northern residents will be eligible for a net income tax deduction of 20 per cent related to their dwelling, up to a maximum of $225 a month for each individual, or $450 if the taxpayer resides in a self-contained domestic dwelling. In other words, Mr. Speaker, first it is no longer temporary, as the Minister of Justice (Mr. Crosbie) said this morning, it will be on a permanent basis, it will be part of the Standing Orders of the House, of the Budget process, and it will be a statutory provision as of now.

So the first thing is the possibility of a deduction related to the dwelling. As a second measure, Mr. Speaker, we will also allow more travel deductions for northern residents, not only for medical purposes but also for vacation travel. There will be no set limit for trips to hospital, but all other trips will be

limited to two. This second measure is in addition to the first one concerning the dwelling deduction.

The third important point is the maximum tax of $50 on domestic flights. These three measures will cost the Government $120 million which will be recouped elsewhere.

Mr. Speaker, it shows that the Government is taking action on a regional basis. More striking examples can be found in the new Jobs Strategy program, Mr. Speaker. Ever since we have been elected we have been trying to change the general pattern followed by our opponents who sit now on the Opposition benches.

Mr. Speaker, what they had in the past was a job creation program which was exactly the same from coast to coast. Little did it matter whether a man was a resident of St. John's Newfoundland, Vancouver or Victoria, Northern Canada, Valleyfield or Beauharnois, whether he liked it or not, Mr. Speaker, the program was Canada Works. It was the same pattern in Vaudreuil as well.

Mr. Grisé: And Chambly!

Mr. Hudon: And Chambly too, the same pattern, Mr. Speaker, Canada Works, the same program throughout Canada.

It all began at the Victoria Conference, Mr. Speaker, and then with our new employment development strategy we decided to act on six different fronts. Six possible programs. As I said earlier, Mr. Speaker, what really matters is the results we are getting. Members opposite predicted that with his last year's Budget, the Minister of Finance (Mr. Wilson) would do away with 200,000 jobs. He created instead 586,000 new ones. And he created these 586,000 new jobs out of his concern for regional development. Our six avenues for job creation will be negotiated later, province by province. Just like Quebec, Ontario and Vancouver, New Brunswick will have the opportunity to adjust these six avenues. But we are going even much further than that, Mr. Speaker.

Not only are we negotiating province by province but, for instance, New Brunswick could decide on the basis of an economy which is more difficult at times, to put more emphasis on community development rather than on any other program. It will be New Brunswick's own choice.

Moreover, we have set up around the Canada Manpower Centres throughout the province possibilities to adapt regionally these employment programs. For instance, Mr. Speaker, New Brunswick could decide to focus on program No. 2 toward community development. On the other hand, the Fredericton area could decide, because of its high unemployment level, to move towards the employment development program. And this flexibility is yielding great benefits. We went from the 200,000 job losses which our opponents predicted to 586,000 new jobs. People should remember that, Mr. Speaker.

This indicates that the Canadian economy is recovering; while unemployment levels and interest rates are down and inflation rates are at their lowest levels since 1971, consumer spending and building permits are rising. I suggest that instead of rummaging through garbage to find letters, Members opposite, the so-called "bottoms-up gang", should pay attention to the signs of our economic recovery.

If you happen these days to enter the offices of Members opposite, you find them sifting through trash. All you will see is their backsides in the air, because their heads are in trash cans.

They are looking for letters. They should look instead for indicators which the media mention every day, although they are not given enough impact or emphasis.

That is the first point. This flexibility we are demonstrating at the regional level for Northern residents will apply also both to the employment strategy and social programs.

Mr. Speaker, I heard my friend the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) say that we had forgotten only five hundred thousand families . . . As you know, the Budget set the income limit at $15,000 for sales tax refunds in the case of the needy. Obviously, our development is regional and sectorial. We have chosen to help a given category of people. The same applies to indexation and a whole lot of services. For instance, we provided assistance to widows and widowers between the ages of 60 and 64 last year. This shows that we want to emphasize sectorial development, Mr. Speaker, and that is very important.

As far as regional development and Northern programs are concerned, the facts are there. They are also there as concerns regional development under the employment strategy. They are right there for everyone to see.

However, we cannot lose sight of debt control. In fact, the estimates and borrowing bills necesary to support the budgetary proposals should be readily accepted, like the Budget itself, because we are asking Canadians for money to reduce the deficit.

• (1500)

That is very important, Mr. Speaker, and there is no reason to rejoice when we look at the deficit figures since 1966-67. At one time, a balanced budget was an absolute necessity in Canada. In fact, Mr. Wilson has announced a deficit of $33.75 billion and this should not be exceeded even though we have had problems during the year. None of us wanted the failure of the Western banks. Yet, with this Budget, our $33 billion deficit will go down to $29.465 billion, and if we bring down the deficit by $3 billion, this will mean in fact that we are reducing it by $6 billion because, when you have a $33 billion deficit, you have to borrow to make up for it. You have to go to the bank and borrow, and it is costing us $3 billion a year only in interest. We are therefore paying our $3 billion and

reducing the deficit to $29.8 billion, and after a few years, around 1990 and 1995, we shall have a balanced Budget, the Canadian people can be sure of it, because the deficit has certainly sky-rocketed.

It started around 1970, 1971 and 1972 when deficits of $600 million were forecast. Suddenly, in one year, the deficit increased to $1.5 billion. This is $1 billion over the expected deficit, and this is where it all began. Afterwards, Turner came in with a projected deficit of $450 million and an actual deficit of $1.6 billion. In 1973-74, the projected deficit was $975 million and the actual figure was $2.2 billion. That is terrible, Mr. Speaker.

An Hon. Member: Horrific!

Mr. Hudon: It shows how much money you need just to pay your debts. However, the best is still to come. In 1980-81, Mr. MacEachen forecast a deficit of $14.15 billion and came up with an actual deficit of $13.5 billion, $600 million less. That did not suit him well since, in 1982-83, he forecast a deficit of $19.55 billion and the actual deficit was $27.6 billion. These debts have to be paid. It was a deficit of $27.689 billion.

An Hon. Member: A mistake!

Mr. Hudon: Exactly, a mistake of $9 billion.

Some Hon. Members: The Liberal Government.

Mr. Hudon: After that, Mr. Speaker, they try to tell us what to do and they search the trashcans for letters.

Mrs. Mailly: It is natural for them to be sneaking in garbage cans.

Mr. Hudon: Mr. Speaker, that is why I support the Bills that are now before the House, including the Borrowing Authority Bill. And, concerning that, the deficit, the management of our debt, Canadians now realize that 25 per cent of federal revenues are used up by the debt, whereas ten years ago, 5 per cent only of the money collected from Canadians was used to pay for our debt. The figure now is 25 per cent.

Mrs. Mailly: Those elastic budgets of the Liberals!

An Hon. Member: That is interest only! It is a scandal!

Mr. Hudon: Just for the interest, 25 per cent of the money we are collecting goes to interest charges on this debt. Then we will have to pay it back, because Canadians are people of honour, they are going to pay their debts.

Mr. Boudria: You dare talk about honour, you!

Mr. Gauthier: You talk about honour? What were you doing here at 1:15?

An Hon. Member: Canadians are sick and tired of paying.

Mr. Hudon: The minute they walk into this House, Mr. Speaker, it shows. They start barking.

The last item that deserves to be pointed out, Mr. Speaker, is Government efficiency. Government efficiency must be improved because while we are paying our debts, while we are reducing our deficit by several billions each year, we have nonetheless to restrain our expenditures and our programs so that the money we are getting from the taxpayers will be used for debt servicing indeed. And all Canadians will benefit. Sometimes in my constituency people ask me: What have you done for Canada, what have you done for me, a car salesman in my area? What did we do? With our fiscal policy and our financial policy, we succeeded in restoring confidence in the Canadian economy, in containing interest rates, so that when you were selling in 1980-81, 6 per cent, economic growth increased automobile sales by 29 per cent. That kind of signal shows that the economy is on the right track. All Canadian men and women are pleased today that they have decent interest rates for their mortgages. I know many Canadian men and women who during certain years sold their houses at 22 per cent.

Therefore—and Canadian men and women will remember this—economic growth is not a matter of surveys, it is a matter of hard facts.

Canadian men and women must be able to borrow at decent rates. Canadian men and women must be able to buy at a general economic growth rate that inspires confidence in the future. The inflation rate is the best since 1971. Why? Because of the Budget tabled by the Minister of Finance. Second, because of the actions that have been taken. People, the financial community know that we have paid, we are paying our debts. We are reducing Government programs in order be able to meet our obligations.

This, Mr. Speaker, is what I wanted to say on Bill C-99 through which it is proposed to give money to Canadians in order that they may borrow on the market.

Mr. Malépart: Mr. Speaker, I should like to make a few comments and ask the previous speaker some questions. He had stated at 1.17 p.m. that he would be the first one to speak on the Budget after the recess. You know what happened, Mr. Speaker, it is a grim day for Canada since—

Mr. Hudon: I rise on a point of order, Mr. Speaker.

Mrs. Mailly: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: I would remind the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) that the questions and comments must have to do with the Hon. Member's speech.

Mr. Malépart: Precisely, Mr. Speaker, I will be dealing with it. After having been deceived by that individual and after that grim day for Canada, why should people trust him? In a few

days, we will be celebrating Good Friday, and here is someone who has betrayed us and he will be considered as the Judas of Canadian Parliament.

Mr. Speaker, why should we trust him . . . Have you considered that a disputed budget, in spite of the Member's comments, has been approved today by only 25 Government Members?

Mr. Hudon: And no Member of the opposition.

Mr. Malépart: Twenty-five Tory Members. It is shocking! The Member has been stating facts inconsistent with the policy of the Quebec Government which rejects the Budget—

Mr. Hudon: Question!

Mr. Malépart: Mr. Speaker, I would like to know what the Hon. Member has to say about Alain Dubuc's comment: "Wilson missed the boat." And 25 Conservative members! This is worthy of a Duvalier or a Marcos! This is the first time, Mr. Speaker, that democracy . . . Mr. Speaker, I think I would like to ask the Hon. Member, in concluding, whether he thinks the measures this Budget contains are fair and whether he thinks that in this country we should let 25 Conservative members take advantage of their majority and adopt a Budget all by themselves, and whether he thinks that the refundable child tax credit that is given to only part of the population while the other part is ignored, whether he thinks that is justice, and whether he agrees that democracy has been trampled today—

Mr. Hudon: Mr. Speaker, let's talk about trampling democracy. I can only say that we voted on and adopted the Budget, and that there may have been only 22 Conservatives in the House of Commons, but there were 22 times as many Conservative Members as Liberals. And he made all this fuss just to say there was only one Member in the House when the Budget was being discussed.

And as for my word, Mr. Speaker, I am not afraid of promises, but as a Member of this House, I do not have to make any promises, and I was supposed to speak this afternoon, and Mr. Speaker, I did not lie, I did indeed speak this afternoon—

So what am I being accused of?

Mr. Malépart: A fault confessed is half redressed:

Mr. Hudon: What fault? And Mr. Speaker, should I be ashamed of what is said in the press?

Mr. Speaker, I am never ashamed of what is said in the press as long as it accurately reflects the situation. And everyone, including my adversary from Montreal-Sainte-Marie (Mr. Malépart) has a right to his opinions, including yesterday when various flights of fantasy—

Mr. Speaker, ideas are like socks: they have to be changed from time to time, otherwise they start to smell—

• (1510)

Mr. Nystrom: Mr. Speaker, after the Hon. Member's speech, I can see why the Conservative Party dropped in the popularity ratings in Quebec. I see why this party, this Government dropped in the ratings—

Mr. Speaker, I have here the results of yesterday's and this morning's polls, and the Conservative Party now has 27 per cent of the vote in Quebec, while the New Democratic Party has 26 per cent.

Mr. Speaker, I have a question for the Hon. Member. Does he approve the 1 per cent increase in sales tax that will affect Quebecers and Canadians in general? It is not just the 1 per cent today. There has been a 3 per cent increase since Mr. Mulroney was elected. Does the Hon. Member agree with the 3 per cent increase in sales tax that will affect the average Canadian? Does he approve this, when that same party is being extremely generous to the rich in Canada? Does he approve of this, Mr. Speaker?

I have another question: Does the Hon. Member approve of the 3 per cent increase in income tax for Canadians?

Mr. Deputy Speaker: Order, please. The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) on a point of order.

Mr. Gérin: Mr. Speaker, I have been here all this week to debate the Budget and other Government legislative measures. The Budget has been adopted. We are now on a different Bill and I can see that Members of the Opposition are trying indirectly to resume the Budget debate. I should think that Hon. Members have enough work to do and are serious enough to debate the Bill now under consideration and stick to the issue, and particularly to avoid all remarks which are irrelevant to the Budget or the Bill under study.

Mr. Deputy Speaker: In the opinion of the Chair, the remarks on the question of the Hon. Member for Yorkton-Melville are relevant since we are dealing with Bill C-99 concerning the borrowing authority.

The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, I was talking about the Bill before the House, a Bill to borrow $22 billion. We need this money now because we have a Government which has been wasting too much money, a Government which has lost public support over the past three to six months, more so than any other Government in Canadian history.

So I would like to know the opinion of the Hon. Member from Quebec, namely whether he is in favour of taxes, taxes and more taxes on the backs of Canadian men and women, these questions of taxes and levies with no end in sight, Mr. Speaker. Does he agree with that?

Mr. Hudon: Mr. Speaker, I am not overly concerned about polls. They may brag and feel complacent because the results show 26 per cent against 27 per cent for the Conservatives, but you know very well that in Quebec the New Democratic Party Members always enjoy renewed popularity between elections, but the people will not vote for you.

An Hon. Member: Renewed popularity is all they ever get.

Mr. Hudon: Secondly, Mr. Speaker, it shows the boldness of Mr. Wilson. If we were the kind of people who govern according to the surveys, we would only have proposed so-called popular measures, as our opponents used to do. They gave, they indexed, they gave, they indexed and then they were ditched. What do people want in Canada, in Quebec? They want people who honour their commitments. You are asking me if I support the 1 per cent? I am the one answering. You are asking me if I support the 1 per cent, the 3 per cent? Yes, Mr. Speaker, having been one of the 22 members who voted for the Budget. You were not even here to vote, you were not even here to vote against it, you of the New Democratic Party. You were out eating. I was here to vote for the Budget, and I support that. What I stand for, Mr. Speaker, also in personal life because it is the same thing, I stand for honouring my debts, tightening my belt in some areas in order to pay my debts, whether they are 1 per cent or 3 per cent.

Secondly, you say we are giving to the rich. We introduced a minimum income tax, Mr. Speaker, so everyone must pay. But I can tell you that the rich did not build this country, investors did. And the braggers, we had plenty of those who wanted to solve other problems, who came here and solved everything. But it took investors in the Province of Quebec to put people to work, to put money up front and to take risks. They are the one I will encourage, Mr. Speaker, because they will be creating jobs. It is not I who will be creating the jobs.

[*English*]

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, first let me say that in 14 years I have never felt that my rights as a Member were infringed upon before today.

Mr. Valcourt: Tell the truth. Where were you?

Mr. Rompkey: The truth is this, Mr. Speaker. Whether or not you operate on technicalities is up to you, Mr. Speaker, but there is an intent behind the rules. That intent involves courtesy and civility. In my opinion, neither courtesy nor civility were used today. In the Budget debate and in the Throne Speech debate my experience has been that individual Members of Parliament are given latitude to speak not only on the content of the Budget or the Throne Speech but about their own ridings. It is a time when the individual Member of Parliament has his day to speak on behalf of the people who sent him here. I feel that latitude was abrogated today in a shameful way.

Whatever you say about the technicalities—and you may be right that people were not here a few minutes after two o'clock, and you may be right in your interpretation of the new rules which, I thought, gave more power, more authority and more place to individual Members of Parliament—the mood, the intent or the motive behind those rules was not heeded today, in my opinion. I feel that on this major issue I have been affronted as a Member of Parliament for the first time. I resent that and I want it on the record.

Some Hon. Members: Hear, hear!

Mr. Rompkey: I was here to speak shortly after two o'clock. I wanted to make a speech on a major Government initiative but I was unable to do so because of what I think is a light-hearted and frivolous attitude toward this place in which we stand. I do not condone that. I condemn it and I resent it.

Now I want to make some comments about the Budget that was just passed.

Mrs. Mailly: This is the borrowing authority.

Mr. Rompkey: I want to speak on the borrowing authority Bill because I did not get a chance to make those comments about the Budget.

Mrs. Mailly: You will make the same speech.

Mr. Rompkey: In this Budget, again, the Atlantic area has been cut adrift by a Government which is philosophically bent upon letting the private sector take its own initiatives. If you think I am biased, Mr. Speaker, I want to read some comments made by the Premier of Newfoundland who is of the same persuasion as the Government opposite. Premier Peckford, at a news conference put the case as well as I can put it, but what he said comes from a less biased person than myself. He said:

> —over-all, it looks like Newfoundland is going to be part of a national economic recovery which is going to make recovery here more difficult.
>
> —what the federal Government is actually doing is transferring its deficit from the federal level to the provincial levels and the end result will be that the over-all national debt, considering the situation in each province, won't change all that much.

● (1520)

He went on to say that the province is still trying to assess exactly where Newfoundland stands but that at present it looks as if the only people to benefit really from the Budget are the low-income earners. While this is a positive thing, over-all Newfoundlanders are going to have less disposable income than before. In the *Evening Telegram* of February 28, 1986, he went on to say that the federal Budget will provide about $8 million for low-income families but that this year about $6.5 million will go out of the province as a result of higher taxes and that next year that figure will escalate to about $13.5 million.

I want to emphasize again that these are not my figures or comments. I adhere to them and support them and this is what I want to say, but these are the comments of the Premier of

Newfoundland. He said that this money is in addition to what the province will be paying the federal Government in alcohol and tobacco taxes. He says that there will really be more taken out than we will get back. He is concerned about a reduction in regional economic development funding this year. He said that the federal Government is cutting this funding by 28 per cent, but he does not know how this cut will affect funding for specific areas such as mining, forestry, fishery, and the province's railway. These are questions that we have to ask in the days and weeks ahead. He said that if reductions in these areas are high, the province may not be able to get current joint programs renewed. He went on to say that it appears that we will be adversely affected.

Those are the comments of the Premier of Newfoundland, and those are the same comments that I want to put on the record today. The fact is that the Atlantic area has been cut adrift in a sea of free enterprise. As a result of the Budget there will be a net drain from the Atlantic area. The increase in income tax through the surtax which has been put on, together with the increase in the sales tax, mean that more money will be going out of Newfoundland than will be coming in. You must bear in mind that we are talking about the area which already has the highest unemployment rate and the highest cost of living in the country. The Budget, which we should be talking about, is going to drive those rates up even more. There is not even relief on gasoline prices. I suspect that the position taken by the Premier of Newfoundland is supported, not only by Atlantic politicians, but indeed by groups such as the Atlantic Provinces Economic Council.

The other thing that disturbs me, which may be the most important issue apart from the reduction in cash transfers and the net drain on the Atlantic area, is the lack of emphasis on young people. The recently released Senate report says that we have a national tragedy in the country. It talks about a lost generation. In my province close to 50 per cent of eligible young people are unable to find employment. I believe that this is a national tragedy. Yet, the Budget does not address that at all. Katimavik and other Government programs for young people have been cut out and there is nothing to replace them. The most important thing about this Budget is its lack of emphasis, compassion, direction, and policy with regard to young people in the country.

As the Premier has said, we have only seen the tip of the iceberg. The imposition of an increase in sales tax means an addition to the 12 per cent provincial sales tax in Newfoundland which results in the highest tax level in the country.

What will the cuts be in fisheries, transport, and other programs and Departments which we have depended on over the years? We already know that there has been a $20 million cut in fisheries on top of the previous $40 million cut. We must look very closely at those programs to see what the Atlantic area will be losing. The economy in the Atlantic area is a special case. The private sector is weaker there than elsewhere in the country.

I want to quote from an article in the business section of *The Globe and Mail*. It says:

Borrowing Authority Act

Statistics Canada delivered a sharp blow yesterday to Finance Minister Michael Wilson's optimism that business capital spending would increase substantially this year.

The agency reported that business investment is expected to rise by only 2.5 per cent in current dollars this year. In his budget last week, Mr. Wilson predicted that investment—excluding price increases—would grow by 7 per cent.

The following is what it says about the Atlantic area:

For all four Atlantic provinces, British Columbia and the Territories, however, the results of the survey are bad news.

The forecast says capital spending in the Atlantic provinces will drop by 9.2 per cent, which could wipe out last year's gain.

I put that on the record to show you, Mr. Speaker, that when you cut back on Government programs, whether they be transfer payments, departmental spending, or employment in Government Departments in that province, you hurt more those who are already weaker. It is important to point that out. As I and other speakers have said before, there is great disparity across this country. We must be flexible and make adjustments and allowances. I fear that my province is going to suffer more from the cuts in programs and the increased taxes. We have always depended upon the Government of Canada to support the weaker economy in that area. The attitude is now to cut the Atlantic region adrift.

We see an example of that in the allowed move of Air Canada from Gander Airport to St. John's. Gander is a specific case in point. The federal Government has always viewed Gander as being vulnerable. It has been an airport town. That is its mainstay. If you do away with its raison d'être, you destroy the economy of that town. I am afraid that the moving of Air Canada international flights from Gander to St. John's is going to affect the economy of that town. That is symbolic of the existing attitude. There must be a protective attitude for communities and areas which need that economic support. That attitude no longer exists.

I see no reference in the Budget to the Northern Fisheries Development Corporation which has been proposed for northern Newfoundland and Labrador. There are great resources in that area, but capital infusion, entrepreneurial skill, and administration are weak. We need the intervention of something like the Northern Fisheries Development Corporation to shore up that area and protect the fishermen and plant workers along that shore who are the most vulnerable of any in Canada.

What has happened to the continuation of the roads program which has been in effect over the years? When Government programs are cut back, the provision of necessary infrastructure is cut back. Those provinces which are weak in infrastructure and need that to support their economy and any new economic initiatives suffer. We want the roads program to continue. There are many roads which we still need to have built on the northern peninsula of Newfoundland. I was hoping for some indication that the Government would deal with that kind of problem. I am afraid that there is no regional development policy. Parliament and Government have always felt that certain regions need special attention, but I see no indication in this Budget of a regional development policy. If you treat

everyone alike, you favour the strong and maltreat the weak. That is what is now happening.

The Government has been saying that the Atlantic Enterprise Program is the new economic saviour for the Atlantic area. I would like to say a few things about that program. First, the level is set so high that it will be virtually impossible for most small businesses in Newfoundland to take advantage of it. Fishermen require loans of between $10,000 and $15,000 on an average. However, the lower limit on the Atlantic Enterprise Program is $250,000. There will be very few small businesses in my constituency which will want to borrow that much. Even if they do, it is not clear how the Atlantic Enterprise Program will mesh with existing programs in DRIE and other economic departments of the Government. It is not clear what the meshing will be between that new program and the ones which already exist. In any case, business will still have to deal with the banks. We are talking about a loan program here. I do not know what the record of the chartered banks is like anywhere else in Canada, but in my riding there is clear evidence going back over the years that they are just not dealing with small business. Putting Atlantic small business in the hands of the chartered banks is an abrogation of responsibility. You are throwing them to the wolves because historically the banks have avoided or ignored small business. That will continue.

• (1530)

The Atlantic Enterprise Program deals only with capital expenditures. We know, coming out of the recession, that most businesses already have spare capacity. What they need most, in my experience, is not money for capital expenditures; it is start-up and working capital which is needed. If I have heard one request over the years from small business, it is that they need money to get started. They have to make a profit before they can pay taxes and qualify for tax breaks. So we need to have a program which deals with start-up and working capital. That is not what the Atlantic Enterprise Program does.

There were options open to the Government. It could have used programs which were working already. There are federal-provincial agreements already in place. The Department of Regional Industrial Expansion has been cut back, but it does have programs dealing with small business. Why not pick a program which is a winner and fund that? If you want to help small business, put money into programs which are already working. Do not start one which has very little chance of success. Really, what we are talking about here is shadows. The $1 billion may not exist. In other words, when the banks decide to make a loan to a small business, only then will the Government be liable for a guarantee. So we may never see that $1 billion in the Atlantic area. I doubt we will. It looks impressive but I do not think that money will flow.

The Government could have put money into improving the infrastructure in the Atlantic area. That is what we need. If businesses in Newfoundland and the rest of the Atlantic area are going to compete, they need improved infrastructure. However, that is what we are losing here. The Department of Fisheries and Oceans lost some of its budget, and so we have the small craft harbours program, which is important to small fishermen, being eliminated altogether. Small business is where most of the jobs across this country are going to be. However, there are no initiatives which I can see that address the serious economic problems we have. The dependency so far has been on oil. The tendency has been to hang programs on that one nail. We see the price of oil dropping now which causes serious doubts and concerns about what is going to happen to projects such as Hibernia. If we put all our eggs in one basket we are really going to be in trouble economically in my province.

Unfortunately, I do not have the time to say all I wanted to say on this Budget today. In closing, I want to highlight again the serious effect this Budget has had on regional programs. In a communiqué, my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), said that the treatment of the lesser-developed regions of Canada threatens to divide the citizens of this land permanently into the haves and have-nots. That says it as well as I could. We have seen a diminishing of regional development initiatives and Departments such as Agriculture, Communications, Energy, Mines and Resources, Fisheries and Oceans, and Transport. We have seen these department programs cut. Yet that is where the initiative has come from for regional development in this country. We are seeing the rich get richer and the poor get poorer and I cannot condone that or support it. I have some serious concerns that this Budget, tacked on to the last one, is going to further cut the Atlantic provinces adrift. They will drift farther out to sea on the tide of a free entreprise economy.

Mrs. Mailly: Mr. Speaker, I am sure that the Hon. Member who just spoke is an honourable Member. I must mention that he was present in the House when we came to the vote on the Budget. He is concerned about his riding. As a new Member of this House I do not have the experience of the Hon. Member. Nevertheless, I have been here 18 months and I have noted that the role of the Government is to make sure that legislation comes before this House and to a vote as quickly as possible, particularly that which will relieve certain difficult situations in society. The Hon. Member was present when the Budget came to a vote. He is concerned about his riding. Unfortunately, an NDP Member, the Hon. Member for Windsor-Walkerville (Mr. McCurdy), did not return to the House for the end of his speech and answer questions we could have asked him. We then found ourselves in a situation where we could have a vote on the Budget so that we could give relief to those families which have been giving 15 per cent of their child tax credit to discounters in order to get the money sooner. We could move forward on the sales tax rebate of $50 for each adult and $25 for each child. We could put forward the Bills which will help farmers who are in difficulty. I am sure the Hon. Member is sympathetic to the cause of the farmers in Atlantic Canada, indeed all over the country.

Therefore, I would just like to ask him this question. If the situation were reversed and he were a Minister in the Govern-

ment, as he was in the previous Government, and found himself in a position where the Opposition was not present for debate when it was supposed to be, would he have just said: "I am not going to worry about the people of Canada who could benefit from these measures, I am just going to carry on debate for the rest of the afternoon"? Would he have done that?

• (1540)

Mr. Rompkey: Mr. Speaker, I appreciate the comments of the Hon. Member in the spirit in which they are taken. I would simply say this to her, that in terms of budget initiatives some are assumed to go into effect as soon as the Budget is read by certain Government Departments. There is an assumption normally made that even as debate is taking place Departments will have to assume that the measures proposed by the Government are going to be passed eventually, and they proceed to act as if that were the case.

Second, of course some budget measures will have to be approved by individual legislation, which is quite different from the budget debate. If a piece of legislation came forward for farmers or some other group in the country, I fully agree that it would be incumbent on us to move that as quickly as possible, but what we are doing here today is taking part in the Budget debate. I say to her again, as I said earlier on, that in my experience the two debates in Parliament where latitude and freedom are granted are the Throne Speech debate and the budget debate. It has been assumed over the years, I think, that individual Members are given time to speak in these two debates. Normally, in my experience, as I recall there was not an attempt made to cut off Members from speaking on the Budget debate or the Throne Speech debate. It has been acknowledged on both sides of the House that that is the practice that has been followed. I appreciate her intervention, but I have to say to her again that I regret that that practice was not followed through today because of a technicality.

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) rises on a question or a comment?

Mr. Lewis: Yes, on a comment. Again, Mr. Speaker, I want to assure my colleague, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) that we had no intention of disturbing the mood of the House. At the time the vote was called there was no one in the House from the Opposition and we were prepared to proceed with the business of the day. I have a great respect, and I say this very sincerely, for my hon. friend.

I think my colleague has made many of the remarks I want to make. Had we had any indication whatsoever that someone from the Opposition was prepared to speak, we would have reverted, I would have asked for unanimous consent to revert to the Budget debate to allow him to do so. That is the very reason that we have called debate on the borrowing Bill in order to give members of the Opposition who had speeches they wanted to make an opportunity to speak, and we are pleased to give them that opportunity.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) for a question or comment?

Mr. Gauthier: Since we are commenting on the speech of the Hon. Member, I would like to tell him that it is unfortunate that the Government decided to cut off its own speakers by holding the vote on the main motion.

An Hon. Member: Come on!

Mr. Gauthier: That is indeed the case because the length of your intervention and mine was limited in the Budget debate, which is supposed to be a special debate where Members can speak about the projects and the problems of their constituencies and suggest solutions, and this was taken away from us. As for the Conservative Members who voted for the motion, as well as those who were unable to vote because they were either in the lobby or were on their way to the House, I must unfortunately tell them that when we adjourned at 1:17 p.m., we had agreed that the next speaker would be a Conservative, more specifically the Hon. Member for Beauharnois-Salaberry (Mr. Hudon).

Mrs. Mailly: I was there.

Mr. Gauthier: I am sorry, but you were not. However, I was, and the Hon. Member for Beauharnois-Salaberry, who is a gentleman, will himself recognize that he came to my seat to tell me that he would like to speak after 2 o'clock. The Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) was supposed to follow him. Since the Hon. Member for Beauharnois-Salaberry did not rise, the vote was held. I am sorry, Madam Member for Gatineau, but you should listen instead of talking. Perhaps you can do both at the same time, but I know that I cannot. Listen to what people tell you. You were not even here at the time.

Mrs. Mailly: Yes, I was here.

Mr. Gauthier: If you were here, then you should understand.

Mrs. Mailly: I was indeed in the House.

Mr. Gauthier: You were not here in your place together with the Hon. Member for Beauharnois-Salaberry (Mr. Hudon) when—

Mr. Deputy Speaker: Order, please! I am aware that the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) has referred to what happened during the vote on the Budget. I had hoped, however, that we would not spend the whole afternoon debating this point. As there is a bill before the House, I urge Hon. Members to make comments or ask questions to the sponsor of this bill. I recognize again the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: I have a question, Mr. Speaker. Since the Budget was adopted on division, there remain 41—

An Hon. Member: No!

Mr. Gauthier: There remain 41 ways and means motions on how to implement the budgetary measures. I should like to ask the Hon. Member whether he has had the opportunity to examine and study these ways and means motions and whether he could comment on the first bill resulting from these Government initiatives, Bill C-99, seeking $22.6 billion in borrowing authority.

[*English*]

Mr. Rompkey: Mr. Speaker, I did not come prepared to discuss the ways and means motion or the borrowing authority, but certainly the borrowing authority has to be linked to the economic program of the Government. I have to say again that my concern is about the general tone, the general attitude, the general intent of that economic program. If you borrow, you borrow to refurbish your coffers, and spend more on the programs that you have in mind. What I am saying is that the general direction is wrong, whether we are talking about spending, the regular Estimates or borrowing. The direction is to allow the free enterprise system to work its will, wherever it will, however it will. I am saying that when you do that, you discriminate against areas of the country which have a weaker private economy. That is what is wrong. The Government should look to its regional development policy and support programs to make sure it is not harming indefinitely the economy of an area which is already very fragile. I say quite seriously to the Government that I am very concerned that the economy of an area that is already weak is going to be further weakened by the general economic thrust.

If you simply allow the market-place to work, it will do so, and there will be more people from our area moving to Alberta, Manitoba and British Columbia. They are there now, and many of them are happy to be there. Many of them are good solid citizens. I hope that more go there, but I want them to go because they have a choice, not because they have to. Many from Cape Breton will leave too. I am afraid the only alternative left, if you do not have the ways and means to provide economic initiative in that region, is mobility. I do not want to see more people "going down the road". There was a very good film about Cape Breton, about Nova Scotia, called *Going Down the Road*. It says it all, Mr. Speaker. It points to the tragedy of young people who have no option.

What I am saying is that the economic policy of this Government has to take that into consideration. Young people may leave home, and I hope many of them will, but they should not leave because they have to. They should leave because they want to. There should be a way whereby they can live where they were born, where they want to live, and have a decent life for themselves. I am saying that the economic policy has got to change if that is going to happen.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil).

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, I am pleased to speak to C-99, an Act to provide borrowing authority. This year's borrowing needs will be $22.6 billion, and this represents a 25 per cent reduction in the borrowing needs of the Government of Canada. This Government is spending smarter, using its resources more effectively and more efficiently.

I would like to follow up on some of the comments made by the Hon. Member from Newfoundland about the history of going down the road that was experienced by Atlantic Canadians, Newfoundlanders, people from eastern Nova Scotia and Cape Breton. That movie was made when the previous Government was in power and at a time when Atlantic Canadians had no options. In 1984 they exercised their options to elect a new Government. Since that time they have achieved new economic options as well.

The Budget of May, 1985, put in place a series of incentives for the Cape Breton region of Nova Scotia which clearly identify and highlight our Government's commitment to regional development and to Atlantic Canada. Cape Breton was the object of some of the most flagrant spending abuses in history. Money was poured into this region of Canada with very little attention paid to long-term economic benefits.

• (1550)

When our Government came into power in 1984, we inherited a very high rate of unemployment and accepted the responsibility to address that problem not only in Cape Breton but throughout Atlantic Canada and the entire country. Canadians have benefited from the creation of 580,000 jobs since this Government came to power. That is more jobs in 18 months than the previous Government was able to create in its final full term in office.

The new options to Canadians, particularly Atlantic Canadians, are conclusive. Our efforts to apply fiscal responsibility in the management of this country will benefit Atlantic Canadians because they realize that as the pressure on public expenditure increases there is less money for programs aimed at regional development, less money for sound social programs and less money for new programs. Furthermore, our ability as a Government to continue financing existing programs is stretched.

Atlantic Canadians know very well that the interest on loans increased from $1.7 billion 15 years ago to $22 billion in 1984-85. That is the interest that taxpayers in this country are paying on the deficit with which every Canadian has been saddled. Everyone has heard the Opposition cry about the state of the dollar. We have heard comments that some people in this country cannot spend as long a time in Florida this year because of the changing value of the dollar. Being able to visit Florida is still very much a luxury in Atlantic Canada, to the disappointment of many of my constituents, but we are still affected by the deficit, the falling dollar and high interest rates. For example, we know that high interest rates represent the single greatest obstacle to new economic opportunities in

this country. Atlantic Canadians are prepared to support the efforts of the Government to bring some control to spending.

The position of the Opposition with respect to deficit reduction was recently the subject of comment by a columnist in *The Globe and Mail* who described the Liberal's response as: "Depressing evidence that hypocrisy and political opportunism are thriving on the opposition benches". That is an assessment with which I and many of my constituents agree.

Let us consider what we have been able to achieve in our efforts to control the deficit and put a ceiling on Government spending. Growth of discretionary spending has been cut to almost zero from an average growth rate of 43 per cent in the three years prior to the Government taking office. In fact, it will be $530 million lower in 1986-87 than over the previous year. Total program spending will be held to $86.6 billion, which is lower than last year's spending. This is the first absolute decline in total program spending in over 20 years.

There are many Canadians who did not understand what the deficit meant but today are beginning to understand that it has very real consequences in their daily lives. It has real consequences on the price they pay for a loan at the bank, on their mortgage rates, the price they pay for goods at the store and it affects their opportunity to get a job.

Let me refer to other comments made about the Government's effort to bring some fiscal order to the management of this country. Hugh Anderson of *The Gazette* describes the Budget as: "A careful, politically prudent response to a legacy of grievous mismanagement". An editorial in the *The Globe and Mail* states: "Mr. Wilson's financial trend lines are things of beauty after years of irresponsibility".

The Budget recognizes the needs for poorer Canadians, a disproportionate number of whom live in Atlantic Canada. They will benefit from some of the specific steps we are taking to help low income Canadians who are a major concern to the Government.

For example, the child tax credit will provide greater assistance to low income families. It will provide for prepayment of $300 per child in November, 1986. Canadians, many elderly and low income Canadians, will be eligible for a refundable sales tax credit of $50 per adult and $25 per child. Training programs and efforts to put people to work have been stepped up, and $100 million a year for the next three years is directed to a special program to held social assistance recipients find employment.

I could go on to talk about the generous assistance program that has been put in place for Canadian farmers who are suffering from a very high debt load that has accumulated over the last decade. That was a period of low prices for crops and very high interest rates.

Of course, the most effective way to help needy Canadians who are unemployed is to provide them with a job. Canadians do not want a cheque from the Government of Canada, they want an opportunity to create their own wealth in our society and an opportunity to participate in the Canadian way of life. They want the opportunity to own their own home and pay their own bills. This opportunity has been denied to hundreds of thousands, indeed millions of Canadians over the last decade and Atlantic Canada has been particularly affected by the former Government's policy of spending without thought and efficiency in the last number of years.

I am not one of those who accepts the doom and gloom comments and observations of the Opposition. I am not one of those who believes that the situation which has always existed in Atlantic Canada must continue. I am of the generation that believes times will be better in Atlantic Canada. Our Government reflects that view and we believe that action can and is being taken for Atlantic Canada that will make significant progress in addressing the very severe economic problems facing Atlantic Canadians.

Let us consider the facts. Special programs have been established for Atlantic Canada. There is the Atlantic Enterprise Program which involves a wide expenditure of funds to encourage private sector lenders to make loans for business start-up or expansion through Government guarantees. There will be interest rate subsidies of up to 6 per cent on business loans used to support productive new private sector investment. These are sensible initiatives that require the support of the Government of Canada. It is a new approach that requires the Government to put some money on the table. If grants and mere dollar amounts are all that were required to improve the plight of Canadians, then we would have been successful long ago.

Atlantic Canadians will also benefit from the Atlantic Opportunities Program. That program was recently announced by the Minister of Supply and Services (Mr. McInnes), a Member from Halifax and an Atlantic Canadian with considerable clout in Cabinet and the Government. He has been able to persuade his colleagues, along with other Ministers and Members of Parliament from Atlantic Canada. The Atlantic Opportunities Program will direct hundreds of millions of dollars in purchasing power to small businesses in Atlantic Canada. I cannot agree more with the Hon. Member who said that small business will be the source of job creation. That is precisely what we are doing in this program. We are directing hundreds of millions of dollars to small business people. Over the next four years, Government procurement in Atlantic Canada will increase to $2.2 billion, almost 40 per cent higher than the current $1.6 billion. This $600 million increase is expected to create significant long-term benefits for industries in Atlantic Canada and will generate over 20,000 person years of employment, or an average of 5,000 jobs per year. This is a program which does provide opportunities for small businessmen.

• (1600)

We can be negative about it. We can say it is not going to work; it is just an ideological proposal from the Progressive Conservative Government. However, we do have a precedent which was introduced in the Budget of last year. It was to apply to eastern Nova Scotia and the Cape Breton region of Nova Scotia. It called for a beefed-up IRDP Assistance Pro-

gram up to 62 per cent. it provided for a Cape Breton investment tax credit which is working. There is a great deal of interest being shown in the benefits of this program and it has had a great deal of success. We have put in place the Enterprise Cape Breton Program. There are the other benefits, of course, which apply to Atlantic Canada. With the reduction of development incentives in other parts of the country, these incentives become even more attractive. Some people call this system a tax loophole. Where I come from, it is an incentive program designed to result in employment for the people in my region.

Let us look at some of the support the Government of Canada has given. I do not want to go through all of Atlantic Canada, but we heard earlier today the Minister of Justice talk about the very considerable support which has gone to Newfoundland. The Atlantic Accord gave to Newfoundland and Nova Scotia full control and ownership of the resources offshore in the same way as if they were onshore. This is something the people of Atlantic Canada have wanted for three decades, since Robert Stanfield was Premier of Nova Scotia. We have delivered. We recognize that offshore resource development is an opportunity which can be best utilized by the people who live in Atlantic Canada.

I would like now to speak about the initiatives in my riding. I have prepared a list of the various support programs the Government has given to my constituents. It has, for example, funded the construction of a Nautical Institute. Phase three was recently announced. That is a $18 million project which will attract teachers, students and support services which will have a significant impact upon the people of my region. Last week a $13 million manufacturing facility was announced for Guysborough county and for my home village. That announcement was something the people have waited for for 30 years, because in the last 30 years, there has not been one significant private sector announcement of this type in Guysborough county, notwithstanding that we had a Government in Ottawa which poured money into the region. An $8.7 million plant has been announced for another part of my riding on Cape Breton Island. That project will provide 50 jobs. In Toronto that may not be a lot, but in Arichat, Nova Scotia and on Isle Madame, 50 jobs is something they have waited for for well over 25 years. Another small plant worth $3.5 million has been announced which will result in the creation of 70 full-time jobs in Port Hawkesbury. That is a significant achievement and the first of its kind in a very long time.

We turn now to the forestry sector. Far from moaning and complaining about the state of the forests we inherited, we put money into forest management. We announced four forestry joint-venture programs which will result in employment in eastern Nova Scotia and Cape Breton. We announced a special forestry program for natives. We provided support to the major pulp producer in my riding in the amount of $4.1 million. We supported a local mining company to the tune of $1.3 million. We built an industrial park. We provided for federal participation in a forest management program, including the construction of a nursery. We provided for upgrading of tourism facilities in the Cabot Trail area of my riding. These are just some of the initiatives that the Government has taken in an effort to diversify the local economy in order to provide community-based industry. The incentive program brought forward and put in place by the Minister of Regional Industrial Expansion (Mr. Stevens) is working in eastern Nova Scotia and Cape Breton.

I could identify other successes. In Sydney, we committed well over $100 million to modernize the steel mill. We committed $40 million to upgrade and clean up the tar ponds there. We put money into Glace Bay in an effort to alleviate the short-term and long-term unemployment problems of that community. What we must remember, and what the people do remember, is that the problem was there in September of 1984. The problem was not created in Atlantic Canada in the last year and a half. However, many problems have been solved in the last year and a half.

As a Member of Parliament from Atlantic Canada, I am very proud and supportive of the record of accomplishments of this Government. I intend to work and aggressively promote the interests of our region because, for the first time in many decades, Atlantic Canada is being recognized by the federal Government as a special area. Special incentives are being put in place and results are being achieved which will mean long-term economic benefits. That is all possible as this Government moves to manage the deficit, and bring about a better economic environment, so that economic opportunities can spread from coast to coast.

Mr. Gauthier: Mr. Speaker, I hesitate to interrupt the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) during his speech but I believe that at four o'clock on Friday it is usual for us to proceed to Private Members' Hour. I notice that the Chair did not see four o'clock. Therefore, I take it that Standing Order 39(2) applies. I would like to make sure that the House understands that if we are proceeding now until five o'clock with the legislation before us, it is because there was not 24 hours notice of a Private Member's intention to present a Bill, or a motion, for that matter. I just wanted to make sure we all understood that. We are proceeding until five o'clock under Government Orders, Bill C-99, is that correct?

Mr. Speaker: That is correct.

Mr. Rompkey: Mr. Speaker, I have some questions for the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil). In a recent edition of *Atlantic Insight* the Hon. Member for Cape Breton Highlands-Canso and the Minister of the Environment (Mr. McMillan) were the only two Members from the Government side who came out looking good. I believe *Atlantic Insight* referred to the Hon. Member for Cape Breton Highlands-Canso as a cocky and shrewd young Member. However, it was not so nice to certain other Members from Atlantic Canada, but I will not go into that here. I know the Hon. Member takes his responsibilities seriously. He talked about the gloom and doom of the Opposition. I wish to indicate to the Hon. Member what the Premier of Newfoundland has said in this regard. He is not in Opposition, he is in

Government. He happens to be of the same persuasion as the Hon. Member. How would the Hon. Member respond to the Premier of Newfoundland who says that Newfoundlanders are going to have less disposable income than before? He also says that there will be more taken out than will be put back. That is not the doom and gloom of the Opposition, it is a comment made by the Premier of Newfoundland.

• (1610)

I would like the Hon. Member to respond to these points since I think they are important. When he talks about job creation in the private sector what does he have to say in reply to an article in *The Globe and Mail* with respect to Statistics Canada which indicates that for all four Atlantic provinces, British Columbia and the Territories the forecasts for capital spending are that it will drop by 9.2 per cent? That is not the doom and gloom of the Opposition, it is an account from a reputable Canadian news agency. When the Hon. Member talks about jobs being created across the country, that may be true. However, would he admit that only 8 per cent of the new jobs which have been created have been created in the Atlantic area?

Finally, if the Hon. Member feels that the private sector is to be put front and centre—and I agree with that—and if he thinks that that is the appropriate policy, would it not be better to wait until the private sector has had a chance to do its work before we cut government programs which have historically supported the economy in the Atlantic area? In other words, are we not putting the cart before the horse? Does the Hon. Member not think a more sensible course of action to follow would be to continue the support that we have historically given to the Atlantic economy until such time as the private sector has had a chance to become healthier?

Mr. O'Neil: Mr. Speaker, with respect to the first point raised by the Hon. Member, I invite him to read the comments made by the Minister of Justice (Mr. Crosbie) as they will appear in the *Hansard* for today. The Minister is from Newfoundland. He very eloquently and effectively put forward the case of the Government vis-à-vis its support of Newfoundland and Newfoundlanders. We have very capable Members in the House who have responded to these same points. It would serve no purpose for me to repeat what the Minister of Justice said today. In any case I could not compete with his oratory and eloquence.

With respect to the business of the private sector and waiting for it to do its job, I point out to the Hon. Member that we suffer from a deficient private sector because of the policies about which he speaks. He wishes to continue these policies. I can tall the Hon. Member that in my riding there are no more churches left to paint and there are no more graveyards which need picket fences erected around them. The grant program has really been exhaustive. It would serve no construction purpose to continue it. Therefore, that type of Government program, which the Hon. Member advocates should be continued—

Mr. Rompkey: That is not what I said at all.

Mr. O'Neil: —is of minimal importance. In my riding we have achieved success in terms of developing the private sector. However, we also have a balance. We have public involvement in a different way. In Cape Breton, as in all of Atlantic Canada, we now have some of the richest incentive programs possible, all this is an effort to bridge our economy to the oint where we do not need to get the private sector involved. However, we do have the bridging. These programs cost the Government of Canada a great deal of money. In my riding we are developing a diversified economy with a private sector base.

Mr. Edwards: Mr. Speaker, I wish to felicitate the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) for his speech with respect to the borrowing authority Bill. He has been described by *Atlantic Insight,* and by my hon. friend, as being cocky and shrewd. He is much more than that. His constituents should know that he is also an extremely hard-working and diligent Member of Parliament.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Questions and comments on the speech, please.

Mr. Edwards: I am coming to that, Mr. Speaker.

I know that the Hon. Member's speech must have been prepared in the late hours of the night since it is the Hon. Member's custom to work late and hard.

We Albertans are facing an uncertain future, perhaps, with the prospect of declining world oil prices. However, in discussions regarding the Budget in Alberta we find that Albertans do not begrudge in the least the very special treatment being given by the Government to Atlantic Canada. I know the Hon. Member has lived and studied in Alberta. I would like him to tell the House what long-term prospects he sees for Alberta and, indeed, Atlantic Canada under the enlightened policies of this Government.

Mr. O'Neil: Mr. Speaker, first, I would say that we are preparing for the influx of Albertans to Cape Breton. We expect to have a great many jobs there for them.

In response to the Hon. Member's specific question, the deficit is a major economic impediment to growth in the country. If we fail to address the deficit, we fail to address the priority of lowering interest rates and getting the economy moving again. The deficit is important in Atlantic Canada for that reason as well, just as it is important in western Canada. In an effort to diversify the economy of Alberta we are providing considerable support to the agricultural sector. We have also provided a new energy program for the Province of Alberta.

I would like to congratulate the Hon. Member for Edmonton South (Mr. Edwards) for his very aggressive pursuit of the interests of his constituents, and of all Albertans, which have resulted in very understanding policies both for the Atlantic region and the western regions of the country.

Mr. Gauthier: Mr. Speaker, I would like to ask the Hon. Member a short question. He just made the statement that growth is impeded by deficits. How does the Hon. Member reconcile that statement with the fact that last year we had a 4.4 per cent growth rate while we had a deficit, which was quite worrying, but nevertheless huge, of about $38 billion?

Mr. O'Neil: Mr. Speaker, the short answer is that I can only speculate about just how great that growth rate would have been if the deficit had been lower.

Some Hon. Members: Hear, hear!

Mr. Speaker: Resuming debate. The Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is difficult to follow the mutual admiration society which preceded me.

This afternoon I would like to make a speech to the House which takes an historical perspective on the present difficulties which our country faces. I would like to try to pinpoint, perhaps more than some of our usual partisan exchanges do, some of the underlying difficulties which face us as a nation, and in doing so consider the challenges which lie ahead.

The problem which we face as a country has roots which go back to the 1970s and, in particular, back to the oil shock of 1974. I would like to consider what that shock did to growth rates in our country, what it did subsequently to business investment and, after that, to the savings rates of the ordinary family. In that period of time, we have to see the source of these quite complicated economic problems which we now confront.

• (1620)

As Hon. Members know, the oil shock brought a very, very rapid increase in prices to petroleum products throughout the world. Something not as clearly recognized is that it also brought a massive downturn in the growth rates of virtually every country in the world. Canada, because it was a producer of oil, was not hit immediately by the downturn in that growth rate but by 1975 and 1976, Canada began to experience that squeezing of growth rates that were being experienced throughout the rest of the world.

There are some statistics in the very valuable book which the Department of Finance puts out each year. The one I am referring to is the economic review from April 1985. It shows quite healthy growth rates in Canada up to the end of 1974 and then a plunge in 1975 to a growth rate of only 1.2 per cent. That was marked that same year by a decrease which was unprecedented for Canada of 6.4 per cent in exports and by a decrease in our imports to a slightly lesser extent. Clearly, what happened is that growth slowed down in the rest of the world, that squeezed our exports and since we are a country which exports a massive proportion of our output, the consequence was that our growth rate got cut very dramatically.

As a consequence of that, in 1976-77 and indeed in 1978, the business investment in Canada virtually collapsed. There was a 1.2 per cent increase in business investment in 1976, a 1 per cent increase in 1977 and a 1 per cent increase in 1978. Of course, as a consequence of that massive slowdown in both exports and private-sector investment, there was a tremendous upturn in unemployment. If we return to the figures for 1975, 1976, 1977 and 1978, we see a gradual increase from the level of 6.9 per cent up to 8.3 per cent of unemployed.

Typically, Governments in the post-war period have responded to that kind of situation with a counteracting increase in activities. For instance, they have cut taxes and increased expenditures to try to make up for the fact that business investment and exports were not playing the roles expected of them. What we got instead from the Government of the day was the start of this strategy of cut-backs and restrictionism which has been so damaging to the economic recovery of Canada.

This course of action in fact took a new cycle starting with the oil shock of 1979 which equally hit economies throughout the world very, very hard. The squeeze which had hit world economies in 1975 was repeated but accelerated and in 1980 and 1981, there were tremendous squeezes on the economies of Britain, the United States and France. That in turn hit back on the Canadian economy particularly through our export balance, which again in 1979, 1980 and 1981 failed dramatically compared to the rate of increase in the past. Of course, when those exports did not take place, business investment also get squeezed and did not take place.

We see that in 1981, business investment began to slow down a bit, but by 1982 and 1983, because there is always a lag with business investment, there was an actual massive decline in the business investment of 9.1 per cent in 1982 and an unprecedented 12.4 per cent in 1983. In short, these complex issues came together in a way that had the effect of, first, hitting our trade partners, second, hitting our export earnings, and third, hitting the business investment that normally takes place in Canada. The consequence of that was to increase unemployment rates massively. By 1983, there was an unprecedented unemployment rate of 11.9 per cent.

What is the normal response of Government to that kind of squeeze of economic activity? It is to try to expand Government expenditure. It is to try at the same time to cut back taxes so that people have some sense of confidence, some extra money to spend and some ability to get the economy moving again despite this collapse of exports and earnings from business investment. That did not happen. Under the Liberal Government, we had instead tax increases and cut-backs in expenditure which also reduced the amount of economic activity. In short, we had a self-induced, almost suicidal collapse in our economic strategy and activity. Along with this, we had a lack of thoughtful industrial strategies. We did not make the effort to build up a high-tech manufacturing sector which could export into the world in areas where price competition was not as great. We did not have the emphasis on some of our

resource sectors, like agriculture and forestry, which might have got us out of the problem.

• (1630)

Instead, Mr. Speaker, we found a target under the past Liberal Government and we find the same target under the present Government. This target is to cut the deficit because somehow, almost by magic, that will rekindle the sense of dynamism and optimism in the business community, and the investment that those industries will undertake will be enough to give us recovery. That did not happen.

What we found, and we have found it with the present Government, is that this crisis in economics that we call a crisis of aggregate demand, a lack of demand within the country, has led to high unemployment and has led to serious currency problems.

Our currency began to drop. When that happens, ironically it gives us some advantages. In particular, it has given us, for the last year and a half, an advantage in the face of the American economic recovery. The U.S. economy has moved ahead quite dramatically. As a result, our exports, particularly because of the reduced dollar, have also moved up quite dramatically.

If we take, for instance, 1984, we get the incredible figure that in that one year our exports increased by 19.7 per cent, mainly in the form of exports to the U.S. Because of the massive deficit it was running, it had high levels of aggregate demand, low levels of unemployment and a consequent booming economy which sucked in all sorts of output from our economy.

It was great while it lasted. It lasted through 1984 and through 1985. That, rather than anything the Government here has done, has given us the 580,000 jobs about which the Conservatives like to boast. The point of this kind of more complicated understanding of our economic situation is that we still face a very high savings rate among consumers, a very low level of aggregate demand compared to what we need to get full employment in Canada. As a consequence, we face a situation in which a Government is doing nothing to deal with the domestic sources of our problems and is instead counting on the foreign answer of the United States economy's rapid growth.

Unfortunately for us as a country, that economic growth in the United States is not going to be sustained. There are two reasons we can be certain of that. The first is that we got within the Budget a projection which indicates a declining growth rate in the United States. The second, frankly, is that we have forces of protectionism at work in the United States that as our trade spokesman I have to say make me very, very frightened.

We have at this stage a surplus with the United States of almost $20 billion. I am certain that this will not be allowed to continue. It is just starting, but the protectionist squeeze on us from the United States is bound to come. This squeeze will come first in the area of softwood lumber. It will probably hit us by May or June of this year. The United States is expected to cut back exports from our present level of about 35 per cent of the U.S. market to about 25 per cent. That will wreak havoc in the economy of British Columbia. Because of oil price decreases the revenue we receive from the United States will be much less. Cut-backs will occur in the automotive sector which has been such an engine of growth for us here.

I feel that particularly with respect to my constituency of Essex-Windsor which produces a great deal of automotive output. We see quite clearly a slowdown in the expansion of consumer demand in the United States for automotive parts and automobiles. That is already costing us some jobs and it will spread throughout this economy.

Faced with that, Mr. Speaker, it means we have to turn back to our domestic sources of potential growth. That is why this Budget is such a tragedy. Instead of doing that, it is making the domestic sources of growth much more difficult with its increase in taxes and its cut-back in Government expenditures.

We have suggested an alternative by which we would shift the tax breaks presently received by corporations, which we know are not generating employment expansion, to tax breaks to people. This would cut people's tax burden and increase aggregate demand in the economy. We would also shift our expenditures to help assist local initiatives and community drives to try to get not expenditure and make-work projects that are run out of Ottawa, but instead local efforts to bring an expansion at the local level and an improvement in the local possibilities and potential of our communities right across the country.

That kind of approach, combined with an imaginative and an aggressive industrial strategy led by Government would give us some chance in the future.

As I see it, and I say it with regret, the Government's strategy, which is being adopted, of relying on the foreign impetus from the United States, now faces such impediments over the next 6 to 12 months that the great pleasure which Conservatives have had in the reduction of unemployment is going to cease. We are going to see ourselves facing once again a crisis of economic growth which will damage all parts of the country, Atlantic, Pacific, western and central.

• (1640)

Mr. Attewell: Mr. Speaker, the Member for Essex—Windsor (Mr. Langdon) has made several points today. Most of them give absolutely no credit to this fine Budget. I think it is a fine one, and word is coming back from different areas of the country that people are indeed willing, in a number of cases, to make some sacrifices in order to restore financial stability to the country. I just checked and I found that the dollar closed at 71.25 this afternoon. That is up 45 basis points. There were some doom and gloomers speaking during the past several days of debate, but I think the merits of the Budget are starting to show through now.

As I have said on a number of occasions, I think it is a very finely balanced Budget, as was the one preceding it and the Economic Statement of November 1984. That balance exists

in terms of expenditure cuts, which account for about 70 per cent of the total reduction, the other 30 per cent coming from taxes. Taxes are finely balanced between individuals and corporations as they are among various individuals. The needy are receiving a substantial break through the innovative sales tax refund which more than offsets the 3 per cent surtax.

The Member continues to repeat the argument, which has no substance, that the Government deserves no credit for the 580,000 jobs which have been created since September, 1984. That statement is totally without merit. It was this Government that dismantled the National Energy Program with alacrity and dispatch. It was this Government that saw how negative the Foreign Investment Review Agency was. Many people were putting forward numbers with regard to approval levels. However, the word was out around the world about the needless problems encountered by people who applied, only to be turned down. Under the leadership of the Minister of Regional Industrial Expansion (Mr. Stevens) that was changed. Not only was the name changed, but investment is now welcomed into the country, which investment creates jobs.

The Government, the Minister of Finance (Mr. Wilson), and the entire front bench have done a tremendous amount to create a new climate of confidence in the country, which will lead to even greater numbers of jobs by the end of this year and next year. The Member has tremendous talent in this area. I ask him to be a little more complete and a little more direct and honest with regard to the substance of the Budget. Give us a little credit on a Friday afternoon.

Mr. Langdon: Mr. Speaker, because it is a Friday afternoon, I am actually going to do that. There are three parts of this Budget which I found quite interesting, useful, and helpful.

An Hon. Member: You almost said "good".

Mr. Langdon: I will even say "good". The first is the principle that when tax changes are introduced there should be a rebate for the poor to ensure that they are not squeezed as hard as others. I think the Hon. Member made a technical mistake. The rebate program is not for the 3 per cent tax increase, but for the 1 per cent sales tax increase. In response to that, I certainly offer praise.

The attempt to make investment grants for industry more responsive to the varying needs across the country is a good step forward. It is good because those grants were, by and large, ineffective in persuading companies to undertake investment. They respond to aggregate demand, but not to Government hand-outs in most cases. They do respond with respect to location. By leaving certain incentives in for Atlantic Canada, the Government has given a kind of skewing to Atlantic Canada which is deserved, given the much higher unemployment rate which exists there.

Finally, I think that the changes being implemented by the Farm Credit Corporation with respect to its commodity-related mortgages for farmers is a useful innovation. Unfortunately, the Farm Credit Corporation told the Committee on Agriculture last Thursday morning that there are about 39,000 distressed families in the country. The corporation will be able to help only 6,000. Therefore, it is a step, albeit a small one.

Despite the fact that it is Friday afternoon, Mr. Speaker, I would not want my response to a question such as that of the Hon. Member to be entirely positive. The abolition of the National Energy Program, which, of course, was met with such glee, has now created major problems in Alberta as oil prices decline. They have come, once again, to see the virtue of regulated prices as they did during the 1950s.

With respect to FIRA, my experience in my constituency has been that exactly what we feared would happen has happened. U.S. companies have started to merge. They have taken money out of our country to finance those mergers, and we have lost both capital and jobs in the process. In any event, Mr. Speaker, you must judge a Budget by its basic thrust. For the reasons which I indicated in my speech, I think its basic thrust is wrong.

Mr. Hawkes: Mr. Speaker, the Member opposite said that Albertans had come to see the virtue of regulated prices. I happen to be a Member from Alberta, and I would like to assure the Member opposite that Albertans see no virtue in regulated prices. They have not done so for the nearly seven years during which I have sat in this Chamber. Indeed, they see great harm in that. They have seen the imposition of regulated prices bring about a partial collapse of the entire Canadian economy. They have seen suicides, spousal battering, and child abuse as a consequence of ill-fated regulated prices. For the Member to stand in this Chamber and indicate that Albertans see the virtue of regulated prices is to ignore the reality of our historical experience with regulated prices. The Member would indeed be hard pressed to find anyone outside of his own Party in the entire population of Alberta who would see the virtue of regulated prices.

Mr. Langdon: Mr. Speaker, I predict that very shortly, if the price of oil continues to fall, we will be faced with a request from the Alberta provincial Government for the establishment of a floor price for oil in the country just as was the case in the 1950s. It is that which I take to be a new recognition that regulation on the upward trend of pricing, which may hurt you at the time, is also something which can defend you when prices fall through the floor. At the moment in Alberta there are a great many economic operations which are facing potential collapse which should not be facing that kind of pressure simply because of what is happening to world oil prices. On that basis, I think a floor price for oil produced in this country, in order to keep an oil industry for the future, is something which I support, and I suspect a great many Albertans support it as well.

● (1650)

Mr. Gagnon: Mr. Speaker, I found the Hon. Member's comments concerning the National Energy Program very interesting. Coming from that region myself, I do not see where the NEP would have helped Alberta in the present

circumstances. The Hon. Member linked the oil price rise in 1973-74 first with our export trade, then with investment, and finally with employment. Canada was unique among the OECD countries in having its own made-in-Canada price. The rest of the world's trading nations bit the bullet immediately and absorbed the price increase. Can he give us his analysis of the effect on Canada of having a made-in-Canada price at the time?

Mr. Langdon: Mr. Speaker, that could be answered in a long way or a short way. In view of the time let me answer it in the short way. The effect was to hold off by perhaps 16 to 18 months the economic downturn which hit the rest of the OECD countries. The economies of France, Britain and the U.S. faced massive deterioration in 1974. We did not begin to experience that until late 1975 or perhaps the beginning of 1976. However, we did not escape it because the collapse in the economies of our trading partners hit the demand for our exports, which in turn restrained business people in my community, for example, from making investments in factories or other forms of business.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is with a sense of regret that I stand to address the borrowing Bill when I had hoped to address the Budget.

Mrs. Mailly: You will make the same speech anyway.

An Hon. Member: You were not here.

Mrs. Finestone: The memory of Members across the way is very short and convenient. I was in the House.

Some Hon. Members: Oh, oh!

Mrs. Finestone: This borrowing Bill seeks $22.6 billion, an increase from last year of $4.6 billion. That is a rather sad comment because a borrowing Bill is one of the ways in which the Government expresses it options, political philosophy and direction. I suggest that this might indicate that at a time when we have had, according to the Government, an improved economic situation, of which the Government can be duly proud, and improvements in the general economy, we would not have had an increase in borrowing. However, the Government has shown poor judgment and no political direction. We have had bad decisions with respect to the Gulf transaction, which cost us about $850 million in a tax ruling; we had $1.5 billion given to the Northland and CCB. The Government says it is $825 million, but by the time the bills are added up it will be closer to $1.5 billion. The capital gains exemption will cost $4.5 billion to $5 billion by the end of the decade. The phasing out of the petroleum gas revenue tax will cost approximately $8 billion until the end of the decade. Gasoline is going up and it is affecting everyone and everything.

Mr. Layton: Gas?

Mrs. Finestone: Yes, the cost of gas is going up. If you go to the pump and fill your tank you will be quite surprised at what the price is.

Mrs. Mailly: Because of the Liberal Government in Quebec.

Mrs. Finestone: Costs for farmers are up, therefore the price of food is up. Lower and middle-income groups are having a very difficult time. Perhaps if the Hon. Member across the way would stop talking and yelling she might learn something.

Mrs. Mailly: Not from you, lady.

Mrs. Finestone: The debate on this Budget clearly reflects the loyalty of the Conservative Party. The Party is loyal to a few members of a privileged elite. That massive vote which brought the Government into power was a very important manifestation on the part of the voters who said, yes, it is time for a change.

Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Mrs. Finestone: That is what they said in September, yes. I strongly recommend that the Government not test the waters now because I do not think Members across the way would be so happy at the voters' present reaction. They are unhappy, suffering from lack of leadership—

Mr. Lewis: Where is Jean Chretien when you need him?

Mr. Finestone: In order to understand the full effects of the Budget it is imperative that it be examined jointly with the May, 1985, Budget. That examination will prove that the onus is on the individual taxpayer and consumer to reduce the deficit. It is not the well-being of the people which is the major focus, it is the famous national deficit. The heavy burden is being placed on individuals as opposed to corporations and businesses. Over the next three years corporate taxes will decline and taxes on individuals will increase.

Few people will benefit from this Budget, and those who do are the people who already live comfortably. Even they are embarrassed at how well they come out in this Budget. The Government has decided in its second Budget to hit the average taxpayer again. This Budget clearly shows that the Government has no intention of promoting equal opportunities within the economy. It seems to be set on widening instead of reducing the ever-increasing gap between the well-to-do and the poor. There are presently 4.5 million Canadians living below the poverty line. They do not find the cavalier attitude of my Conservative confrères very pleasing. It certainly is not filling their stomachs. These people were hit hard last May and are being hit hard again. The reality is middle-class people on welfare, and soup kitchens. All Members have to do is to go into their riding and stop talking to the rich who supported them, but talk instead to the ordinary people who are very unhappy.

An Hon. Member: Particularly in Mount Royal.

Mrs. Finestone: This is a biased Budget. It does nothing for the poor, the unemployed, pensioners, youth, families or public servants. I do not know where these Members are from, but if

they would go to their office instead of dilly-dallying and travelling around the world—

Some Hon. Members: Oh, oh!

Mrs. Mailly: You mean like Don Boudria?

Mrs. Finestone: —they would find people who are unemployed, unhappy and in need of consideration and help. People are sitting very nervously at home. They are very concerned about where the axe will drop next. I do not know how members of this Government can possibly look at themselves in the mirror. Does this Government not have a social conscience and social responsibility? It certainly does not look that way.

Some Hon. Members: Five o'clock.

Mrs. Finestone: I would just suggest that if you look at the employment equity legislation and the response to our *Equality For All* Report, you would find that it speaks volumes. It is undirected, undefined and shows no real commitment. It is just lots of words.

Some Hon. Members: Five o'clock.

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday next at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, March 10, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMONWEALTH DAY

OBSERVANCE OF ANNIVERSARY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, today is Commonwealth Day and it gives me great pleasure to salute this remarkable institution. We are all familiar with the spirit of friendship and tolerance which so distinguishes this association of 49 states comprising fully one-quarter of the world's population. Its specific achievements are many, and we quite naturally think of the Commonwealth as an association where peoples from around the world reach across the great divides of religion, race, and economic and political philosphies to establish a commonality of purpose which draws on our diversity and is nourished by it.

Canada needs the Commonwealth and Canadians, by temperament, are well suited to playing a leadership role there. A nation's foreign policy is grounded in the needs, interests, aspirations, and talents of its people. We in Canada are fortunate to have two official languages and many different cultural and ethnic traditions. We have, against great odds, built a country which is second to none in its respect for the rights of others and, most especially, for the right to a life of dignity regardless of race, religion, or creed.

[*Translation*]

It is no accident that the Commonwealth so accurately reflects these fundamental values of our country. We were present when the organization was established, and from the very outset, Canadians have been active and energetic participants. More than any other multilateral institution, the Commonwealth has been shaped by Canadian values and reflects the driving forces behind our foreign policy.

Mr. Speaker, this country abhors the system of apartheid. It was John Diefenbaker who spearheaded the movement to expel South Africa from the Commonwealth, a spectacular act that sharply focussed the attention of the world, more than ever before, on this shameful situation. Last year in Nassau, it was again the Prime Minister of Canada (Mr. Mulroney) who decisively influenced the Commonwealth Agreement on South Africa.

[*English*]

Going into Nassau there were many who feared that the South Africa question could damage the meeting, could perhaps damage the Commonwealth itself, beyond all repair. We did not share this pessimism. We have confidence in our traditional foreign policy skills and the ways in which those skills have served Canada and the Commonwealth so well over the years.

In Nassau we set a timetable for the dismantling of apartheid and the initiation of reforms. We established a group of eminent persons to facilitate dialogue and work for power-sharing arrangements that might avert a catastrophe in South Africa. That group is now in South Africa and Canada is ably represented by Archbishop Edward Scott in its deliberations.

The Commonwealth has been important to the pursuit of other Canadian foreign policy objectives: The transformation of Rhodesia to the new Zimbabwe, the growing acceptance of women as equal partners in economic and political life, and the efforts to move forward on north-south economic issues. In these and similar areas the Commonwealth has made significant contributions. Indeed, the success of the Commonwealth inspired much of the thinking which went into the hosting of the first ever Summit of Francophone Nations last month in Paris. We have great hopes that this francophone forum, too, will become an instrument for international understanding and human progress.

[*Translation*]

Canada's foreign policy is conducted through a complex series of bilateral and multilateral associations and institutions. To better understand this country and its position in the world, we should identify the means by which we pursue our national objectives in agreement with our allies and friends the world over. Our foreign policy is distinct because we have a unique network of international relations. Outside the Commonwealth, no other institution reflects so profoundly the way we feel about ourselves.

[*English*]

Canada has invited Commonwealth leaders to convene in Vancouver in 1987 for their next meeting. The invitation demonstrates our commitment to the Commonwealth, and the Vancouver meeting will demonstrate to Canadians the Commonwealth's attachment to and respect for Canada and the principles which guide this country in our activities around the world.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, on behalf of my own caucus I would like to share with the

Secretary of State for External Affairs (Mr. Clark) the tribute to what is, indeed, a remarkable and fascinating institution which was born in colonialism and dependency and has now emerged into full blown maturity as an association of free and independent countries able to share common concerns across a wide variety of different points of view.

Our commitment and dedication to the Commonwealth is important at this time in the history of the world because there are increasing signs of a retreat of commitment to the concept of multilateralism and internationalism. Various countries are retreating into forms of regional blocks, alliances, and continental associations. There is a diminishing support for the necessity of bringing the world closer together, not only in pure economic terms but in terms of communication. We see threats of terrorism. We see threats of the antagonisms which have grown up. We see retreat into the forms of preferred trading arrangements which do not allow for the entire scope of world activities to take place.

We all know, Mr. Speaker, that the key issue facing the Commonwealth in the weeks ahead will be South Africa. The Secretary of State properly referred to the statements made by himself and by the Prime Minister (Mr. Mulroney) at Nassau and the United Nations. Opposition Members supported the intent and objectives of those statements. However, the clock is ticking. The six-month timetable which was set by the Government comes to an end in early April. At that time some very difficult decisions will have to be made. We will have to decide what kinds of very clear decisions we will make on sanctions and diplomatic representation. Thus far, Mr. Speaker, I have not seen the contingency planning which would allow us to meet those commitments and timetables.

● (1110)

The Minister speaks of leadership and that is a very important quality which Canada has and should exercise in the Commonwealth. It means we should be bringing various countries together to look at what could result from the mass movement of refugees in the front line states around South Africa. We should be looking at the representations and responses which would have to be taken, not just in the Commonwealth but in the UN and other world bodies. In other words, the clock is ticking and the time draws near.

This Government should be preparing itself for a number of serious steps which will have to be taken. We know for a fact there has been no improvement in South Africa. There has been no change in the position of the South African Government regarding apartheid. There has been no substantial progress made. Therefore, when the deadline is reached, and it is in the offing, then we in this House will be forced to make a difficult but important decision to take the final step and tell South Africa we will not accept apartheid any longer, that this Government will take every action necessary to make sure it does not continue. We will provide the necessary leadership in the Commonwealth and elsewhere. There will be a time to stand up for principle, and action will certainly be more important than words.

I want to comment on one further aspect of Commonwealth affairs. It is prompted by the release on February 17 of the new proposals for economic co-operation in the Caribbean. We all recognize that the Caribbean is one area where Canada can provide the most positive kind of leadership and support for an important group of Commonwealth nations. The statement of February 17 falls substantially short of that. The exclusion of a number of important areas from the agreement does not represent the kind of commitment we would like to see this Government make. I hope that in next week's meeting between the Prime Minister and the President of the U.S., the Government of Canada will be very forthright and strong in its approach to promoting a much broader and more effective economic program for that part of the world and that part of the Commonwealth.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I need all the help I can get today.

Some Hon. Members: Hear, hear!

Mr. Deans: I cannot even get started for the applause. I want to join with both the Minister and the Liberal Party critic in recognizing today as Commonwealth Day. As I prepared to say a few words on this subject I could not help but think that every year we rise and extol the virtues of the Commonwealth. Then 12 months pass and we rise again and extol the virtues of the Commonwealth. That may be a little unfair, but we do not pay as much attention to the Commonwealth as we pay lip service to our concern for the Commonwealth. It is time for Canada to evaluate very carefully the role it can and ought to play as leader in the Commonwealth. We have 49 states with a common bond. The bond takes on many different dimensions but it is exemplified in the movement of people around the world. There is within that movement a very close relationship between Commonwealth countries. In my own case, coming to Canada from Britain, the choices were quite narrow; you went to Australia or Canada. That was because of the Commonwealth tie. It was a sense that we belonged to the same family of nations. We had many similar if not identical standards in our daily lives.

In looking at the shifts which have taken place in the world, the one constant factor has been, at every international conference I have attended, that the persons who came most quickly and most closely together in seeking solutions to difficult problems were those of the Commonwealth. They always seemed to be able to find common ground. They came together in a group not to bully others but to look for solutions to international problems. As you travel around the world you find that in Commonwealth countries there is a tremendous amount of respect for Canada. If you were to ask people in the Commonwealth countries who they look to for leadership and guidance, almost without exception the name Canada comes up early, if not first, in the responses. We have to constantly bear that in mind because with that recognition goes tremendous responsibility. We have to be prepared not only to be a voice among many but to be a leading voice in seeking solutions to the very difficult problems which exist both within

and without the Commonwealth. In South Africa, for example, I cannot help but feel that although we have played a role, it is difficult to measure at this stage what progress, if any, has been made as a result. It is hard to see the kind of response from the Government of South Africa which we had hoped to see; the kind of human understanding of the inappropriateness and total unacceptability of the system they have established, that of a division on the basis of colour. We in this country have to be even more strongly represented in the argument against that system. Not on a once in a while basis but on an every day of the week basis. If need be, we would have to take the appropriate additional steps which may turn out to be necessary, which in fact may even now be necessary, in order to try and bring to that regime's attention that, as a leader in the Commonwealth of Nations, we will not sit idly by and allow to continue the kind of activity that they perpetrate on their own people.

Beyond that, there are other conflicts in the Commonwealth, some economic and some social. Canada has to free the necessary capital resources to offer to those countries the base from which they can develop a position of equality within our group of nations, indeed in the world. I say to the Minister that the celebration of Commonwealth Day should be a new beginning. It is not enough to say that we will just continue with what we have been doing. We have to chart a new beginning starting now and clearly establish an independent role for Canada, to show the rest of the world that we are not going to be idle bystanders. We are going to be there when circumstances require it, whether it be a financial cost or whether it be in rallying the rest of the world around the appropriate measures which must be taken.

On this day the message has to be that we in Canada are going out now to establish a new relationship. We are going to ask the rest of the Commonwealth nations to join with us in fighting those things which we all agree are inappropriate. I ask the Minister to consider once again sending a message to South Africa on Commonwealth Day, drawing to their attention what we have in common and what we find unacceptable about the regime's behaviour. Do it as a commonwealth message and ask the rest of the Commonwealth to join us.

* * *

● (1120)

PETITIONS

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mr. Jim Caldwell (Essex-Kent): I have the privilege of presenting a petition from the residents of Kent Bridge in the riding of Essex-Kent. The petitioners humbly pray and call upon the Government to require the Government of the Province of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in regard to laying charges under Section 251 of the Criminal Code against the operations of the premises known as the Morgentaler Clinic.

Order Paper Questions

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I am sending a message to the National Capital Commission from 104 residents of the national capital region who express their continued strong opposition to the proposal to utilize the green space north of Sandridge Road into an embassy enclave.

* * *

ARCTIC WATERS POLLUTION PREVENTION ACT

MEASURE TO AMEND

Mr. Ian Deans (Hamilton Mountain) (for Mr. Blaikie) moved for leave to introduce Bill C-279, an Act to amend the Arctic Water Pollution Prevention Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CANADA SHIPPING ACT

MEASURE TO AMEND

Mr. Ian Deans (Hamilton Mountain) (for Mr. Blaikie) moved for leave to introduce Bill C-280, an Act to amend the Canada Shipping Act (twin screws and double hulls on all vessels carrying oil in Canadian waters).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill.

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 519 will be answered today.

[*Text*]

UNEMPLOYMENT INSURANCE LEGISLATION

Question No. 519—**Ms. McDonald:**

Did the Minister of Employment and Immigration change the regulations of the unemployment insurance program to cover performing artists, regardless of their status for taxation purposes, as recommended by the sub-committee on the

taxation of artists and writers and (*a*) if so, on what date (*b*) if not, for what reason?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, the UI legislation has not been changed.

(*b*) Coverage under the UI program is based on an employer/employee relationship, with the general requirement being the person must be under a contract of service in order to be considered in insurable employment. Where the artist is employed under a contract of service, i.e., where the employer/employee relationship exists, the artist is covered under the UI program. However, for the most part, performing artists do not fall under this category but rather, are self-employed.

The UI program is being studied by the Forget Commission; no change will be forthcoming to the UI legislation until its recommendations are made known. Representations have been made by performing artists to the Forget Commission, and their case will be given consideration in conjunction with the over-all review of the UI program.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: May I inform the House that because of the ministerial statement Government Orders will be extended by 18 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, February 25, consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: Resuming debate, the Hon. Member for Brant (Mr. Blackburn).

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise this morning to address Bill C-87, an Act really to privatize Canadian Arsenals Limited, a Government Crown corporation I believe since 1945.

The first point I want to make is that it seems to me that when we talk about the privatization of Crown corporations this Government, and indeed the previous one, seemed to think that the more successful the corporation the faster the Government should divest itself of that corporation. Certainly Canadian Arsenals Limited is one shining example. Frankly, I do not know why the Government wants to get rid of Canadian Arsenals Limited of Montreal. It employs some 800 workers in Quebec at two different factories. It supplies a great amount of ammunition to the Canadian Department of National Defence at a very good price. Last year, for example, it registered a profit of $11.3 million. In *The Financial Post* survey of the top 500 firms in Canada it came in at number 470. It is not exactly the top, but it is within the top 500. In terms of five-year profit growth it was number three. Again I ask, why does the Government wish to divest itself of this very profitable well run, well organized job producing Canadian industry?

One could almost link this with the sale of de Havilland and the proposed sale of Canadair, even though both of those corporations at the present time are not in a profit-making situation. Nonetheless the taxpayers over the years have poured hundreds of millions of dollars into the development of a Canadian Aerospace Industry. Now we see that after that effort has been made, and the financial input has been made from taxpayer's money, both of these companies are also going to go to the private sector. We do not seem to be in any great hurry, however, to divest ourselves of the losers. Those Crown corporations, which unquestionably will continue to be losers, the taxpayers of Canada are being called upon to continue to infuse with capital simply to keep their heads above water. Not so with Canadian Arsenals Limited of Montreal, a successful profitable job creating corporation that in my opinion, and that of my Party, should be kept as a Crown corporation and, indeed, as an example of how a Crown corporation should be managed, organized and run, and to prove to the doubters that Crown corporations can work, can make profits. That is the key point here as far as we are concerned.

As far as the specific deal is concerned with respect to Bill C-87, there is an upside as well as a downside. I am very happy to see that even though we have to divest ourselves of this Crown corporation the purchaser must be at least 75 per cent Canadian and resident in Canada. The Board of Directors must also of course be resident in Canada. This clause, as far as I can understand it, cannot be altered in the future. It must remain a Canadian corporation, if not a Crown corporation.

Second, the purchaser, SNC Group of Montreal, which is a very reputable private company in engineering, construction and manufacturing—I suppose in the scheme of things one could not expect to find a better corporation in Canada which is Canadian for the purposes of taking over Canadian Arsenals—is owned I understand by approximately 500 of its own employees, and world-wide, including its Canadian operations employs approximately 4,000 employees.

The downside, however, is quite serious. In addition to what I have already said in principle about divesting ourselves of

Crown corporations that are profitable, well managed and well organized, we have here, first of all, the loss of a prosperous Crown corporation which sells 90 per cent of its ammunition to DND. When one considers that our own Department of National Defence, which obviously is an adjunct of the Crown—it is a portfolio, a ministry, and by its very nature must remain within the public domain—has its own publicly owned and controlled source of ammunition supply at a very reasonable price, I am told, why would we now choose to privatize Canadian Arsenals, particularly when it has been doing a very, very good job of supplying our own military with relatively inexpensive ammunition since 1945. I believe it is fair to say that from now on the cost of that ammunition will increase now that the company will be privatized. This may not take place over night, but I am prepared to argue that the cost of that ammunition to Department of National Defence will begin to increase.

• (1130)

There is also no guarantee of job security, job creation or expansion as a result of this deal. Of course, this is cause for concern to employees of Canadian Arsenals Limited. As far as we can determine, the new corporation can be allowed to stop producing the kind of ammunition or product that it presently produces for the Department of National Defence.

There is no guarantee of employee benefits. For example, Canadian Arsenals Limited is represented by the Public Service Alliance of Canada but the employees of SNC are represented by the CNTU in their collective agreement. There are two major unions involved in this transaction and, while I am not familiar with labour law, it would appear to me that there may be a conflict requiring the collective agreement to be rewritten. Who will represent the employees? Will it be the PSAC or CNTU? I believe this situation will create some labour unrest in the Province of Quebec certainly over the next several months because these are two sizeable bargaining units.

The Public Service Alliance of Canada and its membership was never notified of the Government's intention to privatize Canadian Arsenals Limited. The first information they received was what they read in the newspaper. It is most regretable that an employer would inform its employees of a change of ownership through the media. It is demoralizing and creates widespread apprehension among the workers and the bargaining unit. It does not lead to a peaceful and easy transition from one owner to another, and I suggest the Government has made a major blunder in this process. In addition, the PSAC registered its very grave reservations and apprehensions to Canadian Arsenals Limited and the Government as early as October 7, 1985, with respect to the possibility of the company becoming privatized.

We have other serious questions regarding the process used by the Department of Supply and Services in selling Canadian Arsenals Limited. Dozens of companies expressed interest in CAL but only six were asked to submit final money offers by November 19, 1985. We have no way of determining why only six and none of the other companies were asked to submit final money offers by November 19, 1985. Furthermore, the final bidders were forced to submit three revised bids between July and November 19 because the Department of Supply and Services kept changing its story, according to a newspaper article. In other words, we do not know whether the Department was changing the rules during the game, or why only three of those six firms were asked to submit three revised bids between July and November 19, 1985.

Moreover, a senior official at the Department of Supply and Services, Stan Kerr, Director General of Aerospace and Armaments, left DSS on November 1 to work for CFN Consultants which was lobbying DSS on behalf of SNC for the purchase of Canadian Arsenals Limited. Mr. Kerr signed an affidavit swearing that he would not be dealing with any aspect of the Canadian Arsenals Limited deal. I am not questioning the man's integrity or honesty, but I am suggesting that in the public domain, in the media and in our minds there is always that lingering element of the appearance of conflict of interest. There is the appearance of a possibility of conflict of interest, and I am in no way calling into question this gentleman's honesty and integrity. I simply suggest that it was a poor move at that time because it does raise some eyebrows. I will not comment on it any further.

All of these points may be attributed to the fact that the Department of Supply and Services was treading on new ground in its role as a privatizer, because it traditionally acquired rather than divested of Government assets.

The conditions of sale which SNC has agreed to for the purchase of Canadian Arsenals Limited are not yet known to the public. In a press release dated December 2, 1985, the Department of Supply and Services refers to employee pension rights being protected in the conditions of sale. However, a conversation with Jean Bergeron of the PSAC on February 21, 1986, confirmed that they were still worried about the workers' pension plan.

This is an area of vital concern not only with respect to this change of ownership but with respect to such sales in general. There are situations throughout the country where individual workers who have given five to thirty of their best working years to a company, see that company change hands or go bankrupt and most if not all of their pension plan go down the drain. This is fundamentally and morally wrong. We can no longer tolerate this type of situation in this country where men and women retire with a pension of only $200 or $300 a month rather than the $1,000 they anticipated at age 65 because the company changed hands along the way.

When we address the issue of pensions in general at the federal and provincial levels throughout the country, I hope this type of situation can be brought to an end. As far as my Party, and I am sure most Members of Parliament are concerned, this practice cannot continue. We must bring this type of handling of what used to be called in the 19th Century "operatives in the workplace" to an end.

I urge the Government to make every effort to ensure that as a new company takes over Canadian Arsenals Limited the

pensions are totally guaranteed and will continue in place for those workers who are presently working at Canadian Arsenals and have paid into them over the years. In that way they will be guaranteed the kind of dignity and security which they anticipate and expect in their retirement as a result of the present collective agreement.

• (1140)

On December 14, 1985, the *Financial Post* referred to significant numbers of contract clauses built in to ensure greatly expanded facilities for the manufacture of munitions and the modernization of plants. I said a few moments ago that Canadian Arsenals, a publicly owned corporation, was a first-class producer and ammunition for the Canadian DND. I just wonder whether we should be expanding the role of this munitions manufacturer into a global market-place. I wonder whether it is wise for a country like Canada to become even more deeply involved with those known as the "purveyors of death", the international arms merchants. Granted, bullets are a very small component of any military organization. However, in principle, should we consider allowing a Canadian company, now that it is going to be privatized, to be expanded into the world market-place where weapons, components of weapons, bullets, shells and so on, are sold?

I do not believe Canada has to create jobs in that way, now should it be involved in the international arms trade. We are not morally obligated in any way to become part of that very questionable and murky world beyond the factory gate. Where do the guns, the bullets and shells end up, and I am not referring to SNC? Where do the other weapons of death end up? Through whose hands do they go and where do they eventually end up? We have laws in this country to prevent Canadian manufacturers, whether publicly or privately owned, to sell weapons to the world's hot spots, to where there is insurrection, civil war, international conflict, and so on. It is very interesting that some of the bullets or shells of CAL ended up in the hands of the Contras in Honduras and in the northern sections of Nicaragua. No matter what side one is on in Nicaragua, I think it is unconscionable—if it is correct, and I am going by newspaper reports—that Canadian made bullets would be involved in conflicts, not only between the Contras but, more importantly, now between the United States and the Sandinistas, because that is really what the civil strife down there is all about. It is that Nicaragua posed a major military threat to the United States. But I am not going to get involved in that subject because it is not on topic.

I think we should be very careful. Perhaps we should think about tightening up on these export controls. There have been some notable exceptions over the years, but so far Canada has a pretty good record in this field, and I would hope that by privatizing Canadian Arsenals Limited, by selling it to SNC, we will not be providing yet another company to produce armaments in the world for the purpose of these very questionable territorial or regional military disputes, insurrection or civil wars.

The Government is determined to sell off a winner, a profit-making Crown corporation, which I do not believe it should do. It is a corporation which could have been an example of how a Crown corporation should be run successfully. Nonetheless, with its massive majority, the Government is going to force the sale through. But I hope it will make certain that there are restrictions on the sale abroad of the products produced by the new owners.

Mr. Boudria: Mr. Speaker, I have a question and a short observation first. The Hon. Member will no doubt be aware that the Government in its attempt to sell this Crown corporation decided to hire the firm of Arthur Andersen Limited from Montreal in order to assess the value of its assets and business for the purposes of arriving at some sort of price for its disposal. The Minister of Supply and Services (Mr. McInnes) sent me a letter on January 20 in which he said:

> Further to my Legislative Assistant's discussion with you last week, I must once again advise you that I cannot provide you with a copy of the Arthur Andersen Report. However, I can confirm that the Arthur Andersen Company carried out a valuation study of CAL prior to commencement of the bidding and negotiation process and estimated that the value range for CAL was $80 million to $98 million.

The Hon. Member will know that the company is proposed to be sold for an amount of $92,224,941, in other words, considerably less than the maximum indicated in the Arthur Andersen report. Does the Hon. Member agree with me that the Arthur Andersen report should be tabled in this House so that all Members of Parliament could in fact determine whether or not the Canadian taxpayers are receiving their money's worth, notwithstanding the fact, as he said, that perhaps we should not even consider selling the company at all? However, recognizing the majority the Government has, I think the least we should do is ensure that the taxpayers of Canada are well compensated for their belongings, and of course this company belongs to the taxpayers of Canada. Does the Hon. Member think, as I do, that this process should be made public, that the Arthur Andersen report should be tabled in the House so that all Hon. Members can know the value of the company?

I give an example to the Hon. Member. Is the company worth $98 million if it has a guaranteed Government contract? Is it worth slightly less if it does not? In other words, why can we not get the details of this process in order to be able to fully determine whether or not the taxpayers of Canada are reaping all of the benefits from this sale, notwithstanding the fact that we may not even want it sold, to start with?

Mr. Blackburn (Brant): Mr. Speaker, I want to thank the Hon. Member for putting that question to me. I made reference in my remarks to the fact that we did not have all of the details of the transaction. I think it goes without saying that whenever a Crown corporation is sold—regrettably, a profit-making one like this—all of the details of that transaction should be tabled in the House so that we know exactly what happened. After all, we are the custodians here, not of private stockholders but of public funds which are given to us by the taxpayers of Canada by law. They are the owners, as the Hon. Member pointed out. The taxpayers should be apprised of all

of the aspects of any transaction when a Crown corporation is sold to the private sector.

It is rather interesting that there is a difference between the Andersen upward figure of some $98 million, and the proposed sale price of $92.3 million, roughly.

Mr. Bradley: Mr. Speaker, I appreciate the Hon. Member's concerns pertaining to the pensions and benefits of the employees. I know of the interest the Hon. Member has in this area. I can assure the Hon. Member that this is also a concern of ours, and I look forward to working with the Hon. Member in committee on this matter.

The Hon. Member also expressed some interest as to how the bids came about and how the decision was made. I should possibly clarify for him that on May 23, the Government's intention to privatize Canadian Arsenals was announced. In response to the announcement, numerous expressions of interests were received. In fact, nine corporations submitted the $100,000 deposit required to obtain confidential information and accesss to CALs facilities. Eight of these nine corporations submitted serious offers on August 9, 1985. Immediately thereafter the Government commenced competitive negotiations with these companies to ensure the best deal for the taxpayers of Canada. This is why the come-backs to the bids took place. The process has resulted in a selection of the SNC group as a preferred bidder. As the Hon. Member has stated, we feel that SNC is a very competent Canadian company, the majority of whose shareholders are Canadian. We are very proud to do business with them.

● (1150)

Mr. Blackburn (Brant): Mr. Speaker, I would like to respond to the Hon. Member for Haldimand-Norfolk (Mr. Bradley). I would be happy to participate in any way I can to make certain the deal goes through, even though I am opposed to it. If it has to go through I wish to ensure that it will go through with as much public understanding and knowledge as is possible.

In my remarks I made reference to the final bidders being forced to submit three revised bids between July and November 19, 1985, because the Department of Supply and Services kept changing its story. Again, that information comes to me from a newspaper report. Nonetheless, I am not suspicious that anything wrong has been done. I am certainly not suspicious that anything illegal has been done. I am simply wondering why these companies would have to submit bids three times. Was this to obtain, for example, a higher price? That would make sense to me if all the bids which came in were too low, or well below the Andersen figure, or below the upper figure, or, in this case, the lower figure. Thus there are still some questions in my mind with respect to this matter. I am not for a moment suggesting that anything illegal has taken place at all, or anything unconscionable for that matter. I am basically opposed to this sale. It is too bad we have to divest ourselves of a healthy corporation. I can think of one or two others which we might let go for a buck.

Mr. Cassidy: Mr. Speaker, I would like to draw to my hon. friend's attention the fact that Canadian Arsenals Limited showed a profit of $3 million in 1981 and a profit of $181,000 in 1979, which rose to $11.3 million in 1985. Back in 1980 Canadian Arsenals had sales of $30 million, which sales tripled to more than $100 million in 1985. It appears to me that Government wants to get rid of Canadian Arsenals because it maintains it has been badly managed. Does the Hon. Member think there is evidence to show that the company has been badly managed and that it is some type of a dog, or in fact is this not a company whose profit increase was the third or fourth largest of any company according to *The Financial Post* 500? Why get rid of it if in fact it is so profitable?

Mr. Blackburn (Brant): Mr. Speaker, I wish to thank the Hon. Member for his question. I answered in it in part in my remarks this morning. I mentioned that it was within the top 500 companies according to *The Financial Post*. I mentioned it was number three in Canada in terms of its five-year profit growth. I asked: Why sell? The taxpayers of Canada do not even know if we are receiving a good price for it. I think it is a shame that we are getting rid of this type of Crown Corporation which has a ready market. Some 90 per cent of its product goes to the Department of National Defence. It is a company which has shown increasing profitability. It is a company which has been improving in the market-place. Obviously, it is not a company which was poorly managed. It seems that the Government automatically assumes that all Crown corporations are badly managed, when in fact here is a shinning example of one among many which is not badly managed and which, indeed, is very efficiently run.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in recalling the Budget prior to the last Budget, and I would love to have been able to speak on the last Budget but unfortunately the Tory majority cut our tongues out on that particular issue on Friday—

Some Hon. Members: Oh, oh!

Ms. Copps: I recall in the Budget prior to the most recent Budget the Minister of Finance (Mr. Wilson) stated that he would like to reward success. The new credo of conservatism was: "Reward success". Yet those in the public who do not know a great deal about Canadian Arsenals Limited might not realize that this particular action on the part of the Government, the sell-out of Canadian Arsenals, is in direct contradiction to the promise of the Minister of Finance that he will reward success.

I would like to walk through some of the recent history of Canadian Arsenals which clearly shows that this company was not only making money but that it had the third highest increase in profitability of any company on *The Financial Post* 500. One would think that under those circumstances the Government would at the very least be prepared to come clean with respect to the total value of the company. However, we quite clearly see another example of the secrecy of the Govern-

ment. It is not prepared to tell the taxpayers the value of the company which we are now about to divest ourselves of as a result of its credo of privatization. It has so blinkered its eyes to the benefits of some Crown corporations that it is not prepared to even submit to public scrutiny the Arthur Andersen report which assessed the value of the over-all picture of Canadian Arsenals Limited. In fact, if one were to look at the most recent annual report of Canadian Arsenals dated March 31, 1985, one would see that during the tenure of the Conservative Government—so it cannot be said that this is a sneaky Liberal document—this Crown corporation had embarked upon a plan which was succeeding. This was a plan which was not only buttressing our development of high technology in Canada, but which was looking at the whole notion of increasing exports.

We know that when the Prime Minister (Mr. Mulroney) heads off to the "Sham"rock summit in about a week from now he will be talking about increasing our exports.

[*Translation*]

For the first time in its history, Mr. Speaker, if we take the time to read the Annual Report for Canadian Arsenals Limited, for the first time in its history, this corporation has exceeded $100 million in sales and $10 million in net profits.

Going back to the year 1977, we know that at the time, the corporation was not in good financial health. A decision was made to set up a project which in fact was ordered by the previous Liberal government. They decided to revamp a plan in order to make the corporation a profitable concern.

In 1977-78, there was a net deficit of $1.2 million. The corporation's sales in that year totalled $8 million, and it was expected the deficit would be a problem.

But if we look at the last seven years, Mr. Speaker, the results of the corporation's plan for 1984-85 show that the mandate given in 1977 to make Canadian Arsenals a viable and financially independent enterprise, capable of attracting private sector investment, has been met in all respects, according to the highest private sector criteria—which is the goal of this Conservative Government.

This Government was expecting to pay a supplement to ensure the security of supply of military equipment in Canada. In fact, according to the Minister responsible for Supply and Services, the decision represents a saving, not including the economic spin-offs for the country in terms of the creation of hundreds of high-paying jobs in an advanced technology sector.

Mr. Speaker, finally, the corporation has made tremendous progress during the last seven financial periods. Today, according to the *Financial Post 500*, the corporation ranks 470th on sales and third on growth of net profits over the last five years.

If we look at advanced technology, for instance, we know that during the election campaign, the Government promised to double the funding for advanced technology research.

We see that in this corporation, of which the Government is now divesting itself, advanced technology within the corporation represents $86.6 million of a $103 million turnover, and we can better appreciate this when we see that this breaks down as $28 million for new products, $2 million for new filling processes and methods, $25 million for products for which technology was acquired under licence, and $1.6 million for technology sales.

Mr. Speaker, increased inventory has made it possible to increase productivity by 11 per cent, compared with a drop of 2 per cent for the previous year.

We also know that the CAL staff has increased and there is talk about jobs, jobs in the Province of Quebec. They hired 159 new employees last year and the Crown corporation had 827 people on the payroll on March 31, 1985.

The Parliamentary Secretary stated there would be no problems with the employees, their jobs will be protected and so on. Mr. Speaker, the facts show that it is not so. When the Government decided to unload the corporation it did not even have the courage or basic courtesy to contact the union, the Public Service Alliance of Canada. The Government made and announced the decision and the employees found out the corporation would be up for sale when they read about it in the newspapers.

Mr. Speaker, how can we take the word of a Government that promises to protect the former Crown employees who are now working for the CAL when we can see the same Government did not even have the courage to contact them before deciding to sell the corporation which now has about 800 employees in the Montreal region?

Obviously, Mr. Speaker, the Government showed its total lack of courage in this whole matter. They decided to give a mandate to the Minister of privatization—that is the Minister of Regional Industrial Expansion (Mr. Stevens) who struck the first blow when he sold de Havilland—and then the Minister of Supply and Services (Mr. McInnes) came on the scene right after the Minister of privatization and decided to sell this corporation which is now operating profitably.

• (1200)

Mr. Speaker, why are the Conservatives so keen on privatization? They are quite prepared to sell the corporation, but they did not have the courage to table in the House the documents listing its assets.

[*English*]

What are the Conservatives afraid of? Why are they so bent on the privatization of this company which has clearly demonstrated that it has followed the Wilson rubric, "reward success"? In the last seven years, it has made a spectacular recovery, finding itself number three on the *Financial Post's* list of 500 for increasing profitability of a company. Yet the first thing the Government does, in its Pontius Pilate approach to the public sector, is to wash its hands of the entire company.

The Government is selling off the assets of the company and the Canadian Government's only access to munitions without even having the decency to table in the House the corresponding documents.

It could be argued that there is some question of national security involved. Heaven knows, the Government invokes national security at will when it suits its purposes. If that is the case, however, why did the Minister, in a letter to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who has been questioning the Government on this issue since the announcement of it, tell the Hon. Member that he could see the Arthur Anderson report privately in the Minister's office but that the Minister was not prepared to make its contents public? What is there in this particular document that makes the Government so fearful that it cannot make it public? Is it another example of a de Havilland Giveaway? Is it in fact because the Anderson report shows that the profitability of this company is not only increasing but that the notion of having a Crown-owned manufacturer of munitions is in the interests of Canadian security?

The Government has indicated that it will have the supply question dealt with by making sure that SNC is a 75 per cent Canadian-owned company, and that is wonderful. However, we saw with Mitel that when the Government gives up its interest or in fact is prepared to sell out, there is never any guarantee in the long term that the company will remain in Canadian hands. On the other hand, there is certainly no guarantee that even a Canadian-owned company would always act in the best interests of the people of Canada. Presumably the Canadian Government would act in the best interests of the people of Canada, and that is why a company like Canadian Arsenals was launched as a Government Crown corporation.

The biggest buyer of Canadian Arsenals products is the group known as the taxpayers of Canada. On the one hand, we are the biggest buyer of the company's products. We are selling out our interest and turning it over to SNC, which in fact is now going to be in a position of having a major monopoly on the issue of munitions for Canada. The company is being sold and we are not even prepared to come clean in the House of Commons about the actual value of this company which has shown a remarkable and, indeed, one might even say a miraculous economic growth in the last seven years.

The Government had been prone on a number of occasions to pointing to the fact that the so-called non-profit-making Crown corporations are adding to the deficit. We heard the President of the Treasury Board (Mr. de Cotret) jumping from one figure to another trying to justify the giveaway of the de Havilland Corporation. When the figures were finally tabled in the House, they belied every statement made by the Government on the sale of de Havilland. We will not be able to have the same scrutiny of this particular sale to SNC because we do not even have access to the documents.

It is unfortunate that most members of the public do not understand the function of Canadian Arsenals. They do not know that it has been a profit-making company. They do not know that its prime user happens to be the Government of Canada for the people of Canada. These munitions are made by a Crown corporation which employs people through the Government of Canada. Ninety per cent of its products are sold to the Canadian Government for the people of Canada. Now the Canadian Government is divesting itself of that company without even having the courage to come to the House with the documentation that shows that we have to get rid of this boondoggle. But it is not a boondoggle, it is in fact a very profitable company which has responded to the Conservative mandate by recognizing the bottom line.

Since the establishment of Canadian Arsenals in 1949, we have seen an incredible increase in its move toward profitability, particularly in the seven-year plan that was established in 1977-78. We also see the future for Canadian Arsenals. The selling price is $92.2 million, $87.5 million for the shares and $4.7 million for the debt owed by Canadian Arsenals to the federal Government. Sales in this particular company are projected to double in the next five years. There are currently $200 million in backlogged orders with the company. If my mathematics are correct, with $200 million in backlogged orders and a selling price of $92.2 million, SNC has just gained over $100 million in guaranteed orders without even having to table its fiscal plan for the company in the House of Commons.

This is a giveaway. It is another indication to the Canadian people that the credo of privatization espoused by the Minister of Regional Industrial Expansion (Mr. Stevens) and followed by every other Conservative Minister does not always work. There are times when there is a role for the public sector to play in the economy. Surely the sole source of munitions supply for the Government is quite clearly one area where there is a public interest in having this company remain in public hands.

• (1210)

It was the decision of the Minister of Supply and Services some three years ago to analyse the situation. He said that in light of the security implications of the particular company it was important that it not only be Canadian owned but that there be a direct government interest, that it be a Crown corporation. The Government has washed its hands of that particular analysis without being prepared to say in the House of Commons just why, or for how much or for what reason it is selling the company.

[*Translation*]

Unbelievable as it is, Mr. Speaker, the corporation has a back-log of $200 million in orders, yet SNC is offering only $92 million, which means that in excess of $100 million are there for the corporation.

The Government keeps talking about the deficit and, among other things, it is urging young families to accept cut-backs in family allowances and wants average Canadians to pay 3 per cent more in federal sales taxes, and that might work out to over $1,000 a year per family. We can see the difficulties created by this Budget and previous Budgets as well. The

Government is asking Canadian men and women to make sacrifices and then gives away these corporations which are making profits on behalf of Canadian taxpayers.

Mr. Speaker, we can see here that the corporation ranked third among companies that have recorded rising profits since 1982-83, so why should the Government be so anxious to sell without telling the House of Commons what is the real value of the corporation?

For instance, we know that a number of additional facilities are planned for the corporation.

[*English*]

In 1976, when the Government took a look at how it could improve the status and the situation of Canadian Arsenals, a $3.6 million modernization program had been embarked upon and there was another $3.7 million for the recovery of operating deficits. That total of $7.3 million was to be spent between 1977 and 1982. The corporation showed a profit in 1978. The recovery had taken less time than even anticipated by the Government. Therefore, CAL only used $4.3 million of the $7.3 million allocated. Part of the subsidy was refundable. That brings the total cost to the Canadian Treasury down to $3.1 million, for a company which in the 1984-85 operating year showed a profit of $11.3 million. An investment of $3 million for an $11 million return, a projected $200 million in sales and a doubling of the sales projections over the next five years, is money well spent.

Unfortunately, since the Government is so committed to privatization at all cost—it sold out or gave away de Havilland—it is now in the process of giving away Canadian Arsenals. At the same time it is not prepared to tell Canadians the ultimate cost of the sale to the taxpayers, the costs in terms of lack of security, in terms of actual profitability and in terms of lost jobs. There are no job guarantees. When the company is turned over to the private sector it might keep employees on for a year or two, but there is no guarantee. There is no guarantee built into the take-over by the company from Montreal.

There are numerous questions on the particular sale which have not been answered. I urge the Government to reconsider its decision. In its quest to privatize it has forgotten the credo espoused by the Minister of Finance, reward success. Canadian Arsenals has been a successful company, and it is now being rewarded by being sold off to the lowest bidder.

Mr. Hovdebo: Mr. Speaker, I noted with interest that the Hon. Member for Hamilton East (Ms. Copps) dealt with the corporate plan of the corporation which suggested a 100 per cent increase in profits over the next five years. Does the Hon. Member have any idea of the actual amount of possible purchases by the Department of National Defence over the same period of time? Is there a larger possibility of profits by Canadian Arsenals if it works more closely with the Department of National Defence than it did in the past?

Ms. Copps: Mr. Speaker, the Canadian Government is responsible for about 90 per cent of the products sold by Canadian Arsenals. The export projections in the year 1984-85 were about 7.9 per cent of the company's business. Obviously the projections will come in great part from the added contributions by the Canadian Government.

When the Hon. Minister of Supply and Services (Mr. McInnes) stated that the SNC group had been determined to be the preferred bidder, the Government made quite clear that it was not prepared to give preference to the particular company in terms of its own purchasing requirements through the Department of National Defence. As I understand it the only competitor—and I may not be correct in my assessment—to Canadian Arsenals in certain areas of munitions was the SNC group. By selling to that group quite clearly a private sector monopoly will be created. The Government does not like public sector monopolies, but it appears from what it is doing with the sell-out of this company that it not only embraces the notion of a private sector monopoly but it is creating it.

In that regard, the projections for profitability launched in the annual report of Canadian Arsenals will clearly be paid by Canadian taxpayers. It will be taxpayers' money. We are losing on both ends. We are losing because we are selling the company for less than it is worth. In fact we are losing because it is being sold at all. We are also losing because we will be creating a monopoly which will force Canadian taxpayers to pay more for the purchases made through the Department of National Defence. I do not know who is winning in the deal. I think the only group which is winning is SNC. Since it had the gumption to come in with the bid, more power to SNC. However, Canadian taxpayers are certainly the losers in this particular fiasco.

Mr. Lewis: Mr. Speaker, could the Hon. Member explain to the House the difference between the federal Government sale of Canadian Arsenals and the Ontario Government sale of UTDC?

Ms. Copps: Mr. Speaker, obviously the Hon. Member has not done his homework. He certainly does not recognize the fact that the Urban Transit Development Corporation was originally a boondoggle creation of Conservatism.

Some Hon. Members: Oh, oh!

Ms. Copps: It was so poorly viewed by the citizens of Hamilton, for example, that when they were offered a free aerial expressway they turned it down.

Certainly the Ontario Government is doing the best it can to make the best out of the situation. If we look at the replacement of Hawker Siddeley in Thunder Bay by UTDC, obviously Hawker Siddeley has been a very effective and profitable company. Unfortunately UTDC drove Hawker Siddeley out of business and then proceeded to take over all contracts into which Hawker Siddeley had entered in the past.

The former Chairman of UTDC was another one of those Tory patronage appointments. He had at his disposal a villa and a number of limousines, including a Mercedes, which were paid for by the taxpayers when he was out flogging the LRT

for the City of Vancouver. He was not paying a cent of rent. He was living in luxurious accommodations at the expense of Ontario taxpayers.

Clearly the Ontario Government has taken its responsibility, has conducted an assessment of the situation and has recognized that as long as some involvement by the Ontario Government could be guaranteed—and that is being guaranteed by this particular initiative—it would be the best under the circumstances.

The fiscal plan of the UTDC is a far cry from the fiscal plan of Canadian Arsenals which has increased its profitability to the point where it is third on *The Financial Post* list of 500. I do not think we would see the same profitability margin with UTDC.

• (1220)

Mr. Lewis: Mr. Speaker, does the Hon. Member care to comment on the creation, by the Quebec Liberal Government, of a Cabinet post for privatization?

Ms. Copps: Mr. Speaker, the Hon. Parliamentary Secretary has probably spent the morning justifying why he called for an adjournment last week, because I do not think he was listening to my speech. There are 40-odd items of business on the books, including pension plans, and the Conservatives could not think of anything to do. They called for an adjournment and then had to eat their own words. They swallowed themselves whole, and the Member is obviously totally inside out today because of that swallowing experience.

That being said, Mr. Speaker, I do not think he was in the House to hear my speech. Had he been, he would have heard my reference to the words of the Minister of Finance who said: "We reward success". This happens to be one of the Crown corporations which has shown that it can be profitable and can show the private sector how to do a few things.

My Party and the Liberal Party in Quebec are not so tied to the notion of privatization that it would sell a company which is making a profit and has the Canadian Government as its largest purchaser. The Quebec Government has said that it will move toward privatization in certain areas where it can divest itself of a boondoggle. However, Canadian Arsenals was clearly not a boondoggle. If the Member has any information to show otherwise, would he please table it in the House? We have been begging the Minister of Supply and Services to put the Arthur Andersen report on the table. He will not do that because it is a money-making operation and he is ashamed of the fact that he is selling it for a song. The biggest loser in this operation will again be the Canadian taxpayers.

Mr. Bradley: Mr. Speaker, I am sure the Government of Ontario provided the legislature will all the information pertaining to the sale of its Crown corporation. I guess the answer to the question of my colleague from Simcoe North (Mr. Lewis) was that it is all right for the provincial Liberals in Ontario to sell Crown corporations, but it is not all right for the federal Conservatives to do the same.

I rose because I have a concern about the Hon. Member's speech. I have concerns about many of her speeches. She indicated that Canadian Arsenals was the sole source of supply for the Government of Canada. She mentioned that we have sold off the Canadian Government's only access to ammunition. I know the Hon. Member is very concerned about statistics and always attempts to be correct. I know she would not want to mislead the House purposely. However, I am sure the Hon. Member is aware, and if she is not I will inform her, that there are many ammunition suppliers in Canada. The Government of Canada does not rely solely on Canadian Arsenals Limited for ammunition. The difference between CAL and the other suppliers of ammunition in Canada is that the others are privately owned.

The Member expressed concern that we should sell our "sole supply" of ammunition. It is a major supplier of ammunition, but not the sole supplier. The Government of Canada probably buys more paper clips than any other organization in Canada. Perhaps the Member feels, therefore, that we should publicize the paper clip manufacturing industry in Canada. As long as a Crown corporation carries out valid public policy mandates it will maintain its status as a Crown corporation. When it is no longer a valid public policy vehicle, we feel it should be returned to the private sector. It is not an issue of whether it is making a profit.

The concern with regard to de Havilland was that we were selling it to non-Canadians. The Opposition said that they would approve the sale if it was to a Canadian company. In this case we are selling to a Canadian company and the argument is that the corporation was making a profit. Maybe the Opposition should get its act together.

Ms. Copps: Mr. Speaker, I wish the Hon. Parliamentary Secretary had the time to read organs like *The Financial Post*. If he did, ,he might realize that the statement he made in the House is misleading. The fact is that Montreal-based IVI Inc. provides the forces with small calibre ammunition, up to 30 milimeters, and CAL makes the heavier stuff, up to 155 milimeters. Between them, CAL and IVI account for almost all of Canada's domestic ammunition and both are now owned by SNC. The fact that there is no competition between the two firms is no accident. IVI was a part of Canadian Arsenals until the mid-60s when it was sold by the Government as part of a strategy to privatize as much of CAL's assets as possible. These two companies account for almost the total expenditure by the Government of Canada for munitions and, as a result of this particular venture, they are both owned by SNC.

I am sorry that the Parliamentary Secretary has not better researched who is in in fact behind the companies which are selling munitions to the Government. I suspect, Mr. Speaker, that Arthur Andersen's report may have made this quite clear. If the Parliamentary Secretary were really interested in learning why we are selling this company he should table the Arthur Andersen report. He says that profit is not an issue. The Government will sell corporations left, right, and centre regardless of profitability. If a munitions industry has no reason for remaining a Crown corporation, obviously there is

no Crown corporation which has a reason for being attached to the Government. I expect that the philosophy of the Hon. member means that every single Crown corporation will be sold, regardless of whether it is making money for the taxpayers. I think that is a sad statement of the Conservative credo of privatization.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to speak at some length about this particular Bill and express my regret that the Government has not learned from the sale of de Havilland with regard to its handling of the sale of Canadian Arsenals Limited.

During December and January members of my Party were lobbied on a number of occasions by representatives of SNC, a reputable and very successful Montreal-based engineering company which is now moving into the area of manufacturing. They were frustrated that the sale had taken seven or eight months and asked if we would be prepared to expedite the passage of this through the House of Commons. If the Government was desirous of co-operating with the purchaser of Canadian Arsenals, it certainly did not show it in this House.

The Bill was brought before the House for debate on February 25, only one week ago. While the Government had time at its disposal it could have acted to resolve some very serious questions which were raised by representatives of the workers involved, which we had raised, and which I believe SNC was aware of as well. Rather than doing that, the Government has left those problems in limbo and they are now being debated here in the House of Commons, three months after the deal was originally proposed.

At the time the sale of CAL was announced we, quite naturally, began by focusing on the de Havilland sale. One of the reasons was that we knew that under the terms of the Financial Administration Act this sale would come before Parliament for approval and we would be guaranteed the opportunity to debate it. Members will recall the difficulties we had in getting the Government to agree to release information and allow a parliamentary committee to study the sale of de Havilland. Initially, the Government wanted the sale to proceed without any parliamentary scrutiny at all. I am afraid that we are facing a similar situation with respect to the sale of Canadian Arsenals. We do not have the information we need right now.

Efforts by the union and Opposition Parties to get the valuation in the Arthur Andersen report on Canadian Arsenals, and to get actuarial material which may have been prepared with respect to the pension plan and how the workers at Canadian Arsenals will be affected, have run into a stone wall. I appeal to the Parliamentary Secretary to talk to his young, attractive Minister, this newcomer into the Conservative Cabinet, who came in with a fresh broom to sweep out some of the problems which have occurred in the Government's first year in power. I ask him to appeal to his Minister to do things differently than the Minister of Regional Industrial Expansion (Mr. Stevens) and the Government did with respect to the sale of de Havilland.

• (1230)

When the Vice-President for Corporate Planning of SNC, Madame Célene Hervieux-Payette, a person who is well-known to a number of Members of this House, came here to press for early action she was simply doing her job. When I spoke with her I urged in the strongest possible way that SNC sit down and talk to the workers representatives in order to resolve their very legitimate questions about what was going to happen to them as a consequence of this sale. I have to record with regret that that was not done. There were one or two get-acquainted meetings with the president of the local, but nothing more serious than that. A meeting is being held this Friday, but only because of the request from the union. It was not initiated by SNC.

With respect to Teleglobe Canada, whose privatization has not yet been proceeded with, it is just this week that the union learned that actuarial assessments concerning the pension plan and the impact on the workers of privatization have been prepared. The union understands that a similar report was prepared by Sobeco with respect to Canadian Arsenals Limited. When they met on January 2 with the assistant secretary of the Treasury Board, Mr. Jean-Pierre Kingsley, specifically to talk about the implications for workers' pensions, no reference was made to the fact that study had either been commissioned or received. That was not fair and above-board dealing with the representatives of the 800 workers involved. That information should have been provided at that time. The Government should be straightforward now in making copies of that report available to the union.

There are a number of questions which have to be answered. The Minister stated on February 24 at page 10865 of *Hansard*:

> Arrangements have been made with the present employees . . . for the portability and transfer of their pension plans. There will be no prejudice resulting to the employees in this regard.

While I welcome an assurance like that given in the House of Commons, it has not been matched with concrete action. I am afraid the Minister must be misinformed, because no such arrangements have been made. Up until now the employees have not seen what is in the agreement for sale between the Government of Canada and SNC. When they met on January 2 with Mr. Kingsley he outlined a number of options concerning the determination of the Government of Canada pension plan which has covered the employees of Canadian Arsenals Limited. They could cash in their plan. They could make an arrangement to transfer their rights. Or, they could take their benefits and cash them in if they were over 55, take a pension and then, if they wished, continue to work with SNC. However, that did not respond to such questions as what happens to workers approaching 55 who have a substantial number of years of service and who intended or expected to have the option of retiring at 55. Will that right continue or will it not? The union has not had an answer to that or the question of whether the indexing of their pensions, to which they have been paying in many cases of up to 15 years, will be delivered, or whether they will lose that right under the successor plan. I

am told that the Treasury Board representative told the union that the pension plan they would receive is being adjusted to the industry norm. That would indicate no indexing and there may well not be early retirement at 55. The workers who already have 30 or 40 years of service will be expected to continue to work until 60 or 65, or lose entirely, or suffer a very substantial reduction in their benefits.

On January 2 the Treasury Board was asked for information about the SNC pension plan. One would have thought that could have been provided within a couple of days or perhaps a week. However, as of today, March 10, that information has yet to be provided to the union. That is far from fair and above-board dealing, and certainly far from the arrangements which the Minister indicated had been made. We need those details. When we come to committee stage I suggest the Government get about its business and make sure that information is provided so that the workers do not find they have bought a pig in a poke because of mishandling of this sale by the Government of Canada!

Concerning job security, there was no indication at the time the sale was announced that jobs were on the line. However, we had the first indication of that in the Minister's speech. He said:

> The undertaking and indication of the company is that it will continue to employ the great majority if not all of the employees.

If I was a worker at Canadian Arsenals I would be damned scared about that because I do not know what it means. Does it mean that management employees are going to be made redundant because their jobs will be taken by people from IVI, the other subsidiary of SNC? Does that mean production line workers are going to be laid off despite the anticipated doubling of the output of this company over the next five years? That kind of slipshod statement should not be permitted. It should have been sorted out.

This Bill goes to such pains to ensure that the Government has control over any subsequent sale of CAL to another owner. It contains safeguards in order to retain 75 per cent Canadian ownership of this company. Given that, the Bill could also have ensured that there would be job security for the workers affected; if not forever, then at least for four or five years. It would be expected as well that SNC would manage the company in order to maintain the jobs of the affected workers. However, this was not done.

SNC is said to have guaranteed it will honour the existing contract. The union has not seen exactly what that clause is and whether it is a bankable kind of contract. Can they go to court if SNC chooses to back away? Is there some means by which the Government will monitor the agreement to make sure that clause is respected?

There is a difficult problem here because these workers are passing from the jurisdiction of the Canada Labour Code to the Quebec Labour Code. There are no successor rights when you transfer a contract from federal to provincial legislation. I am sure the Parliamentary Secretary and his Minister either knew or were informed of that by the strategic planning people who handled the sale. Under those circumstances information should have been given to this House that the Government sat down with officials of the Quebec Minister of Labour in order to ensure a workable and effective means of ensuring that successor rights are handed on. If it cannot be done by way of a co-operative agreement, then the necessary legislation should be brought forward at both levels of Government. However, that has not been done.

The privatization policy of the Government as enunciated by the Minister of Finance (Mr. Wilson) in the November, 1984 economic statement was that the Government will be sensitive to the concerns of management and employees of corporations which may be considered candidates for sale; while recognizing that negotiations must be conducted confidentially, every effort will be made to keep these groups informed of significant developments and ensure that their legitimate interests are not jeopardized. Up until now that has not been done with respect to the workers of Canadian arsenals. They have been treated like mushrooms; kept in the dark and fed a diet of horse manure. That is not good enough.

If you have a policy, even if it is inadequate, you should stick to it. However, we found in the case of de Havilland that the workers were the last people to be told what was happening concerning privatization. That appears to be happening again in this case. I suggest that is the policy the Government is now following consistently. It does not give a damn about the interests of the workers involved. When workers have worked faithfully for the Government of Canada for 10, 20 or 30 years, they deserve to be treated in a better way than the Government is doing in this case.

• (1240)

That brings me to the final point, which, is where the devil is this whole privatization thing taking us? In the one case the Government sold off de Havilland because it said it was losing money. Now it is selling off Canadian Arsenals because it says it is making money. We have seen the financial record over the course of the last few years for Canadian Arsenals. As parliamentarians we deserve to know whether this has been achieved because of damn good management on behalf of the people, the public service managers running Canadian Arsenals. Have they cut their costs and therefore increased their profit, or have then perhaps simply gotten a better price from the Government of Canada? We should know why it is that the Government is now spending three times as much for ammunition as it was spending through Canadian Arsenals in 1980. Is this a matter of policy? Are they deliberately firing ammunition out into the ocean in order to use up the guns and ammunition to increase the profitability of this company in order to make it a candidate for privatization? Who knows?

I was given to understand that as far as the Navy was concerned, they can no longer get their ships out to sea. How they are using any more ammunition is certainly beyond me.

If an acquisition is taking place in the private sector good management says that, in addition to talking to senior management to let them know what your plans are, you also try to bring the workforce into your confidence. You try to give them

as much information as possible to quiet their fears about the acquisition. You try to ensure, and demonstrate to them, that means have been worked out in order to protect job security. Unless it is your intention to try and ditch the union, you try to co-operate with the union in order to ensure that its interests and the interests of its members are going to be protected. If that is good practice in the private sector it is equally good practice when privatization is taking place.

As the Hon. Parliamentary Secretary knows, we in this Party have grave questions about this whole process of privatization. We think that what is at work is an ideological commitment which says that the public sector is bad and the private sector is good. When you have a public sector which delivers medicare, old age pensions, hospital insurance, Air Canada, and one of the most efficient and successful railways in the world going from coast to coast in Canadian National; when we have all of those things in the public sector I, for one, cannot believe that the public sector is uniformly bad as the Government seems to feel and the private sector is unformly good.

When we have a private sector that poisons the waters up in Grassy Narrows and White Dog Reserve in northwestern Ontario; a private sector which sends chemical blobs into the St. Clair River; a private sector which has permanently contaminated the chemical dumps in the region of Niagara Falls with dioxin; a private sector which continues to support dictatorships in Chile and places like that I, for one, cannot believe that the private sector is uniformly good.

I want to suggest that the Government get away from this black and white ideology in which it suggests that everything that the private sector does is to be praised and everything that the public sector does is to be denigrated.

I want to suggest in terms of any policy about privatization that we should look at each case on its merit. If Canadian Arsenals was going to double its sales in the next five years, if it had shown the competence to increase its sales by three times in the last few years, to begin to enter into legitimate export markets, and that kind of thing, then I want to suggest that maybe it is worthwhile keeping it in the public sector for a few more years.

Canadian Arsenals was not a company which was short in terms of finance. I am just looking at the figures here. It had $52 million in equity and only $16 million in long-term loans and lease obligations. The company had ample room, if the Government did not want to provide it with long-term capital financing, to borrow in the private market.

I want to suggest that if Canadian Arsenals was held back in public ownership from doing the job in terms of expansion or finding new markets in the United States or another NATO country, the reason was because it was deliberately held back by this new Government, and not that of any failure as far as the management of that particular company is concerned.

I suggest we should let public enterprise do the job, grow and flourish, in addition to allowing private enterprise to continue to operate in this particular field. You do not hold back public enterprise, tie both arms behind its back and then turn around and say. See, we told you that private enterprise can do the job and can grow and expand and public enterprise cannot do the job. That is a phoney comparison the Government is making in this particular case.

[*Translation*]

In concluding, Mr. Speaker, I would like to say that when the co-operation of the New Democratic Party was sought in connection with the privatization of Canadian Arsenals Limited, I suggested to SNC in Montreal that the matter be discussed with the union and the necessary arrangements made, so that employees would have the assurance their interests would be protected. We have now had three months to make these necessary arrangements, and nothing has been done, either by the company or by the Government.

Despite the Government's policy on privatization, a policy that was announced by the Minister of Finance in November 1984, and which says that the Government will make every effort to ensure that the groups involved, that is, employee and management of companies that are to be privatized, are informed of all developments and are given the assurance that legitimate interests will not be threatened.

Despite this statement of the Government's policy on privatization, employee interests have not been protected. They did not receive the requisite information ensuring that their interests would be protected.

Mr. Speaker, in the circumstances, the Members of our party cannot support this Bill to privatize Canadian Arsenals Limited. In committee, we intend to ask for disclosure of all necessary information, and this includes publishing the evaluation study by Arthur Andersen, and the study by Surbeco, a study of the employee pension system, and also that the necessary discussions take place before, not after the matter has been dealt with in Parliament.

I believe the Government failed to learn its lesson when it privatized de Havilland. Furthermore, Mr. Speaker, instead of acting as though this was just Conrad Black selling off one of his companies—

[*English*]

Instead of acting as though this was just Conrad Black selling off one of his holdings, it seems to me that the Government of Canada should be handling privatization in a different way. We are not talking about Canada incorporating a vast private sector concern which is free to wheel and deal. We are talking about the Government of Canada which, while it has legislative and political authority to privatize if that is the policy of the Government of the day, has certain obligations to deal in a way which should be a model to the private sector, and which should be assigned to the people of Canada. When it comes to protecting our interests as shareholders, and when it comes to protecting the interests of workers who worked faithfully and devotedly for a Crown corporation for many years the Government of Canada, whatever its ideologi-

cal stripe, should deal fairly, and be seen to be dealing fairly with those interests, rather than simply going hell-bent, helter-skelter to privatization, and damn the consequences for we as sharesholders, and damn the consequences of our employees.

[*Translation*]

Mr. Kilgour: Mr. Speaker, could the Hon. Member for Ottawa-Centre (Mr. Cassidy) inform the House which Crown corporations will be earmarked for privatization under a New Democratic Party government?

And at the same time, can he—

[*English*]

Can he tell us the names of the industries already in the private sector which his Party is committed to nationalize, if the day ever arrives, which I sincerely hope it does not, that his Government were to be elected?

Mr. Cassidy: I want to tell the Hon. Member that I was in Edmonton just last week and had an extremely positive reception. It seems to me that things are opening up for the New Democratic Party, not just in the Province of Quebec, not just in the Atlantic Provinces, but even in the Province of Alberta. In fact the Province of Alberta was one of the founding building blocks of the Co-operative Commonwealth Federation in 1932 when, in fact, we founded our Party in the Province of Alberta. We are going to return to those roots. I remind my hon. friend that in the latest opinion polls the New Democratic Party was up at 28 per cent, and that is the highest we have ever been in our history. We are only 8 per cent below the Progessive Conservative Government, despite the disparity in seats between his Party and our Party. That suggests to me that when we talk about going slow on privatization, when we talk about the fact that the Government of Canada still has a role in economic development, a lot of Canadians respond to that and say that we are talking a lot more sense than people on the Government side.

• (1250)

Mr. Keeper: Mr. Speaker, if it is Tory policy to privatize Crown corporations that lose money as well as those which make money, what would the Tory policy be with respect to Petro-Canada? Why would they not use Petro-Canada to lower gas prices as they could, instead of dreaming about privatizing it? Will my colleague indicate which policy makes more sense to Canadians, the Tory policy to sell off every Crown corporation and productive industry that is owned by the public, or is there a more reasonable approach to Crown corporations?

Mr. Cassidy: Mr. Speaker, when I was growing up milk was still being delivered by a horse drawn wagon. The horses that pulled the milk wagons up and down my street in Toronto wore large blinkers so they could not look to one side or the other. That very accurately describes how the Conservatives try to run a public sector corporation in a creative fashion. They are blinkered and cannot see that Petro-Canada is now so large that it could bring gasoline prices down by 5 cents or 10 cents a litre. Instead, they say that even though it is in the public sector it has to operate like Texaco, Shell or Esso.

The Conservatives do not understand that there is a creative role in the private market for public sector corporations. I am sorry about that. They just do not learn.

Mr. Blenkarn: Mr. Speaker, I am most pleased that the New Democratic Party is high in the polls. Perhaps they will find that the higher one is, the farther one falls.

Will the Hon. Member tell us why his Party is filibustering this Bill rather than bringing the matter to committee where his questions could be answered as he examines officials who have made the transaction.? He could examine the deal to determine whether it is good or bad. He could properly make comment there instead of holding up the House and this necessary legislation. Why not let it go to committee so that their questions can be answered, rather than talking about it here? It is Government policy to sell the corporation. The details of the sale could perhaps be changed if it went to committee. I suggest that the intelligent step for his Party to take is to allow the Bill to pass.

Mr. Cassidy: Mr. Speaker, let me remind my hon. friend that this sale was announced on December 2 and the House sat until December 20. We resumed on January 13 and have been sitting since then. Yet this Bill, which the Hon. Member says is so vital and important, was not brought up for debate in the House of Commons until February 25. It is impossible for the New Democratic Party to filibuster a Bill that is not before the House for debate. Members of my Party did not comment in the House about this Bill for two and a half months. We had no opportunity to do so because the Bill was not before us for debate.

If my hon. friend is taking part in the legislative committee dealing with this Bill, will he assure us that we will not be subjected to the kind of deadlines that closed off discussion on the Bill dealing with de Havilland? If he could give us that assurance I am sure it would enable us to expedite the determination of this Bill.

Discussion on this Bill has consisted of a morning, an afternoon and a morning of debate. I suggest that does not amount to a filibuster when we are discussing a $90 million Bill. Furthermore, let me state for the record that I believe I am the fourth member of my Party to speak on this Bill, and I suggest that is far from a filibuster.

Mr. Rodriguez: Mr. Speaker, it is my understanding from the debate that Canadian Arsenals Limited sells its products to the Canadian Armed Forces and its NATO allies. I also understand from answers by the Secretary of State for External Affairs (Mr. Clark) that some of the products of Canadian Arsenals Limited have found their way to Chile, that escutcheon in South America. It has been able to purchase some of the products of Canadian Arsenals even though that company is owned by the Canadian Government. Some of its products have found their way into Chile, that bastion of democracy

and great friend of the United States who may have to rescue another dictator.

If Canadian Arsenals Limited is turned into a monopoly in the private sector, is there not a great danger of our becoming one of the purveyors of destruction in the world by selling arms to places like Chile, as a result of the desire to multiply profits rapidly through the sale of very dangerous munitions?

Mr. Cassidy: Mr. Speaker, there should be enforceable terms in the agreement of purchase and sale to ensure that Canadian Arsenals Limited does not sell to any of the developing countries of the world where these brutal and vicious wars are taking place, with tinpot dictators being supported by the United States and their henchmen in these affairs which, I am afraid, is the Canadian Government in many cases. Furthermore, Canada should take the lead and make it a general policy that we will not sell defence equipment to countries like Chile and other repressive regimes like South Korea and South Africa, but will use our moral influence throughout the world to make sure that all arms manufacturing countries support our view and will not encourage and support those acts of repression by dictatorial Governments. That is the type of lead Canada should be taking in the world.

Mr. Maurice Foster (Algoma): Mr. Speaker, I welcome this opportunity to say a few words about Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited. This Bill to dispose of the Crown corporation is required as a result of the Crown corporations Bill which was passed in the last Parliament. According to that legislation, Crown corporations that were established by an Act of Parliament must be formally wound up by an Act of Parliament. Furthermore, that legislation requires the provision of a five-year corporate plan.

As we consider the annual report of this Crown corporation and its five-year corporate plan, it is very interesting to see that this is a Crown corporation that is making a lot of money and has good prospects for success and profits in the future. Therefore, it brings into question the Government's policy on privatization of Crown corporations.

The Government's policy seems to be to dispose of all Crown corporations. However, let us consider Petro-Canada. When the Government was in opposition it forcefully opposed the formation of Petro-Canada in every way. The Conservatives opposed the legislation forming Petro-Canada and they opposed the take over of Petrofina and BP. However, last fall Petro-Canada provided an additional contingent liability to the federal Government of almost $1 billion when it took over some 1,800 gas stations in Ontario and western Canada. Many people, especially Tories, were very upset about that. Certainly, I believe Hon. Members from Calgary and Alberta could not understand what the Government was doing with regard to its privatization policy when a Crown corporation like Petro-Can expands its operations by over $1 billion.

• (1300)

Our caucus can only ask the question: What is the Government's policy? Is it to sell companies which are making a profit and to keep the companies which are losing money? Many Canadians, especially those of Conservative persuasion, wrote to the Prime Minister (Mr. Mulroney) last fall and asked why the Government was expanding Petro-Canada by 1,800 gasoline stations across Ontario and western Canada, adding an additional liability of $1 billion. The Prime Minister's response was that Petro-Can operates pretty much in the private sector and the Government does not really have any say over its corporate policy. It is very interesting to contrast the policy of the Government in relation to Petro-Canada and its policy with regard to selling off Crown corporations. The policy seems to be to sell off Crown corporations willy-nilly, but in some cases, as in the case of Petro-Can, to expand them. If so, the logical question is, therefore, are only the companies which are making money going to be sold? That seems to be the case with the SNC purchase of Canadian Arsenals.

Canadian Arsenals has been in business as a Crown corporation since 1945. It has two plants, one in Montreal and one in Quebec City. It employs some 800 people. Its sales have doubled in the last five years to some $200 million a year. It looks like a very profitable company. It has sales orders for some $200 million over the next year or so. Yet, there are other Crown corporations such as Eldorado Nuclear, which are losing money at the present time, and in the case of Eldorado Nuclear this is partly due to Government policy of not further upgrading the uranium industry in this country. What are the prospects of selling those kinds of companies? It does not seem very good at all.

What really concerns our caucus with the sale of Canadian Arsenals for some $92 million is that we would like to be able to assess whether or not that is a reasonable price. The Government has that information. The Prime Minister made an outstanding speech in 1983 and 1984 when he was the Leader of the Opposition. He spoke about freedom of information and how the Government was going to be open with Parliament and with the Canadian people. Yet, in the case of this major disposal of a Canadian Crown corporation, it is secretively hiding the information on which this House can make a decision. Our Party would like to see the report of the Arthur Andersen Company, a reputable company, which has estimated the value of the company at some $80 million to $98 million, a range of $18 million, to see whether the price of $92 million is reasonable. For the life of me, I cannot understand why the Government would not be prepared to give this report to the House of Commons, and to the Canadian people, at this time. The Minister of Supply and Services (Mr. McInnes) offered to show the report to a Member of our caucus in the privacy of his office but is not willing to make the report open and freely available to the House itself. I believe the report should be made available to the House before we pass second reading of this Bill because it is fundamental to the value of the company and to what the opportunities are for the Canadian people. We want to know whether an adequate price is being offered for this company.

The next point I would like to make is that it seems to me that in selling a Crown corporation of this nature we should

look at the profit potential for the years ahead. The profits of Canadian Arsenals in 1980-81 were some $3 million. In 1984-85, the profits were $11.3 million. In 1983-84 the profits were $8.5 million. In 1982-83, the profits were $6.9 million. And in 1981-82 the profits were $5.3 million. So the equity of the company has risen dramatically. The assets have risen from $42 million in 1980-81 and $126 million in 1984-85. That kind of profit picture and increase in assets should only make us more cautious about receiving a better price for this company.

Those are some of the questions we would like to see answered. I think there is also great concern about the way in which the Department of Supply and Services has handled the bidding process. Apparently it was done by word of mouth. There was no proper tendering procedure with respect to calling for bids across the country. Half way through the process of getting the bids, which was done in a very amateurish way, the company indicated that the sole criterion for selling the company would be the price paid. Surely, there are other considerations which we should take into account; whether the employees are going to be treated fairly with respect to pension rights and so on, whether the company is going to expand, and whether it is going to maintain its Canadian ownership. There are a lot of other things besides just the price which need to be considered.

The Public Service Alliance has certainly expressed its concern with the sale of this Crown corporation. The Department of Supply and Services has never consulted the Public Service Alliance as to what arrangements would prevail with regard to the 800 employees. Surely, that is an important matter. We require minimum consideration for private corporations. Surely, consultation with the union would have been appropriate. I do not think that would have been an insurmountable problem. At any rate it would have been an important courtesy to extend.

• (1310)

The whole rationale behind the Government selling Crown corporations should have been brought into play in the sale of this company. There are a number of points which need to be considered with respect to it.

The Government seems to be moving in a disjointed fashion, as I indicated before, with respect to the sale of all Crown corporations. For example, we have heard that the Government is moving privately and quietly to sell off a small Crown corporation in Montreal. I refer to a small fumigation company. This company has amazing importance in regard to the export and import of Canadian wood and food products. Yet when one makes inquiries with respect to this company one can see nothing but mist and fog clouding the position of the Government. I am sure sometime later this year we will hear that the Government has decided to sell off this corporation in Montreal without the calling of tenders. We will learn that it has worked out a private deal with some purchaser without any public announcement being made. This will cause us to end up with a very unsatisfactory arrangement regarding the certificates required for the import and export of food and wood commodities, amounting to some $50 million to $100 million a year. We will learn that the company has been sold for a bargain-basement sale price as well.

The price of $92 million for Canadian Arsenals Limited may well be a fair price. According to the information given by the Minister of Supply and Services the price is within the range set out in the Arthur Andersen report. However, we have not seen the report. If we were to see the report then perhaps we would not be questioning the price. I cannot see why the Government is not prepared to make the report available to Members of the House at second reading stage. It is at this stage that we enter into the whole question of government policy.

With respect to the de Havilland sale, we saw the Government sell off an $800 million corporation for just $95 million. That is essentially the price of one 747 jet airliner rolling off the production line of the Boeing Corporation in Seattle, Washington. It seems to be an incredible bargain. Yet the profit potential is tremendous, especially when one considers the sales force of the Boeing Corporation around the world.

It seems that all Crown corporations which have any potential for making a great deal of profit are being sold off atbargain-basement prices. It would seen to me that if we must sell Crown corporations we should try to make some real profit on the sales. Obviously, those Crown corporations which are not making a profit will have to be knocked down in price. We see companies, such as Canadian Arsenals which is making a real profit, being sold off at modest prices, or perhaps even bargain-basement prices. However, we do not really know because we have not had access to the Anderson report. Certainly with respect to the sale of de Havilland to Boeing, and now with respect to Canadian Arsenals Limited and other comparable Crown corporations with good potential for profitability, we see them being sold off at bargain-basement prices.

As the debate continues on this issue I hope the Government will make the report available to us. It is essential for us to have the report in order to see just how much the Government expects to make. We should see whether or not this is an adequate price. The report should be made available to us.

In the letter from the Minister of Supply and Services to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) the Minister gives some information about the Anderson report. The Minister also indicates in his letter that he is willing to show the Hon. Member the report privately, but is not willing to make it available to all Members of the House. I wonder why such a decision would be taken by the Minister. Perhaps the Parliamentary Secretary to the Minister of Supply and Services (Mr. Bradley) can clarify why the Minister is willing to make the report available to some Hon. Members on a private basis but not to all Hon. Members for consideration at second reading.

The information which is available seems to indicate that this corporation with 800 employees, which has a guaranteed market in that some 90 per cent of its products are sold to the Department of National Defence, and which has a back-log of $200 million in orders, and whose sales are projected to double

in the next five years, is being sold off at a bargain-basement price. If that is not true, then the report should be made available to Members of the House before we refer this matter to the committee.

[*Translation*]

Mr. Deputy Speaker: Order. It being 1.18 p.m., I do now leave the Chair until two o'clock this afternoon.

At 1.18 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FISHERIES

SITUATION OF ATLANTIC INSHORE FISHERMEN

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I call upon the Government to reverse its horrific slide in assistance to inshore fishermen. These people are the object of terrible discrimination at the hands of the Progressive Conservative Government.

While the corporate sector gets its fiscal kickbacks, assistance to inshore fishermen is savagely cut. Money allocated to dredging and other improvements for small craft harbours has been virtually eliminated. It had gone from $140 million in 1983-84 to $13.2 million for this fiscal year. This is a cut of 94.5 per cent to the inshore fishermen.

Why is the Government doing this to the fishermen in Atlantic Canada, in places like Gabarus, L'Ardoise, South Bar, Port Morien, Glace Bay, Main-A-Dieu, Little Lorraine, and thousands of other small communities throughout the country? This cut, on top of the cancellation of the vessel replacement program, can only lead to one conclusion: The Department's and the Minister of Fisheries and Oceans' (Mr. Siddon) policy for the inshore fishery is to make the inshore fisherman an extinct species.

* * *

[*Translation*]

INDUSTRY

SAINT RAYMOND PULP AND PAPER PLANT AT DESBIENS, QUE.—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I should like to draw the attention of the House to the situation in the village of Desbiens near Chicoutimi where the St. Raymond pulp and paper mill has been closed for four years.

Eighteen of the 125 workers laid off as a result of the shutdown are now occupying the mill to draw the attention of the Governments of Quebec and Canada to the situation at the mill and particularly to the promise made by the Prime Minister (Mr. Mulroney) during the election campaign.

The Prime Minister, then Leader of the Progressive Conservative Party, promised financial assistance to re-open the St. Raymond pulp and paper mill, if he and his Party would form the Government. Mr. Speaker, almost 20 months have passed since that promise was made, but the Government has not done anything yet. Promises were made, but no action—

Mr. Speaker: Order. The 60 seconds have expired.

* * *

[*English*]

SPORTS

ALBERTA RINK WINS MEN'S CURLING CHAMPIONSHIP

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I realize that congratulatory messages are not permitted under the rules of the House. I would like, however, to draw to the attention of my colleagues and of all Canadians the fact that yesterday the Province of Alberta won the Brier, emblematic of men's curling supremacy in Canada. I would also like to stress that I am a native of Ontario. That is the province that came "oh so close" to winning the Brier. It did not, however, because Alberta was best.

Alberta had the best rink. I feel, therefore, that it is extremely important to announce that all Canadians are proud of Alberta and the Ed Lukowich rink, and all Canadians are looking forward to being so ably represented in the upcoming world championships to be held, by the way, Mr. Speaker, in Toronto.

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ETHNIC AFFAIRS

ANNUAL HARRY JEROME AWARDS FOR EXCELLENCE

Mr. Alan Redway (York East): Mr. Speaker, last Saturday night in Toronto, Members from all sides of the House, including four Progressive Conservative Members, attended the extremely successful annual Harry Jerome Awards dinner sponsored by the Black Business and Professional Association.

Established to honour the memory of one of Canada's world-class athletes, to pay tribute to black Canadian achievers, and to inspire young black Canadians and all Canadians to strive for excellence, the awards this year went to Bridgette Arrindell and David Lowe for academics, Lorelei Eccleston for arts, and Darren Lowe, Kyle McDuffie, and Donna Smellie for athletics, as well as to role models Carrie Best, an 83-year-old human rights activist from new Glasgow, Nova Scotia, and

Alton Parker from Windsor, Ontario, the first black detective in Canada.

The accomplishments of these black achievers are in keeping with the determination of the Government to ensure that blacks and all minorities can participate fully—

Mr. Speaker: Order, please. Sixty seconds.

* * *

• (1405)

NATIVE ECONOMIC DEVELOPMENT PROGRAM

REJECTION OF YUKON INDIAN DEVELOPMENT CORPORATION APPLICATION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, early last week I questioned the Minister of State for Small Business (Mr. Bissonnette) on the health of the Native Economic Development Program and the fate of the application of the Yukon Indian Development Corporation. On Friday the Minister rejected the Yukon proposal. It was a good proposal, one which had been highly recommended. The Minister did not reject it for lack of money, because we know he withheld $90 million for the program this fiscal year.

Was it rejected because the Hon. Member for Yukon (Mr. Nielsen) did not want it approved? Who is responsible for the Native Economic Development Program?

The Yukon Indian Development Corporation has been treated unfairly. Stalling, foot dragging, and then rejecting good proposals are sure ways to kill a much needed program, one designed to help native people move from dependency to self-sufficiency.

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ENVIRONMENTAL AFFAIRS

CONSTRUCTION OF DETROIT INCINERATOR—NEED FOR POLLUTION CONTROLS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, a new incinerator of huge capacity and lacking adequate pollution controls is to be built in Detroit. It will spew particulates, dioxins, acids and other contaminants on the citizens of that city in quantities which will significantly increase the incidence of cancer, and it will do so with the blessing of the Governor of the State of Michigan.

This would be a matter of lesser interest were it not that Windsor, which, for the information of the Government, is located just south of Detroit, will also suffer the health hazard that rains upon its neighbour. This must not be tolerated. The Government must provide its support to Ontario in fostering the resolve of the U.S. authorities to impose stringent pollution controls of this facility to protect their citizens as well as to live up to their responsibilities to those of Canada.

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I would like to report on the efforts made by our Government with respect to measures announced in the last Budget to increase our support for small businesses. Small- and medium-sized businesses are still one of the major sources of new jobs, and that is why we must support their creativity, their sense of initiative and leadership. Budget measures such as the repeal, as of January 1987, of the special 12.5 per cent tax on dividends paid by small businesses, the higher limit on loans to small businesses, from $1.5 to $2.5 billion, and the broadening of existing tax regulations under which business investment losses are deductible constitute the positive response to the message given to us by Canadians in September 1984, namely to create jobs and strengthen the economy. Our performance speaks for itself: 580,000 new jobs, the unemployment rate has dropped below 10 per cent, and 81 per cent of the new jobs are on a permanent basis.

That, Mr. Speaker, spells performance.

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[*English*]

THE COMMONWEALTH

CELEBRATION OF COMMONWEALTH DAY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, today we are celebrating Commonwealth Day in Canada and throughout the Commonwealth, for the tenth consecutive year. Twenty-six countries are represented here in Ottawa by their High Commissioners.

The Commonwealth is a unique association, embracing 49 countries of varying races, religions, and cultures, representing 25 per cent of the world's population. The members share a common working language, the heritage of common law and parliamentary traditions.

The Commonwealth has provided leadership in many ways, such as international leadership in the movement against the apartheid in South Africa. It is also playing a major role in maintaining North-South dialogue, and in focusing world attention on the economic and debt problems of the world's poorest nations.

We must also applaud the Commonwealth Parliamentary Association for emphasizing the need to integrate women as full partners in the world-wide economic development process.

S.O. 22

CONSUMER AND CORPORATE AFFAIRS

REQUEST FOR GASOLINE PRICE INVESTIGATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the price of fuel in western Canada is too high. I call upon the Minister of Consumer and Corporate Affairs (Mr. Côté) to investigate this immediately. The rapid decline in the price of crude oil has not been passed on to the consumers—only two cents per litre to date. We in Saskatchewan do not have a provincial sales tax. We have the lowest refining charge in Canada, yet fuel prices to farmers have increased in 1986.

Recently the Government of Saskatchewan introduced a royalty rebate of 4.6 cents per litre effective January 1, 1986. Nevertheless, major oil companies, including Petro-Canada and the local co-operatives, recently raised their prices by five cents per litre. I, as well as thousands of consumers in Saskatchewan, do not believe this was just a coincidence. The provincial rebate program was for primary producers, not the oil companies.

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FISHERIES

GRANTING OF CRAB FISHING LICENCES

Mr. George Henderson (Egmont): Mr. Speaker, crab fishermen in Atlantic Canada will be setting their first traps of the season next month, but they are still in the dark about this year's management plan. There is still no decision about the number of permanent licences to be granted this year. Fishermen are waiting to hear how many designated crab zones there will be, but they have heard nothing from the Minister of Fisheries and Oceans (Mr. Siddon).

● (1410)

The Minister's silence on this matter is inconveniencing the fishermen. Fishermen in Quebec, New Brunswick, Prince Edward Island, and Nova Scotia are now in the process of preparing their boats and gear for the coming season. They need to know who will be fishing where, and they need that information now. The Minister must decide immediately. Crab fishermen in Atlantic Canada are waiting for an answer.

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THE PRIME MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, more and more Canadians are becoming very disappointed with the Government which sits across the way. For example, Brian Gilbert from Calgary said of the Prime Minister (Mr. Mulroney): "I wouldn't vote for him again, not him personally". An anonymous Conservative MP was quoted the other day as saying: "We're in trouble with the public because of him. Many see him as too easy, too glib, too stagey". Mr. McRae from Etobicoke was reported in a newspaper recently as saying: "Then the horror stories started; the tuna business, the family patronage, the indexation for senior citizens, the bank bail-outs. When is smiling Brian going to show some leadership?"

Finally, a backbencher from Montreal said recently: "Last election workers here voted for change, but they never got it. If they don't get it soon, this Government will go the way of the last one." As you can see, Mr. Speaker, more and more Canadians, including Conservative Members of Parliament, are very, very disappointed with the performance of their Government.

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FOOD AND DRUGS

DEMAND THAT FAST-FOOD CHAINS LIST FOOD INGREDIENTS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I bring to your attention the millions of Canadians who suffer from allergies to food and additives. Allergic reactions include rashes, headaches, severe illness, and, in some cases, death.

This surely demonstrates the need for listing ingredients of foods produced by fast-food establishments. Manufacturers of prepackaged foods are required by law to list ingredients, and the Consumers Association of Canada and the Allergy Information Centre have appealed to fast-food restaurants to provide this information. Most companies provide it upon request to the head offices, but others refuse. They cite a lack of public interest and the need for confidentiality.

How can the possibility of anaphylactic shock and death within 30 minutes be ignored? The fast-food chains must be willing to see the importance of this matter, as almost two million Canadian citizens suffer in some way from the effects of allergies.

* * *

EMPLOYMENT

JOBS CREATED IN PRAIRIE PROVINCES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, the February Budget continues to assist small business in the assault on unemployment, a thrust which began with the economic statement of November, 1984. At that time the Opposition said we gave Canadians tax increases and cut-backs which would destroy hundreds of thousands of jobs.

The fact is, Mr. Speaker, that since November, 1984, some 90,000 jobs have been created in the Prairie Provinces alone through a stronger private sector. Unemployment on the Prairies varies from 8 per cent in Saskatchewan to 8.5 per cent in Alberta.

On a national basis over 580,000 new jobs have been created, and the national employment rate is under 10 per cent for the first time in years.

Now the Opposition seek to claim credit for all of this as somehow being due to their old bankrupt policies. What

hypocrisy! And yet what else can they do in the face of this PC record of solid achievement, a record unmatched in Canadian history?

* * *

YOUTH

REDUCTION IN UNEMPLOYMENT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, young people in Canada welcome the positive policies the Government has introduced over the past 18 months. Young Canadians welcome the fact that youth unemployment has fallen 2 percentage points since 1984, and that 50,000 more young people are working today because of the sound economic strategy the Government has followed. Young Canadians also welcome the fact that the Government is reducing the burden of debt that they will be forced to bear as they grow older.

Finally, Mr. Speaker, young Canadians welcome the practical job training programs, such as Challenge '86, which the Government has developed. Challenge '86 is already proving to be a huge success in my riding of Scarborough Centre as businesses flood the employment centres with project applications. Economic growth, job creation, and social justice are what young people expect from their Government, and those are what the Government is delivering.

ORAL QUESTION PERIOD

[*English*]

YOUTH

SENATOR'S HUNGER STRIKE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Deputy Prime Minister. I have just learned that the indifference of the Government to the plight of young Canadians has led one of Canada's most distinguished humanitarians, Senator Jacques Hébert, to undertake the extraordinary step of holding a hunger strike outside the Senate as a protest against the Government's indifference. Therefore, will the Government not recognize what its inaction is doing to a whole generation of young Canadians, and immediately institute adequate funds and programs to address in a real way the problems of young Canadians all across the country?

• (1415)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government's record in the over-all increase of jobs for young people from September, 1984, to January, 1986, is 75,000 jobs. That is a monthly increase of approximately 5,000 jobs. This is quite a contrast

with the net loss of jobs which occurred in the previous four years during the Government of which the Opposition House Leader was a member.

LEVEL OF GOVERNMENT SPENDING

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister forgets that youth unemployment rose substantially last month and it is still too high. How can he say his Government is doing enough to deal with the problems of our youth when the Minister of State for Youth, in her infamous secret letter to a colleague, said: "There has been a significant diminution in youth-related spending, close to $100 million since the election"?

Is that not the truth? You cut spending and programs for young people. Why don't you do something about it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, Sir, it is not a new version of the truth; it is a new version of the twist. The truth is that the Liberal record from April, 1980, to September, 1984, was an over-all decrease of 285,000 jobs for young people. We turned that around to an increase of 75,000 jobs. The actual truth is that under the previous Liberal Government there was a net monthly loss of 5,200 jobs. We turned that around to 5,000 newly created jobs a month for young people.

REQUEST THAT MINISTER BE DISMISSED

Hon. Herb Gray (Windsor West): Mr. Speaker, the Deputy Prime Minister is suggesting that it is not the truth when the Minister responsible for youth says there has been a significant diminution in youth-related spending, close to $100 million since the election. Will he then do the meaningful thing, and get rid of this Minister of State for Youth and get one who will really do the job, because she is not doing it? The Deputy Prime Minister proved that in what he said criticizing the truth of what she said in that infamous letter.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Official Opposition House Leader should know better, given his background, than to make such a charge. He obviously has not read Part III of the Estimates which indicate that, in agriculture, some $7.486 million is being spent on youth-related employment. In EIC itself he has heard the Minister say that some $700 million is going toward direct youth employment. From CIDA there is $10.5 million going to scholarships for studies and international development assistance. In DIAND there is $533,037 for scholarships. In DND there is $2.271 million for the Air Cadet League, the Army Cadet League, and the Navy Cadet League. From Health and Welfare there is $6.687 million. In Justice—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

[*Translation*]

SITUATION OF YOUTH—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Deputy Prime Minister. In the realisation that the situation is critical, the Chairman of the Senate Committee on Youth, Senator Jacques Hébert, having observed the astonishing inertia of the Government, started a hunger strike today, and the Deputy Prime Minister will know that he is prepared to discuss the matter with the Government and would like to see the Government produce some new initiatives.

Could the Deputy Prime Minister inform the House whether his Government intends to announce any major initiatives very shortly, as the Prime Minister promised some time ago?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, when the Government has announcements to make it will make them in the traditional fashion, at an appropriate time, and in an appropriate place. In the meantime I would suggest, with great respect, that the Hon. Senator could be spending that time reading Part III of the Estimates in order to acquaint himself with the millions of dollars being spent on youth.

[*Translation*]

REQUEST THAT GOVERNMENT UNDERTAKE MAJOR INITIATIVES IMMEDIATELY

Hon. Jean Lapierre (Shefford): Mr. Speaker, I think the cynical laughter of our friends opposite with respect to the youth situation is entirely inappropriate. I hope the Deputy Prime Minister will be able to inform the House whether the Government intends to announce very shortly, as promised by the Minister of State (Youth) and the Prime Minister himself, a number of major new iniatiatives that will benefit the youth of this country. His own Government promised to make these announcements. Is it going to do so very shortly?

● (1420)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It is the same question, and the answer is the same. I should like to add that the hon. gentleman himself should spend some time reading Part III of the Estimates and inquire where $700 million is going from CEIC toward direct youth employment-related programs.

[*Translation*]

MINISTER OF STATE (YOUTH)

RECRUITMENT OF YOUNG CONSERVATIVES—MINISTER'S LETTER

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State (Youth). Has the Minister of State (Youth) managed to remember the name of the person whom she sent a letter mentioning the use of taxpayers' money to recruit young people for the Conservative Party?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I said Friday that a mistake was made in the way the letter was phrased. It was never the intention of this Minister or this Department or the Government to use public funds for partisan purposes. Like any minister or government, I think we all want to do as much as possible for as many young Canadians as possible, and if it has a beneficial impact, I will be delighted. I repeat it was never anyone's intention to use public funds for partisan purposes.

[*English*]

RECIPIENTS OF MINISTER'S LETTER—FUNDING OF YOUTH PROGRAMS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, let me repeat the question. Has the Minister of State for Youth remembered to whom she sent the letter, and perhaps she could tell us also whether there was a response to her allegation that $100 million was cut from youth programs, and whether there has been any correction of that error in policy to which she called attention and about which she expressed concern?

Hon. Andrée Champagne (Minister of State (Youth)): The one thing that is being changed is that some money has been reprofiled, and in this Budget we have as much as $11.732 billion being spent on young people in Canada. This is what is being done. That $100 million was reprofiled and it was added to reach that total, which now comes to $11.732 billion this year for young people.

* * *

STATISTICS CANADA

APPOINTMENT OF CENSUS COMMISSIONERS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister for Statistics Canada. For the third time in five days Canadians have learned of blatant political patronage and abuse of power by the Government. Can the Minister of Supply and Services tell this House why he bowed to pressure from his caucus colleagues and appointed unqualified Tories, who failed a test with result as low as 9 per cent, to be appointed census commissioners for Statistics Canada for the 1986 census?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, this Government, for the very first time, has called upon all Members of this House to volunteer names of persons who would help participate in the census. All Members have volunteered names, and a good number of those have been selected with the assistance of friends on that side and friends on this side. Statistics Canada advised that only competent people are being selected.

[*Translation*]

Mr. Boudria: Mr. Speaker, I am not interested in the people who passed the test. I am interested in those who failed.

RATINGS USED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, could the Minister inform the House, since a memorandum drafted by his department indicated that 60 per cent was the passing mark, why it only takes 9 per cent for Conservatives, when 60 per cent is the passing mark for all other Canadians who want to work for Statistics Canada?

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I asked Statistics Canada to follow two rules, number one, that the integrity of the system be maintained, and number two, that only qualified people be involved in the census.

* * *

[*Translation*]

MINISTER OF STATE (YOUTH)

RECIPIENTS OF LETTER—INQUIRY OF THE MINISTER

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

She admitted Friday that she sent the letter that was inappropriate.

My question is quite simple: To which Minister?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, last Friday I offered the apologies appropriate in the circumstances. I consider the matter closed.

[*English*]

RESPONSES TO LETTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are many people in the parliamentary system who believe that a simple apology for such an error is not enough. Did she send that letter to other members in the Cabinet, including the Prime Minister, and, if so, what was the response?

• (1425)

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I think my answer will be the same as for the first question.

Last Friday, I made the appropriate apologies, and I am certainly not going to hand in my resignation at the request of the Leader of the New Democratic Party.

[*English*]

INQUIRY CONCERNING RECIPIENTS AND RESPONSES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it certainly is not sufficient. Considering that the Minister apologized last Friday for something that she clearly believes was wrong, it is very relevant to ask her if she sent that letter to the Prime Minister or other members of the Cabinet and, if so, what was the response? The Minister has an obligation to reply to that question and not simply repeat an apology.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I apologized because there seemed to be an understanding by some people that there was an intent to use taxpayers' money for partisan purposes. Such was not the intent, and the letter was misinterpreted.

I also admitted that the writing of the letter was a mistake and I have apologized for that. There was never any such intent, so I think that this is all there is to it.

* * *

STATISTICS CANADA

NOMINATION OF CENSUS COMMISSIONER IN COCHRANE-SUPERIOR CONSTITUENCY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Supply and Services. In the constituency of Cochrane-Superior in northern Ontario the wife of the former President of the Progressive Conservative Riding Association was nominated as a census commissioner. That is no problem, but it is reported to me that she failed the test and performed very poorly in the interview. Nevertheless, orders came down to officials that, despite her performance, she should be hired.

Mr. Speaker: Order, please. It is time for a question.

Mr. Penner: Why did the Minister cause such an order to go down, that this woman be hired despite the results of her exam?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, perhaps the Hon. Member did not hear my earlier response that two orders were given to Statistics Canada; one, to maintain the integrity of the system; and two, to hire qualified people.

IMPACT ON CENSUS RESULTS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, because this happened in Cochrane-Superior, is the Minister not concerned that unqualified persons will in the process of taking this census invalidate the results?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I have been given assurances by Statistics Canada that it is absolutely confident that the results will be *bona fide* and that the competency of the people who have been hired is appropriate to the job that has been imposed upon them.

* * *

YOUTH

RECIPIENTS OF MINISTER'S LETTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Deputy Prime Minister. Is the Deputy Prime Minister aware of whether he or the Prime Minister received copies of the letter sent by the Minister of State for Youth at the time they were first sent out?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that the hon. gentleman, indeed any Hon. Member opposite, would not expect me to disclose to them the nature of my correspondence. I would no more think of asking the hon. gentleman to disclose his correspondence. In this case, that is the response to him. Surely it is none of his business.

Mr. Deans: It is public business. It is public business when a Minister suggests the expenditure of public funds on private matters.

MINISTER'S CONDUCT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, now that the Deputy Prime Minister knows the content of the letter, does he deem it appropriate that the Minister of State for Youth should have sent out such a letter to colleagues in the Cabinet, advocating the expenditure of hard pressed taxpayers' public money on the building of the youth wing of the Conservative Party?

Mr. Nystrom: Yes or no.

● (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that twist and double twist are totally unworthy of the hon. gentleman.

Mr. Broadbent: It's unworthy of a cabinet Minister.

Mr. Nielsen: I read that which is in the public domain, and the way in which I read it was that it was a letter from a Minister spelling out her program requirements. The Opposition has latched on to one aspect of the letter for which the Minister has apologized. It should ruddy well be satisfied with that—

Mr. Broadbent: Why?

Mr. Nielsen: —instead of trying to put a murky cast on the entire letter.

Mr. Blackburn (Brant): Look who's talking.

Mr. Nielsen: The Minister has apologized for the mistake. She has admitted it, and its authorship. Surely that should be satisfactory to any hon. gentleman in this House.

Mr. Broadbent: No, it's not. It's not sufficient.

ALLEGED SECRET MEETING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of State for Youth. She said today on at least two occasions that she would never see public funds being used for partisan purposes. Can she explain why a secret meeting took place on February 27 at the Progressive Conservative Party headquarters office in Montreal for the express aim of securing government summer jobs for people on condition they be active members of the Progressive Conservative Party? Is this blatant abuse of and insult to young people a new part of the Minister's youth strategy?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I have no knowledge of such a meeting.

Mr. Foster: That's what you said last Thursday.

Mrs. Champagne: I certainly was not involved in it.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, would the Minister not agree that this meeting, combined with her own cabinet strategy, which we released two weeks ago, and combined with the letter which was released in the House last week, are enough to demand her resignation from the portfolio of the Minister of Youth?

Hon. Andrée Champagne (Minister of State (Youth)): No, sir.

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STATISTICS CANADA

HIRING OF CENSUS COMMISSIONERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Supply and Services. It has to do with his personal role in the whole question of hiring Tory hacks as census commissioners.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Does the Minister deny that he personally intervened to ensure that Tory hacks who failed were hired, in spite of the fact that they had not passed the competition for census commissioners?

Mr. Nystrom: Yes or no?

Hon. Stewart McInnes (Minister of Supply and Services): No.

Mr. Nystrom: Therefore, he confirmed it.

FUNDING TO HIRE YOUNG PEOPLE AS CENSUS TAKERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, could the Minister tell the House what the relationship is between the $30 million of youth employment funds to hire census takers, and the Minister of Youth's letter to recruit young people for the Tory Party with federal money? What is the connection? Come clean.

Hon. Stewart McInnes (Minister of Supply and Services): I do not know about being clean, Mr. Speaker, but the facts are that 25,000 youth are going to be involved in the census, and anyone who wants to get a job should go down to an unemployment insurance centre—

Ms. Copps: PC Party headquarters.

Mr. McInnes: —and their eligibility will be determined.

* * *

YOUTH

MINISTER'S LETTER—REFERENCE TO YOUTH-RELATED SPENDING

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Minister of Youth. She has apologized for part of the letter but the Deputy Prime Minister has defended the rest of it. Let me ask the Minister about the rest of the letter. Was she being truthful with her colleagues when she told them that there had been a diminution of $100 million in youth-related spending since the election? Is that an accurate statement as far as she is concerned?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, there were some funds—there were some programs, as you know, Mr. Speaker, which were about to be moved from other places and I wanted to make sure—and this was my job—that there would be money available for young people in the Main Estimates as produced by my colleague.

Mr. Kaplan: We gather those efforts were unsuccessful. They were made, but they were unsuccessful.

MINISTER'S REFERENCE TO SPENDING LEVEL

Hon. Bob Kaplan (York Centre): Let me come back to the question. Was the Minister really telling her colleagues, and was it a fact, that since the last election, as she put it, youth-related spending has been reduced by the Government by $100 million?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the fact is that later we can see that in the Budget funds have been added for the youth of Canada—

Ms. Copps: Left-overs for youth.

Mrs. Champagne: —and we now have the total, which I have given before, for programs directed to for youth—

Mr. McCurdy: Eleven billion dollars.

Mrs. Champagne: —or which primarily designate youth as a target. There are programs accessible to students—

Ms. Copps: P.C. youth.

Mrs. Champagne: —provincial transfers of interest to youth, and other programs for which youth qualify. The total is the number which I have given before.

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INVESTMENT CANADA

ATTEMPTED PURCHASE OF GLC PUBLISHING COMPANY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister responsible for Investment Canada. Even though Gulf and Western face deep opposition to its takeover of Prentice Hall, the United States giant has forged on and is buying out another Canadian subsidiary, GLC Publishing in Agincourt. Will the Minister immediately tell this U.S. conglomerate that there can be no exceptions for it in this latest case, and that the rules against foreign control in publishing will be completely enforced?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member and other Hon. Members of the House will be pleased to know that that word has already been conveyed to Gulf and Western.

PRENTICE-HALL TAKEOVER

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in view of the fact that the Minister has taken this position with respect to GLC, will be also take a similarly tough position with respect to Prentice-Hall, Ginn Brothers Ltd., and with respect to this attempt by Gulf and Western to build an empire for text books in our country?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I do not think it is a question of taking a tough position or not taking it. The fact is that Gulf and Western is well aware of the July policy which was enunciated by my colleague, the Minister of Communications. It is well aware that any purchase which is made now must abide by that policy. As far as transactions are concerned prior

to that policy, it is well aware that we will look at them under the precedents and regulations which applied at that time under the old Foreign Investment Review Agency legislation.

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THE ECONOMY

INTEREST RATE LEVELS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Minister of State for Finance. At the end of last week the Central Banks of West Germany, Japan, and the United States all reduced their discount rates. What steps has she or the Minister or the Minister of Finance personally taken to ensure that the Bank of Canada follows the lead of those banks this week and lowers interest rates to protect the interests both of mortgage holders and other commercial borrowers in Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his question because we are, obviously, very pleased to see the general decline in interest rates. I can tell the House that our dollar, of course, continues to strengthen, and that Treasury bills are trading well below their tender level of last week. And the *Toronto Star* is predicting that interest rates this week will be down.

Some Hon. Members: Oh, oh!

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AGRICULTURE

IMPACT ON CANADIAN FARMERS OF PROPOSED UNITED STATES LEGISLATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will know, as a western Member of Parliament, of the deep concern which is now being expressed about the impact the U.S. farm Bill will have upon the western grain economy. In the Minister's discussions with the Secretary of State for the United States, Mr. Shultz, on Friday, did he raise this matter of concern, of great priority? And can the Minister tell us if the Prime Minister intends to put this on the agenda when he meets with President Reagan next week, and to ask the President to curtail the application of the Bill until such time as the impact of it can be discussed with Canada and other grain exporting nations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada is concerned about the implications for Canada of U.S. farm legislation. It has made that clear on several occasions. I have raised it with Mr. Shultz.

Let me take this opportunity to congratulate the Hon. Member for Winnipeg-Fort Garry on his designation as the External Affairs critic for his Party.

Mr. Axworthy: Mr. Speaker, I thank the Minister for the honour, but I am simply raising the question as a matter of deep interest to western Canada.

MEETING OF GRAIN EXPORTING COUNTRIES PROPOSED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): In response to the Minister's answer, as we know, the whole purpose of the U.S. farm Bill, in large part, is to launch a trade war with the European Community on agricultural matters. Will the Prime Minister raise with the President of the United States whether or not he will support the convening of a meeting of all grain exporting nations so that we can offset, or curtail, any proposed trade war before it very deeply hurts Canada, as predicted?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there have been a number of initiatives taken by the Minister of State for the Canadian Wheat Board with regard to the problem which has been raised by the Hon. Member. Certainly the discussions between the Prime Minister and President Reagan will touch upon, among other things, the importance of a very strong approach regarding agricultural questions in any multilateral trade negotiations.

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YOUTH

MINISTER'S LETTER—RECIPIENTS—INQUIRY OF THE MINISTER

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of State for Youth. Since the Minister apologized last Friday, and reiterated her apology today, and since the letter is now public knowledge, would she not agree to advise the House exactly to whom she sent the letter? Would she also not agree that we are entitled to that information?

Mr. Speaker: Order, please. I will allow the question. However, I must remind Hon. Members that this is now the fifth or sixth time which it has been asked. Therefore, I would ask that the supplementary not be on the same question.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, no.

REQUEST THAT PARLIAMENT BE INFORMED

Mr. Neil Young (Beaches): Mr. Speaker, running the risk that I may be ruled out of order, I would like to ask the Deputy Prime Minister whether or not he would agree that the House is entitled to share in this information.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, of course I would not. Surely it is utterly ridiculous for the hon. gentleman, or any Member opposite, to expect to be included on the distribution list of letters which Ministers write. That is what he is suggesting—

Mr. Broadbent: We want to know what the Cabinet did with it when it got it.

Mr. Nielsen: —by suggesting that he should be the recipient of correspondence from cabinet Ministers to whomever they write. That is surely patently ridiculous.

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CAPITAL PUNISHMENT

REQUEST FOR DEBATE AND VOTE BEFORE SUMMER RECESS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is directed to the Minister of Justice. It regards the timing of an open debate and free vote on capital punishment. Would it seem reasonable to the Minister, in light of the promises made by the Government, to hold this debate and free vote prior to the forthcoming summer recess?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think it has been made clear on a number of occasions, and made clear again by the Prime Minister recently, in fact on his very successful tour to western Canada—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): Have you seen the polls?

Mr. Crosbie: He still found it very difficult to find a live—

Mr. Speaker: Order, please. Will the Hon. Minister please conclude?

Mr. Crosbie: As the Prime Minister said on that very successful trip to western Canada, before the end of this session of Parliament is reached adequate time will be provided for a full debate and a vote on the issue of capital punishment. I cannot tell the Hon. Member whether or not it will be during this year. That is a matter for the Prime Minister to decide. He will doubtless consult me and the rest of the Cabinet when he comes back from his successful trip to western Canada.

Some Hon. Members: Hear, hear!

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AGRICULTURE

IMPACT ON CANADIAN FARMERS OF PROPOSED UNITED STATES LEGISLATION

Mr. Maurice Foster (Algoma): Mr. Speaker, in the absence of the Minister of Agriculture and the Minister of State for the Canadian Wheat Board, I will direct my question to the Deputy Prime Minister. A recent study by Chase Econometrics states that the U.S. farm bill will cut net Canadian farm incomes by 20 per cent from 1984 levels. It will have a disastrous effect on western grain producers. What action is the Government planning to take to protect our farmers from the impact of this United States farm bill which, at the same time, is increasing incomes for American farmers?

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first of all, I would like to inform my hon. colleague that in the agricultural sector alone, our Government has taken more action in eighteen months than his Government took in the twenty years it was in power.

Regarding his concerns about the *U.S. Farm Bill*, I can inform the Hon. Member that the initial prices will be announced at the end of March or early April. The Minister, Mr. Mayer, is now in Japan to negotiate other contracts.

Perhaps I may remind my hon. friend of the two latest sales to the USSR and Brazil, which were advantageous for all Canadian farmers. This is a real Government that looks after its business.

[*English*]

REQUEST THAT PRIME MINISTER MAKE REPRESENTATIONS TO UNITED STATES PRESIDENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. In the Prime Minister's meeting with President Reagan this weekend is he willing to try to get a commitment that the $1.5 billion grain export subsidy program will not be used against Canada's traditional grain customers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Government has demonstrated on a number of fronts in the agricultural field, and in others, that, despite the fact that the actions of the Government of which the Hon. Member was a supporter led the Americans to believe that they could roll over Canadian interests, whether it was with respect to the sovereignty of Canada or the interests of Canadian farmers, it has taken a decidedly different approach. The Prime Minister will speak for the interests of Canada in the summit with the President, as he has in the past.

Some Hon. Members: Hear, hear!

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GRAIN

DELIVERY DIFFICULTIES OF WESTERN FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Transport. The Minister will know that in many places in western Canada farmers are unable to deliver their grain because of congestion in their elevators. This is congestion caused by the inability of the railways to supply enough cars for them to ship their grian.

Will the Minister tell the farmers of western Canada what he is doing to rectify this situation?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure that there is a shortage of rolling stock. My understanding is that there is congestion at the terminals and elevators because of insufficient capacity for drying, cleaning, and processing of grain. Nonetheless, I will look into the Hon. Members' s allegation and get back to him.

PROVISION OF RAILWAY CARS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Minister assure grain producers in these areas where congestion is a problem that he will either have sufficient cars by March 29 or that he will call upon his colleagues to extend the quota period?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in no way accepting the premise of the question, I repeat that if there is a shortage of rolling stock we will certainly take every initiative possible to ensure that the cars are provided. I repeat again, I doubt very much whether that is the real problem.

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CONSUMER AND CORPORATE AFFAIRS

REQUEST THAT WARNING LABEL BE PLACED ON DRUG ASA

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In light of the fact that the death of a 15-year-old girl from Reye's syndrome has been linked to the drug ASA, why has the Government not ordered the pharmaceutical industry to place a warning on its labels since that link has been suspected by the industry for the past three years?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I wish to thank my colleague for his question. As he knows, the Government has been very efficient in dealing with the concerns of consumers. I am informed that the Department of National Health and Welfare works very closely with the industry in order that warnings will be placed on its labels. So far I can say that 30 per cent of the industry has already agreed to comply with our requirements.

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REGIONAL INDUSTRIAL EXPANSION

ATLANTIC ENTERPRISE PROGRAM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Will the Minister explain to the House why he has abdicated the role of the federal Government as the catalyst for economic growth in the poor regions of the country and substituted for it the Atlantic Enterprise Program, which he knows is a program administered by the central Canadian bankers, who, as history tells us, have never demonstrated any concern or compassion for the well-being of citizens in that area?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think it must be obvious to most Members of the House that the Hon. Member's preamble is absolutely false. The facts are that, as far as Atlantic Canada is concerned, my Department and the Government of Canada have many programs in place. We have supplemented these programs by the new Atlantic Eneterprise Program which will ensure relatively low-cost money for those who want to open up and expand factories. This will give more jobs to Atlantic Canadians, something of which I assume all Members of this House, including the Hon. Member who asked the question, should be supportive.

Some Hon. Members: Hear, hear!

• (1450)

REQUEST THAT PROGRAM BE AMENDED

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. Will he listen to the cries of businessmen in those regions, and lower the threshold of $250,000 down to $50,000? We he also provide grants and assistance with regard to working capital? Finally, will he amend the Altantic Enterprise Program so that the maximum of 6 per cent in the interest buy-down will become a minimum for all businessmen? Will he listen to the Canadian small-businessmen from Atlantic Canada?

Mr. Crosbie: Why didn't you listen, you turkey?

Ms. Copps: You just laid and egg, Crosbie.

Mr. Broadbent: That's unparliamentary, John.

Mr. Speaker: Order, please. Order. I must ask the Minister of Justice to rise in his place and withdraw that.

Mr. Crosbie: Mr. Speaker, I withdraw that comment about the turkey.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): You can insult Liberals but not turkeys.

Mr. Nunziata: That's garbage.

Mr. Stevens: Mr. Speaker, if all turkeys are all settled and on their roosts—

Some Hon. Members: Name him.

Mr. Speaker: Next questioner.

Mr. Nunziata: Where's the discipline?

Mr. Speaker: Order. Order, please. The Hon. Minister will simply rise and withdraw that comment.

Mr. Stevens: Mr. Speaker, of course I will withdraw that comment.

Ms. Copps: Thank you.

Mr. Speaker: Order, please. Thank you.

Mr. Stevens: But, Mr. Speaker, I would simply—

Mr. Speaker: Order, please. Next question. The Hon. Member for Yorkton-Melville.

* * *

YOUTH

MINISTER'S LETTER—RECIPIENTS' REPLIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State for Youth and is in regard to the letter she sent to a Minister, or Ministers, that was revealed in the House last Thursday. Can the Minister tell the House whether or not she received a reply from the Minister to whom she sent a letter or indeed from any Minister to whom she may have sent a letter, or do we have to wait until that is leaked as well?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, my correspondence is usually not made public.

Mr. Speaker: Different question, supplementary question.

INQUIRY WHETHER MINISTER RECEIVED REPLY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, since the Minister has said that her correspondence is usually not made public, will she make another exception this time and tell us whether or not she received a reply from the Minister to whom the letter was addressed—

Mr. Speaker: Order. Order, please. That is the same question. Next question.

* * *

PETRO-CANADA

EAST COAST DRILLING PLANS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Will the Deputy Prime Minister confirm that Petro-Canada is abandoning five wells off the East Coast of Canada and is backing away from new drilling programs?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will take the question as notice in the absence of the Minister.

PUBLIC SERVICE

INDEXATION OF PENSIONS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is directed to the President of the Treasury Board. I would like to know when we are going to hear an announcement on the issue of the indexation of Public Service pensions. Does the Minister feel that retirees from the Canadian Armed Forces and the RCMP have had adequate representation during the discussions on pension issues?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I have said on a number of occasions, we have consulted widely on this issue. The Government is committed to pension reform, but it is also willing to make a very clear statement that we will live by the commitments we made during the election campaign of the summer of 1984 and throughout our term of office. I think the Hon. Member can expect to see a proposal put before the House in the very near future.

* * *

[*Translation*]

MINISTER OF STATE (YOUTH)

MINISTER'S LETTER

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of State (Youth), and it concerns the letter of January 6. Since the last paragraph contains clear instructions, and I shall read them in English:

[*English*]

The letter indicated that she seeks at this time an indication of the 86-87 fiscal parameters vis-à-vis her Ministry. Did she indeed write this letter to the President of the Treasury Board, and did he acknowledged receipt of that letter?

Mr. Speaker: The Hon. Member knows that I have said that questions should not simply repeat themselves. Therefore, I suggest that if he has a question that is different from the one that has already been asked, I will allow it.

[*Translation*]

REQUEST FOR EXPLANATION CONCERNING DEPARTMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board.

Did he receive the letter? Did he give it special attention? Was he sufficiently attentive to his colleague's, the Minister's, request to explain to the House today what the parameters of this department are? And where do we find those $100 million in the Estimates?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have no comments to make whatsoever about the correspondence I receive from my Cabinet colleagues.

[*English*]

NATIONAL DEFENCE

PRESENTATION OF WHITE PAPER

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of National Defence. There has been a lot of confusion about whether or not we are going to receive a White Paper on defence. Can we expect a White Paper on defence some time in the late winter or spring?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have not yet decided upon a date for the White Paper. When I have done so, I will advise the hon. gentleman, and indeed all Members of the House.

REQUEST FOR STATEMENT BY MINISTER

Mr. Derek Blackburn (Brant): Mr. Speaker, in light of the fact that no White Paper is forthcoming and we have been waiting almost a year for a White Paper, would the Minister be prepared to make a statement on any fundamental policy changes in DND, in lieu of a White Paper?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can give that very helpful suggestion every consideration. In the meantime, we have not been waiting for a year; we have been waiting closer to 14 years.

* * *

STATISTICS CANADA

APPOINTMENT OF CENSUS COMMISSIONERS

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister of Supply and Services. Earlier he said that only qualified and competent census commissioners were hired. In view of the fact that incompetent and unqualified Tory hacks and flacks were hired, will the Minister immediately instruct the dismissal of all those who failed to achieve 60 per cent on the test in order to qualify to be commissioners?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, there are two tests. One is written and one is oral, and the examiner takes both tests into account. If I ordered the dismissal of all of those who failed one of the tests, a great number of the nominees from over there would fail.

REQUEST FOR DISMISSALS

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is obvious that this Minister does not care about the integrity of the census. Again, in order to maintain the integrity of the census that is about to be taken, will the Minister recognize that unqualified persons, mostly Conservatives, were hired, and will he immediately dismiss those individuals who did not pass the written test, the only test?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I repeat that Statistics Canada has advised me that only people who are qualified to carry out their obligations under the census will be hired.

* * *

ST. LAWRENCE SEAWAY

INCREASED PILOTAGE FEES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister of Transport. The Minister will be aware of a decision handed down regarding the increased pilotage fees. Will the Minister use his powers to overrule this decision and provide the pilotage authority with the necessary funds to operate?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is aware that, under the provisions of the ruling handed down, there is a period of time during which a decision can be appealed, and it would be inappropriate for me to comment until that time has expired.

EFFECT ON SURVIVAL OF SEAWAY

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Does the Minister not agree that any increase in any costs related to the marine industry on the Seaway will be detrimental to its survival?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, my response would be the same. I would be prepared to express an opinion, perhaps in another context, but I think in light of the responsibility that I have, I would want to refrain from making any suggestions at this time.

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FISHERIES

UNITED STATES DUTIES ON CANADIAN FISH EXPORTS

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Prime Minister will be meeting with the President of the United States on Monday of next week. I wonder if the Secretary of State for External Affairs could tell the House if the issue of countervailing duties on salt codfish and fresh fish going into the United States will be on that agenda.

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that depends upon the developments in the United States regulatory procedures with which the Hon. Member will be well acquainted. I should take the opportunity to tell him that I raised that particular matter in very strong terms when I met with Secretary Shultz on Friday.

Mr. Henderson: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. The time has expired.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: I believe the Hon. Member for Algoma (Mr. Foster) had completed his speech. The Table advises me that his time had expired.

An Hon. Member: What about the period for questions and comments?

Mr. Speaker: I appreciate that. I was about to call questions and comments. Does the Hon. Member for Algoma believe that he has some time left?

Mr. Foster: I wanted to complete my speech, Mr. Speaker.

Mr. Speaker: My dilemma is that the Table advises me that the Hon. Member had used his 20 minutes. Questions and comments.

Mr. Hovdebo: Mr. Speaker, I have a question for the Hon. Member. Since the corporate plan of Canadian Arsenals Limited indicates more than a 100 per cent increase in profits during the next five years, does the Hon. Member have any comments to make on the advisability of going from a situation where we supply most of our armaments for national defence from the Crown corporation to one where we will have to bid against other corporations?

Mr. Foster: Mr. Speaker, the Hon. Member for Prince Albert (Mr. Hovdebo) has raised a very good question. It outlines the dilemma of the Government in privatizing the corporation. Some 90 per cent of what the corporation produces is sold to the federal Government; some 10 per cent is sold abroad.

Its corporate plan outlines that profits will increase over the next several years. In fact, it now has orders of some $200 million which are ready to go. These profits will now accrue to SNC rather than to Canadian Arsenals Limited or to the benefit of the federal Government.

What is the value in selling off a corporation which essentially sells its production to the federal Government and, in the process, delivering the SNC massive profits over the next several years? In fact, the production and the sales over the next five years are expected to double. Essentially the federal Government, through the auspices of a Crown corporation, is now manufacturing ammunition and armaments which it seels to itself. Obviously it is making reasonable profits which accrue to the Crown corporation or to the Crown, in the end, itself.

Another factor comes into play when it is sold to SNC. SNC will then have the vast majority of armaments and ammunition production capacity in Canada and, of course, can raise the price willy-nilly to the federal Government, its major customer for at least 90 per cent of its production.

The Hon. Member has raised a valid point. It does not seem to be sensible to sell off a Crown corporation which is projected to make large profits. It experienced a loss at one time, but it has been making profits for the last four or five years. These profits are projected to be even larger in the future.

The Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) seems to want to be co-operative. Perhaps we could have access to the Arthur Andersen company report to know whether the price is a reasonable one. Also we would like to know whether the corporation taxes will be a reasonable amount so that the Government will not suffer larger losses in that regard. As I said, the Hon. Member has raised a very good question. It is the kind of question we have asked in the House since the debate on Bill C-87 commenced a couple of weeks ago.

Mr. de Corneille: Mr. Speaker, I listened with interest to the Hon. Member for Algoma (Mr. Foster). I know he has spent a considerable amount of time studying this matter and what might be the repercussions. If the Conservative Party were really serious about saving taxpayers' money and reducing the deficit, it would not figure out ways to pass a profit-making mechanism off the backs of taxpayers and on to the back of a private organization. I would like to ask the Hon. Member what might be some of the ramifications of this.

Mr. Foster: Mr. Speaker, I think the question of the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) really begs a question of why the Government is selling off this Crown corporation which will have massive profits in the future, as profits have been building up.

During the five-year period from 1980 to 1985, it is interesting that the corporation's profits have risen from $3 million to $11 million. The projections indicate that its sales will double in the next five years. It is reasonable to expect that profits within the next five years will approach at least $22 million. If we keep the Crown corporation, those profits would accrue to the Government directly. If it is sold off, as is proposed by the Government, the Government will recoup some of the profits in corporation taxes. However, if we had access to the Arthur Andersen report on this matter, we as Members of the House of Commons would be able to judge whether or not the price is

a fair one. Obviously, if it is a profit-making corporation, we should charge more for it.

However, we still have the whole question of whether it is wise to be selling a Crown corporation which sells practically all of its production to the Government of Canada. The same situation applies to provincial Crown corporations such as Ontario Hydro. It services, or the services of its subsidiaries are mainly sold to the people of Ontario. We must ask ourselves whether it is wise to privatize Canadian Arsenals Limited whose main customer is the Department of National Defence.

Mr. Hovdebo: Mr. Speaker, I would like the Hon. Member to comment on the dilemma in which the Government finds itself in this particular Bill, the dilemma of encouraging and increasing the profits on armament sales. This has been traditionally against the policy of the Government of Canada which has assiduously stayed away from the selling of Canadian arms for profit; it has managed to stay away from the designation of merchants of death. Now the Government is encouraging this by selling to the private sector the industry for the manufacture of arms. The Government has not convinced me that it has changed its policy. It is just proceeding on the ideology of privatization without considering the reasons it should not do so.

• (1510)

Mr. Foster: Mr. Speaker, that is one of the problems with the privatizing of corporations such as Canadian Arsenals Limited. At this time the Government has the authority to direct the policy of the corporation. Obviously, when it becomes a private corporation it can sell to the Middle East and other countries throughout the world which are political hot spots, and the Government will have to work through a mechanism other than the direct mechanism it had when the company was a Crown corporation.

We have seen in recent press reports that the Cabinet is bitterly split on this issue. We understand that the Minister of Regional Industrial Expansion (Mr. Stevens) is determined to have a German company set up an armaments manufacturing plant in Nova Scotia, whereas the Secretary of State for External Affairs (Mr. Clark) is violently opposed to that. That kind of battle is going on within the Cabinet all the time, so we never know until the Prime Minister (Mr. Mulroney) makes his final decision exactly what the Government policy will be.

I agree with the Member for Prince Albert (Mr. Hovdebo) that this will indeed be a problem in a private sector company. It will be able to wheel and deal and sell munitions and armaments throughout the world. A great deal of its business will always be done with the Government of Canada, as it is now. Rather than those profits accruing to the Government of Canada, they will accrue to this company, which is probably being sold at a bargain basement price. We do not know that, although we suspect it. We suspect that this is why the Minister of Supply and Services (Mr. McInnes) is not making that information available to Members. It would be very embarrassing to him, and he does not want to make it public at this time.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, this is an important Bill because it raises very fundamental questions about the policy of the Government. We must begin by asking why the Government chooses to privatize this particular Crown corporation. Why does the Government choose to sell this corporation? The Government may have reason for selling corporations which are not making a profit. From the Government's perspective it can be indicated that those corporations are costing taxpayers money, and there is good reason for turning those corporations over to the private sector. However, those arguments do not hold in the case of Canadian Arsenals Limited which last year made a profit of $11.3 million. Why sell a profitable corporation to the private sector?

I must conclude that the Government is doing this because of an ideological commitment to the motion of privatization. The Conservatives must believe that there is no legitimate purpose for having a profitable corporation in the public sector, that if a Crown corporation is making a profit, the logical thing to do is to sell it. They can see no justification for having a Crown corporation making a profit and remaining in the public sector.

Mr. Turner (Ottawa-Carleton): That's not true.

Mr. Keeper: My colleague on the far right indicates that that is not true. I ask him to join in this debate and—

Mr. Turner (Ottawa-Carleton): I am on your left.

Mr. Keeper: You may be sitting on my left, but you are on the far right. If the Hon. Member feels that what I am saying is not true, let him join this debate and explain why the Government is selling a profitable corporation to the private sector and depriving the Canadian Treasury of $11.3 million. Why deprive the hard-pressed Canadian taxpayer of $11.3 million? I would like to have the Conservatives explain that to ordinary Canadians.

I can only guess the Government is doing this because it is committed to the notion of privatization. It is committed to the notion that a Crown corporation, which is making a profit, cannot exist in the public sector. This indicates to me that the Conservatives are totally committed to their ideology that the economy should be nothing more than a series of private sector corporations. They are totally committed to a notion of a free enterprise economy with no role for Government or the public sector. Through this move the Conservatives are abandoning the notion of a mixed economy in the country. They choose, instead, to leave all the economic activity to the private sector and to private profit-making corporations.

The problem with that is that it reduces our capacity for an industrial strategy in the country. It reduces our capacity to give the economy some direction. Therefore, in the final analysis, it reduces the capacity of the Canadian Government

to make a serious effort to provide full employment in the country.

I have another question about the sale of this corporation. Ninety per cent of the sales of Canadian Arsenals are made to the Department of National Defence. Through selling this corporation the Government is creating a monopoly in the private sector in the munitions industry in the country. It is, therefore, putting the Canadian taxpayer in a very vulnerable position. That private sector, profit-making monopoly can then set its price for munitions. We will be in a position of having to pay whatever price that monopoly chooses to charge the taxpayer. The Government is giving up an $11.3 million profit for the public Treasury and replacing it with a private sector monopoly which will be able to demand whatever price it chooses from the Canadian Government for munitions. The Canadian taxpayer will pay for that, Mr. Speaker.

I would like to know why the Conservative Government chooses to sell Canadian Arsenals Limited to the private sector. I hope Conservative Members get up and explain this to us. Does it have it anything to do with the fact that the company buying Canadian Arsenals made campaign donations to the Minister responsible for industry?

● (1520)

Mr. Turner (Ottawa-Carleton): Careful.

Mr. Keeper: The Member says I should be careful. I wish he would stand up and explain to the Canadian people why the Government is selling a profitable corporation to the private sector. Why give it to a company which gave campaign donations to the Conservative Party and the Minister responsible for industry? They make comments from their seat but they do not get up in debate and answer those fundamental questions. Is it because they are following their patronage policy, a policy which they condemned when they were in opposition? They condemned the Liberal Party and the Leader of the Opposition. Now they are in office, they continue a policy of patronage, patronage, patronage. Whether it has to do with census takers or the sale of profitable Crown corporations, that is what they are doing. I would like to see Conservative Members stand up and answer those questions.

There is another question surrounding the sale of this corporation, having to do with conflict of interest. We are aware that the former Director General of Aerospace and Armaments with the Department of Supply and Services took a job with CFN Consultants. He was originally in charge of privatizing Canadian Arsenals. He left the public sector and went to work with the consulting firm which was working for the company buying Canadian Arsenals. On the face of it there is a conflict of interest. The Government has not adequately explained this. Why has the Government allowed this to happen? These questions demand answers. If we do not get adequate answers, then we have to believe that this Government is not keeping an adequate eye on the question of conflict of interest.

Another question has to do with the fact that 10 per cent of the sales of Canadian Arsenals are to the international market. The Government press release dealing with this sale said it would make the ammunition industry in Canada more internationally competitive. Does this mean that the Government is encouraging Canada to get into the arms race? This is an important question because we know that military equipment produced in Canada has ended up in places like Chile, Nicaragua and El Salvador. Surely the average Canadian does not want to build an economy which is based upon profits from debt in international conflicts. I am concerned about this Government's policy regarding the international sale of arms and what the movement of this corporation from the public sector to the private sector means in those terms.

[*Translation*]

We have a number of questions about the Bill now before the House. One of them is what security has the Government given to the employees of the corporation? According to the press the Government did not consult the union about the sale.

Mr. Speaker, the corporation employs 750 people in Saint-Augustin near Quebec City and in Ville Le Gardeur and they want to have job security and firm commitments concerning their pension rights.

Mr. Speaker, the sale of that Crown corporation has not been adequately explained. Why did the Government sell a profit-making company? Could it be that the buyer of the corporation made financial contributions to the Progressive Conservative Party during the last election campaign? Is patronage involved? I want Conservative Members to respond to that allegation.

As a result of the sale, Mr. Speaker, the Government will create a private sector monopoly and Canadians will have to pay even more for national defence. This is a rather strange policy because this Crown corporation has been putting its profits in Government coffers.

Mr. Speaker, I want the Conservative Members who misled me on a few occasions to take this opportunity to reply to my questions. Why is the Government selling a profit-making Crown corporation? Is it because of the contributions the Party received from their private sector pals during the last election campaign?

[*English*]

Mr. Deputy Speaker: Questions and comments.

Mr. Hovdebo: Mr. Speaker, a number of organizations are very concerned about the sale of arms by Canadian corporations in any form. They are concerned about Canada becoming a merchant of death. Charges have been levelled against Canada by church groups who are alarmed by the increase in the export of military equipment from Canada. Would the Hon. Member comment on that very great concern over Canada becoming a producer of military equipment which contributes to the possibility of war around the world?

● (1530)

Mr. Keeper: Mr. Speaker, I welcome the question because it is an important question about public policy in this country. When we look at countries like Chile, which has a very brutal dictatorship which as Amnesty Internatioal has indicated, has not only tortured but also killed people who have opposed it, when we look at those situations, we naturally condemn those kinds of regimes and we wish to see a return to democracy in countries such as Chile, countries which have a long history of democracy. When we find out that Canadian arms or Canadian equipment that can be used by the military end up in Chile and are used to repress the population there and to maintain a dictatorship, then we are naturally distrubed and outraged. Church groups across the country have documented the movement of Canadian equipment to countries such as Chile, and they have protested this sale of Canadian military equipment to dictatorial regimes. The difficulty with the law before us today when the Government moves this corporation from the public sector to the private sector is that it invites an increase in Canada's participation in international arms trade. it invites a situation in which Canadians will be living off the profits of conflict around the world. This is not a policy that we should be floowing and it is one that outrages most Canadians.

Rather than creating a circumstance by the sale of this corporation which encourages us to be involved in international arms trade, we should be going in the opposite direction. Not only that, we should be following the advice of church leaders who indicate to us that we can create more employment by being involved in non-military production than we could be by being involved in destructive military production.

It is important for the Government to listen to these kinds of concerns that Canadian people have been expressing, and particularly Canadian church leaders.

[*Translation*]

Mr. Deputy Speaker: The Right Hon. the Secretary of State for External Affairs (Mr. Clark) on a question or comment.

Mr. Clark (Yellowhead): Mr. Speaker, I am greatly interested in the issue just raised by the Hon. Member.

[*English*]

I am particularly interested in his references to the export of Canadian equipment to Chile or to other countries. He may recall that nine months ago in the House his colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis) asked a series of questions relating to the Canadian export controls policy. I answered those questions indicating there was a review of that policy. I invited the Hon. Member for Kamloops-Shuswap to participate in the review and on behalf of the New Democratic Party to outline for us specifically the changes that the New Democratic Party would like to see in the export controls policy. In other words, I invited the New Democratic Party, the Hon. Member's colleagues and others, to move beyond making speeches in the House of Commons and to participate with us directly in helping to clarify the policy. That was nine months ago. I have yet to receive a response from the Member for Kamloops-Shuswap or the New Democratic Party.

I know they would not want to be accused of simply making statements in the House that they are not prepared to back up with their actions. Will they tell me why they have not replied to my invitation to make specific proposals as to the ways we could put in place an export controls regime that would be more effective? Can he tell me whether they intend to reply, and if not, why not?

Mr. Keeper: Mr. Speaker, I will not speak on behalf of my colleague from Kamloops-Shuswap; I will leave it to him to respond to the Minister. I would like to know why the Minister does not respond to the concerns that Canadians have expressed about Canada being involved in arms sales and equipment that end up in places like Chile, and why we do not move to convert those industries to civilian purposes that would produce more employment and that would pull us out of the situation of supporting regimes such as the one in Chile.

Most Canadians are familiar with the fact that there are reports in the press on a regular basis of Canada's participation in arms sales that affect countries like Chile, that affect countries like El Salvador in which we therefore end up supporting dictatorial regimes through our material efforts. I would like to see the Minister stop a number of things. One is to stop using the Export Development Corporation to subsidize these kinds of arms sales and to stop issuing permits for these sales which end up in the hands of military dictators. I would call upon the Minister to answer the concerns that Canadians are expressing about Canada profiting from arms sales that go to countries and simply maintain repressive regimes, such as the Chilean regime which, as Amnesty International has documented, has used torture and killed people who have been in opposition to that regime.

Mr. Clark (Yellowhead): Mr. Speaker, I am quite happy to respond to those concerns, and indeed, I have been doing so. In the spirit of this Government of trying to involve citizen participation and trying to give the NDP an opportunity to put its work where its rhetoric is, I have invited, very seriously, the representatives of the New Democratic Party who raised this question to join with us in the hard work of defining the rules that Canada should follow. It is easy to stand up in the House of Commons and make speeches. It is a little more difficult to write out precisely the changes in law and practice which should be followed.

We believe in participatory democracy. We believe that New Democrats, who are prepared to get up and make speeches, should be given the opportunity also to respond with their particular proposals. What I have received is nine months of silence from the New Democratic Party.

It is a very serious matter. The Hon. Member will recall, with regard to Chile and the issue raised by his Party, that the question in issue was not arms but, rather, was whether or not we should be exporting equipment that is used by police, in effect, apparel used by police to stop riots. Is he suggesting that all Canadians who produce that kind of equipment should

stop producing it? Is he suggesting that all Canadians who have jobs in the production of that equipment should lose those jobs? If he is not suggesting that, what new rules is he proposing? Why will he and his Party, who have asked for new rules, not accept my invitation to come forward and help us draw up those new rules? Why, when we are working to bring in a new export controls policy, have we received only nine months of silence from members of the New Democratic Party? Are they interested only in making speeches in the House of Commons or are they prepared to respond positively to invitations to help formulate Canadian policy?

It is a very important matter that relates very directly to the question under debate here, because it is the easiest thing in the world merely to express opinions. All of us have been sent here with a much higher responsibility than just the expression of opinion. We are asked to bring about changes in the country. I have invited members of the New Democratic Party to participate in those changes. So far I have had only silence. When are they going to move away from the easy work of offering criticism and respond to the invitation to join in the hard work of actually defining new approaches that might be followed?

Mr. Keeper: Mr. Speaker, we are talking about export permits. It should be clear to the Hon. Minister that Canadians oppose the approval of export permits that allow equipment to go to a country like Chile to be used by the police forces for the repression of the efforts to return that country to democracy, that have been documented by Amnesty International as having involved torture and the deaths of citizens. The Minister talks about words, well, he has been using a lot of words here today. While he is using a lot of words, the Government, through export development grants, continues to subsidize sales that end up in countries like Chile. Why does the Minister not bring a stop to that?

• (1540)

Mr. Deputy Speaker: Resuming debate.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to speak to this Bill because I and other members of my Party wish to raise a number of concerns. Hopefully, the Minister or other members of the Government will be forthcoming with some answers, perhaps during the question and comment period.

The concept of the divestiture of Canadian Crown corporations is not one to which I or my Party are opposed. However, there is a legitimate concern about the way in which that process operates. For instance, we must consider the buyer, Canadian versus non-Canadian, the price and the assets. We must consider the effect it may have on the workforce, and whether the pension plans of that workforce will be transferable. We must consider whether Parliament and Canadians have all of the facts surrounding a particular sale.

That is what is disturbing about the Government's refusal to place the Arthur Andersen Report before Parliament. It has been misleading, even if unintentional. This report on this particular sale was financed through Government expenditures and we believe that Parliament and Canadians ought to know the contents of that report.

I am not suggesting that the successful bidder, SNC, is a bad company, because we know that it is a good Canadian company with an international reputation. However, let me refer to a letter dated January 20, 1986 written to the Minister of Supply and Services (Mr. McInnes) from my colleague, the Member for Glengarry-Prescott-Russell (Mr. Boudria). The Minister responded by saying: "I cannot provide you with a copy of the Arthur Andersen Report". However, he does say in the letter, in a postscript: "I can show you a copy of the report in my office if you so wish". That is signed by the Minister.

Is this an example of the sort of tactics and practices of clandestine meetings that we saw some months ago, or was it a real attempt to provide legitimate information? If the information is confidential and of such a nature that it is of great embarrassment or detrimental to the security of the nation, perhaps that should be said. However, the Minister simply states: "I can show you a copy of the report in my office if you so wish". I suggest that Parliament has been prohibited from seeing the real information with regard to this particular Crown corporation.

Perhaps that SNC offer was the best possible selling price the Government could have received for this Crown corporation at that time. However, I have serious doubts about that based on information I have about another bidder in the process. These are facts which I have in my possession and I would be happy to respond to Ministers on the floor or in private if they have any questions.

This company, International Defence Products Limited, is as reputable as SNC, to my knowledge. It provided a bid to the divestiture project office in ottawa. I have a letter dated September 11, 1985, in which it submitted its proposal.

While perhaps only the Minister of Supply and Services can comment, the transactions and communications which took place subsequent to its bid was very limiting, at best. I find that very surprising because this is an Ontario corporation, Canadian controlled and over 75 per cent Canadian owned. I believe it is a good corporate citizen.

Let me highlight some of the benefits that would flow had this company's bid been accepted. International Defence Products Limited is controlled and managed by Canadians. The initial value of the offer and the undertaking is far in excess of the selling price as referred to by the Government with regard to selling to SNC. Other benefits would include increased exports, increased employment in certain areas of the country, transfer of leading edge technology to Canada, major new investment and manpower training, an increase in continuing research and development expenditures, a world product mandate, three new industrial facilities, and increased corporate and personal tax revenue from new products.

Although many benefits would be provided to Canada, the germane question is what the company offered financially. We know that SNC paid $87 million for the purchase of the shares

and approximately $4 million for the debt owed to the Government. International Defence Products Limited, in its bid, was prepared to pay $40 million to the Government of Canada for the discharge of the debt. In addition, as it stated in writing before the divestiture committee, it would add an additional $38 million for refurbishment and expansion of the Canadian Arsenals Limited plant. Furthermore, if this bidder had been successful, it would have invested an additional $100 million in new plant and facilities outside the Quebec-Ontario region, into a less fortunate region of the country.

The total purchase price and investment plans amounted to $178 million, providing direct, permanent, durable jobs for more than 210 individuals.

Perhaps that bid was significantly flawed, but I am not privy to the information which the Government has with regard to the sale of Canadian Arsenals Limited. That is why my colleague, the official critic for Supply and Services, has demanded that the Government and the Ministers who have been in attendance provide a copy of the Arthur Andersen Report forthwith.

The questions and concerns that we have with regard to this particular sale could be answered. When we do not have information except for mere references by the Government, the sum of $178 million and 210 additional jobs, compared to approximately $95 million, suggest a major discrepancy. One must ask, as an opposition Member, for the purpose of argument, whether that would not have been a better deal for Canada, particularly considering the region in which this company would relocate. I cannot honestly make that comparison, but from the information I have it seems that something is obviously missing.

I would have hoped that the Government would explain to Canadians the details surrounding this deal. May I suggest that Government Members, who campaigned on the basis of openness and civility during the election, should produce the Arthur Andersen Report so that all Canadians will know about this particular deal. My colleague, the official critic for Supply and Services, has raised this matter both publicly and in the House of Commons. He has the taken advantage of writing to the Minister responsible. He has had meetings with members of the Minister's staff to try to elicit the report which he believes, as I do, is germane to the entire argument.

● (1550)

I want to be perfectly clear that conceptually I am not opposed to the Government selling off Crown corporations, not at all. But I think that before these sales are consummated—and I repeat, before they are consummated—it is appropriate that all Members of Parliament have available all of the information in order to make their decisions and their opinions known. If we do not have the information, I could get into a shouting match, if you will, with the Minister of Supply and Services, make all kinds of accusations and allegations that he is abandoning his region, that he has forgotten the economic impact on Atlantic Canada, a whole host of things, but I do not want to do that. I would like to assist but, by assisting, I hope that the Government will be candid enough to place that information before us.

In rising today to speak in this debate I had hoped to get those few things on the record and that the Parliamentary Secretary or someone else could provide the answers to some of my questions which have not been answered to date.

Mr. Keeper: Mr. Speaker, I would like to ask my colleague a question with regard to the policy of his Party. We are talking about a corporation which is involved in the sale of armaments. I wonder about the policy of the Hon. Member's Party with regard to the sale of these armaments when they end up in places like Chile and El Salvador. There has been a history over the last while of arms ending up in hot spots around the world. What is the policy of the Hon. Member's Party in this regard?

I was not clear whether or not the Hon. Member was in favour of this corporation being sold. Does he think that the sale of this corporation will add to the international arms trade in which Canada is involved in places where human rights are involved such as Chile? Given the fact that there is a history of Canada being involved in arms in places that are abusing human rights which goes back for a number of years, including when the Hon. Member's Party was in Government, could he explain to us the policy of his Party in this area?

Mr. Dingwall: Very briefly, Mr. Speaker, with regard to our policy of selling armaments, it was my Party which brought in the present restrictions under which we are operating at present. We believe in those restrictions with regard to the export of armaments in the international market. That has been said very clearly by my Leader and by our official critic for External Affairs as well as by other Hon. Members of our Party in terms of exporting armaments to countries where war is imminent. I do not have the legislation before me but that is basically the thrust and policy of our Party.

With regard to whether I am in favour or against this particular sale of a Crown corporation, let me say that conceptually we have no difficulty with selling off Crown corporations. However, I have great difficulty with a Government which wishes to sell a Crown corporation and in that process fails to provide all of the written documentation which predicated the sale. I have given to the Hon. Member and to Hon. Members of the House information regarding a bid by a second bidder. From my perspective—and I say this to the Parliamentary Secretary in a very constructive way—the second bidder looks much more significant with respect to benefits for Canada. But when my arms are tied behind my back because of the Government's refusal, as it so often does, to give me documentation such as the Andersen Report, it is very difficult to say whether it is a good or a bad deal. Perhaps the information I have, I say to the Hon. Member respectfully, is not accurate information. I do not know. I raised the matter of the bid sincerely. But the Government has not provided the information to date. Perhaps the Hon. Member has more information than I have, and I would be prepared to accept his information and read it.

Mr. Keeper: Mr. Speaker, I wonder if the Hon. Member is aware of an article in the *Whig Standard* of July 2, 1985 which states:

> Of course it's not the first time that countries such as Chile have received the benefit of Canadian military technology. In 1981, for instance, Crown-owned de Havilland Aircraft sold helicopters to the Chilean air force, with the help of a $6.1 million credit from the Export Development Corporation.

The Hon. Member said he supports the policies which were in place. The article indicates that under the previous Government public funds were used to support the sale of military equipment to a regime such as Chile which is abusing human rights. Is that the policy the Hon. Member supports?

Mr. Dingwall: Mr. Speaker, I am not certain I understand the question in terms of relevancy of the particular Bill which is being debated. However, that is a debate on another subject matter: is it or is it not taking place? The Hon. Member seems to suggest that it is. I have said to him quite candidly that I am not fully aware of all the details as to where the products produced by Canadian Arsenals have gone. To my knowledge, they have not gone there. If the Hon. Member has information which is in direct contradiction to that, I suggest he place it before Parliament. I am not aware of it.

With regard to the sale, I underline again the thrust of the policy of the Government of the day. I was prepared to table for the Parliamentary Secretary the letter to the divestiture committee on September 11, 1985, signed by the Chief Executive Officer of International Defence Products Limited. So it is not a hokus-pokus, it is a legitimate document. Based on that information, I would have to say that this particular bid looked more promising for Canadians and I would have preferred it because of its regional impact and guarantees and so on. However, I do not have all the facts.

Mr. Keeper: Mr. Speaker, the Hon. Member said he does not know that Canadian military equipment is going to countries like Chile which is abusing human rights. Yet he supports the policies which are in place. His primary point seems to be that he favours the second bidder over the first. Does he not realize that the sale of the corporation to the private sector will increase Canadian trade in arms? How does he explain that, along with the fact that the Liberal Party is trying to portray itself as a Party concerned about peace and human rights?

Mr. Dingwall: Mr. Speaker, you can readily see the utter stupidity of the New Democratic Party. It is bent on a philosophy that anyone wearing a green military uniform is against peace. I want to tell the Hon. Member that there are precisely 12,450 direct and related jobs in the military world in my Province of Nova Scotia, which I support. I support companies that are in the military sector providing armaments.

Mr. Keeper: What about Chile?

● (1600)

Mr. Dingwall: I do not support countries that are in breach of international treaties, international commitments—long-standing traditions if you will—with regard to human rights.

Mr. Keeper: Your Government did.

Mr. Dingwall: If the Hon. Member, with his warped mind, suggests that I do, then not only is he misleading the House but, I would suggest frankly and sincerely, he might be intentionally misleading the House.

Mr. Keeper: I rise on a point of order, Mr. Speaker. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) has accused me of intentionally misleading the House. What I point out, and what the Hon. Member may not be aware of, is the fact that when his Party was in office it supported the sale of military equipment to the regime in Chile to the tune of $6.1 million through the Export Development Corporation. This regime is one which abuses human rights. I would like the Hon. Member to acknowledge that.

Mr. Deputy Speaker: As far as the first point raised by the Hon. Member for Winnipeg North Centre (Mr. Keeper) is concerned, I believe the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) did not accuse the Hon. Member for Winnipeg North Centre of misleading the House.

Mr. Keeper: He sure did.

Mr. Deputy Speaker: I believe he used the words "might be". However, if the Hon. Member for Winnipeg North Centre wishes, I will read the "blues" in this regard.

The Hon. Member for Cape Breton-East Richmond.

Mr. Dingwall: Mr. Speaker, just so the Hon. Member will be able to leave the Chamber at six o'clock to go home and sleep I will withdraw any reference to his intentionally misleading the House. I wish to have it clearly understood that the Hon. Member and his Party—the rump of this House—are unequivocally against anyone in this country who wears a uniform and who defends and protects our country. I want it to be underlined that the Member of Parliament for Cape Breton-East Richmond—

Mr. Keeper: That is a distortion.

Mr. Dingwall: —is certainly not against the Canadian Armed Forces, as is being suggested by the New Democratic Party.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for York Centre (Mr. Kaplan).

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am happy to have the opportunity to speak on Bill C-87. I was under the impression that the Secretary of State for External Affairs (Mr. Clark) would be participating or would be present in the House during this debate.

Mr. Blenkarn: He was here. Where were you?

Mr. Kaplan: He was here? I was down on the list of speakers for my Party. However, I did not make a decision with respect to that list or with respect to the order of speaking. In any event, I have some remarks to make which I

know the Hon. Member for Mississauga South (Mr. Blenkarn) will find of interest. I am sure he will have a great many questions which he will want to ask me when I conclude.

I come to the subject of debate with considerable interest in the policy of the Government with respect to privatization. I followed carefully the criteria of the Government with respect to the sale of de Havilland, which was the first major sale made pursuant to its privatization policy. One interesting point with respect to the privatization policy of the Conservative Government is that it gives Canadians an opportunity to see how the three political Parties represented in the House of Commons stand on an issue in which differences among the Parties are highlighted, perhaps more than on any other single issue.

I would first like to deal with the approach of the Liberal Party to privatization. We were not opposed to it. We were not convinced that the Government ought or ought not to remain and carry on particular businesses. We were taking a pragmatic approach to the effect that if there was justification for the sale of a corporation, then it was perfectly proper for the Government to sell it. We were of the view that the Government has the same capacity as the private sector has, in almost every respect, with regard to the undertaking of business. There is certainly no shortage of public-spirited Canadians who are willing to come forward in order to bring private sector discipline into a corporation in the public sector. As far as the rank and file staffing of a company is concerned, if one considers Canadair and de Havilland one will find that the types of people who come to work for these companies at all levels are certainly equivalent to the people who work for similar corporations such as McDonnell Douglas, Pratt & Whitney, or Spar Aerospace in the private sector. Person-for-person it is as easy for the Government to be involved in a business as it is for the private sector.

On balance, the Liberals have said that if the Government is to remain in a business then there should be some public sector justification for it. In other words, were all other things are equal, a corporation which is running an industrial business, for example, should be in the private sector.

The Conservatives have a different approach to this matter. It is the firm belief of members of the Conservative Party that Governments should not be in industrial enterprises of any basis at all. It is a very ideological position which they take. They simply think it is wrong for taxpayers to be backing such an enterprise and that the sooner we can get out of it, virtually at any price, the better. The attitude is that it is better to give it away, as was seen in the case of de Havilland. It is their firm belief that private sector ownership will always perform a better job than government ownership.

Just to make the proposition is to illustrate some of the considerable weaknesses with respect to it. There are badly managed businesses in the private sector, just as there are well managed ones in the public sector. As a Liberal I think it is wrong that the Conservatives have so little faith in the Government being able to do things well. One has to admit that the private sector imposes a type of discipline on an industrial operation which is a very healthy thing when the company is doing nothing more than providing a type of product or service which can be provided in the private sector.

For our part in the Liberal Party—and I think I can say this for my colleagues and for my Party nationally—when all other things are equal and there is not a good, strong reason for a company to be owned by Government, then it is better to turn it over to the private sector. This should not be done at any price or on any basis but at a reasonable price and on a sensible basis. I contrast the pragmatism of the Liberal Party with respect to this question of privatization with the ideological bias which the Conservatives have. This bias sometimes distorts reality and makes it hard for them to appreciate when a company is better off and performing well in the public sector as opposed to how it will perform in the private sector.

Even in light of the remarks made by some members of the New Democratic Party with respect to this sale I can turn to the Party as a whole and say that before us is a profitable company, why turn it over to the private sector? As a Liberal, it does not trouble me at all that a corporation is turned over to the private sector from the public sector when it is profitable or because it is profitable. Indeed, it is hard to see why the private sector would want to take over a company which was either not profitable or did not have the prospect of becoming profitable.

Members of the New Democratic Party look at the situation from a socialist point of view. That is to say, if it is making money then why should that money not go to all taxpayers? Members of the New Democratic Party ask: Why should it go just to those who invest in the company? This point of view shows a lack of appreciation of the important, positive role which capitalism has played in developing the prosperity which we know in our country and that which is known in other capitalist countries. Members of the New Democratic Party missed that point, something which members of the Liberal Party could not miss. We certainly recognize that turning something over to the private sector when it is making a profit can be a good reason for turning it over. However, if a profitable company is to be turned over to the private sector then the taxpayers should receive a fair return for the stock in the company which they are turning over. With the way this deal has been presented to Parliament, even members of the Conservative Party have to admit there is no way that any non-Government Party can make a judgment about it. The Government is not giving us the facts that we need to determine whether or not a fair price is being paid for the company.

• (1610)

I have here a letter from the Minister of Supply and Services (Mr. McInnes) written to my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), on January 20, 1986. The letter states categorically that the Minister cannot provide the Member with a copy of the Arthur Andersen Report. It is the Arthur Andersen Report on which the Government has made the judgment that the purchase price being paid for the company is fair.

I will not go for the NDP line that there is no way that a profitable publicly owned company should be sold, but I do have to know, before I can put my seal of approval on a sale, that the taxpayers are getting a fair value for it. When a Minister of the Crown is refusing to give us a copy of the valuation of the company, what conclusion can be drawn, particularly with the track record of this Government?

This is a Government that has shown us much reason to be suspicious of the things it does. We know it works with its friends. We heard examples of that during today's Question Period. Tories are insiders and get the benefits. The example of how Tories choose the citizens who are going to be hired to work the census was brought to our attention today. We all know how important it is that the census have credibility.

When the Liberals were in Government, we established a written test for census workers. These people had to take the test and if they did not pass it, they did not proceed to the interview and they did not get the job.

Mr. Skelly: Liberal Party cards, Liberal donations.

Mr. Kaplan: The Conservatives still use the test, but people who have failed the test miserably but have the advantage of being the wife of the President of the Conservative Association in Cochrane-Superior—

Mr. Skelly: Sit down. The only thing is they are worse.

Mr. Kaplan: I am not speculating here. I am putting forward a documented case for which we have proof. My friends in the NDP are wanting to suggest that there is no difference between the Liberals and the Conservatives.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I wonder if the House is in fact being given correct information in the sense that the Hon. Member is suggesting that the Tories are not doing something that the Liberals did when they were in power.

Mr. Deputy Speaker: I think that this is a point of order. I would ask the Hon. Member who has the floor to speak on the Bill.

Mr. Kaplan: I know, Mr. Speaker, that you are not objecting to what I am saying on the grounds of relevance. I want to show why the House is entitled to be suspicious when the Government tells us that this is a fair price but will not show us the facts on which it makes that judgment. I am suspicious because of the census issue and I have to say a few more things about it. When we were in Government, the Liberal Party established the test. When I was a Minister and when I was a back-bencher, I was asked to put forward names, as were other people, but if those people we recommended did not pass the test, they did not get the job. Now the Conservatives want to coast on the integrity of the Liberal procedure for hiring people for those jobs. Yet when well established Tories fail the test, they still get the job.

Mr. Bradley: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: I believe we are going to hear a point of order on relevance, which I think is a well founded point of order. I would ask the Hon. Member to get back to Bill C-87.

Mr. Bradley: Mr. Speaker, I do not know if it is a point of debate or if this is the subject we are debating today, but the Hon. Member is totally off base. He is well aware that the test is changed each year by Statistics Canada. He is well aware that—

Mr. Deputy Speaker: Order, please. The Hon. Member for York Centre (Mr. Kaplan) has the floor on debate on Bill C-87.

Mr. Kaplan: I know that the Member who just spoke is an honourable Member and I certainly trust him. However, I want to explain why the Canadian people, to an increasing degree, do not believe this Government and do not trust it. I just wish that that very trustworthy Hon. Member were a Minister. If he were a Minister, we might see more integrity in that Cabinet. We might have a more honourable Government than we do. When we hear how the Minister of Supply and Services condones a situation in which Tory hacks who have failed the qualifying test end up getting the jobs, we have to be suspicious.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. First, it is a rather indecent suggestion to make that someone has failed a test when the Hon. Member has no evidence whatsoever to produce to the House. Why should he impugn the competence of private individuals in an attempt to make points on a specious matter in debate? This is not proper. You have warned him twice, Mr. Speaker. It is not fair.

Mr. Deputy Speaker: Order, please. That is a point of debate.

Mr. Kaplan: I would like to turn to the other reason which arose just this week and last week to justify our suspicion of the Government when it says the price is a fair one. The matter to which I wish to refer is the letter, now retracted, written by the Hon. Member for Québec East (Mr. Tremblay) dealing with the awarding of contracts of a value of less than $30,000. When I tell you the way the Government has handled this issue, Mr. Speaker, I think even you will want to agree with me that we are entitled to be suspicious about the price paid. In connection with the awarding of contracts of a value of less than $30,000, a letter was written by the Hon. Member—

Mr. Deputy Speaker: I am sorry. I really do not believe that that is relevant. I understand what the Hon. Member is doing but I do not believe that this is relevant to Bill C-87. I could understand the Hon. Member making reference to it. However, I would not like him to go on with that matter in his speech.

Mr. Kaplan: I appreciate your observation that you can understand my referring to it. I had a lot I wanted to say about it but I will not do so because I appreciate your desire to see

the debate proceed on the sale of Canadian Arsenals Limited. I will not say more about it. I simply put it forward as another reason why the Canadian people do not believe the Government and why the Government's privatization policy to which I wish to return now is viewed with suspicion and alarm.

In the case of de Havilland, the first substantial company to be privatized, my own position was made well known in the House and in the country. We did not think that that company should have been sold to non-Canadians. I am glad to see that Canadian Arsenals is being sold to Canadians. With the de Havilland situation, we were able to force the Government to make much information public by the simple fact that some of it was leaked, and when I made it public, the Government was obliged to make the rest of it public to try to tell the whole story. In this case—

[*Translation*]

In this case, the file is slimmer and I have not yet had a copy of the Andersen Report and I doubt that one has been available to allow the public to make a judgment on the selling price.

To come back to the issue of privatization as such, everyone knows now, I believe, that the Liberal Government had developed a policy of selling a few Crown Corporations. We had created the Canada Development Investment Corporation and put it in charge of some of the Crown Corporations which were to be sold, but they would not have been sacrificed in some kind of fire sale.

• (1620)

[*English*]

When the Canada Development Investment Corporation was established by the former Government, it was done in a clear way of recognizing that there were companies owned by the Government which ought to be privatized. A strategy was developed and was in the process of being worked out which would have led to companies being sold. de Havilland and Canadair were in that portfolio. The Hon. Member for Mississauga South does not question at all my assertion that the Liberals also had an eventual plan to sell the companies owned by the Canada Development Investment Corporation. It was a questiuon of wanting to establish a basis for selling them. In the case of de Havilland, I feel that the sale should not have been made to non-Canadian buyers. A lot more preparation of groundwork should have been done to make it clear that the company had a bright future, that it was a company which would have found Canadians who were interested in buying shares. The employees and management at the plant, some of the suppliers and customers of that company and the public at large could have been brought forward as a group or individually in an effort to find a home for that company in Canadian hands.

Canadian Arsenals Limited or Arsenals Canada was not a company on the Liberal list to be sold. I think it is important to indicate the view of the Liberals. Although it was a private company, although it was doing something the private sector could do with the discipline of the bottom line, perhaps marginally better or a lot better than a publicly owned company could do, it was a company which was too close to national procurement to be sold. This was a company whose future, even if it were privately owned, depended totally or almost totally upon Government policy to be successful. When a company which is that close to the Government is put on the market and has private owners, it becomes a very difficult situation for the Government to live with, especially when the Government is the vendor of shares to the private sector. However much one might want to get away from it, the Government is underwriting the future of the company, so far as procurement is concerned, in the hands of the private owners.

There is another problem as well. This is a company which would not be allowed to go out and find other customers around the world. Obviously we would not want it selling to any of the enemies of Canada. For example, non-NATO countries or East Block countries might be willing to pay a lot for the products of the company, but Government policy would prohibit them from being sold. That type of limitation does not apply to normal companies in the private sector which have many opportunities to develop and sell their products. The activities of this company are just too close to Government policy and to Government procurement for the state and the taxpayers to feel comfortable with it being in private hands. What is the proper profit level? How much should the Government buy from it? Who should the other customers be? These are things which are not decided at head office as much as they will be decided in the Government. That was the Liberal reason for not wanting a company such as this one to be put on the auction block. I challenge the Government to show good reason for those considerations being wrong and why those considerations should not have been the ones brought to bear on a decision about the future of Arsenals Canada.

I see that my time has run out. I will certainly be glad to deal, as much as I can, with the questions of the Hon. Member for Mississauga South. I know that I cannot ever answer his questions to his satisfaction, but I will certainly entertain them.

Mr. Blenkarn: Mr. Speaker, the Hon. Member spoke about the pragmatism of the Liberal Party and about how it had every intention to privatize companies. In the entire history of the Liberal Party, I do not think there was a single instance of privatization. It was a very pragmatic argument—when the companies were doing well, they were doing too well to be privatized; when they were not doing well, they could not be privatized unless they did better. The pragmatist's approach was never to privatize.

Also the Hon. Member suggested that if the company depended to a large extent on Government procurement or Government policy, the company ought to be in the hands of the state. On that basis, then, we should put in the hands of the state companies like Spar Aerospace and perhaps others which might be involved in producing ships for the navy and the like. The fact of the matter is that the state represents a

major purchaser in our society. Government policy clearly declares how profitable a company will be, but there is no indication that the company should not operate in the private sector. After all, the state controls the effectiveness of that company. It controls whether the state will buy from that company or from some other place in the world. It controls to some extent where that company can sell, but not completely. It can sell its products to other people in the world, provided they are not banned by procurement arrangements or by Orders in Council.

The Hon. Member really said nothing to indicate why the company should not be sold. If he is a pragmatic Liberal, as he claims to be, then the company ought to be sold. The only question then would be whether it is a fair price. That is a question he will be able to determine as he determined on the de Havilland matter when it was before the committee. The House will recall that the Hon. Member said that de Havilland was being sold for less than the fair market value and that Canadians would pay more. When the witnesses appeared before the committee, they said that they were fortunate to get Boeing to buy de Havilland and that they could not have done better. Now the Hon. Member says that it was because it was a foreigner. The fact of the matter is that pragmatic Liberals are the same as the pragmatic or less than pragmatic socialists; indeed they are all the same.

Mr. Kaplan: Mr. Speaker, I strained to hear a question in those remarks, but I want to respond to them.

An Hon. Member: It was a comment.

Mr. Kaplan: It was a comment; it was very well taken. Indeed the Liberals did sell corporations. If de Havilland was not sold, it was because the sale of de Havilland was premature. I feel that it was premature.

Mr. Blenkarn: What companies were sold?

Mr. Kaplan: The Northern Transportation Company and Nordair.

Mr. Axworthy: We put them on the block.

Mr. Kaplan: Perhaps it was a matter of signing the closing documents; that was done by the Conservatives. I will certainly say that the Conservatives have been much more aggressive about selling than the Liberals ever were. However, I think that aggressiveness is not healthy in the case of privatization. That aggressiveness in the case of de Havilland has resulted in a great loss to our country, however well de Havilland does.

I want to say to my friend, because I hope the opposite impression is not created, that I think Boeing is a wonderful corporation. Surveys conducted in the United States show that it is the sixth most popular employer in that country. I would not have wanted the company to be sold to the McDonald hamburger company, which I suppose is more popular. It is in the line of work, but I just felt, for all the reasons raised at that time, that the sale to a foreigner should have been the last resort of a desperate Government with a company with no prospects. None of those circumstances were justified. The Government was desperate, but it should not have been.

Mr. Darling: In whose riding is it?

Mr. Kaplan: de Havilland?

Mr. Darling: Yes.

Mr. Kaplan: It is in my riding.

• (1630)

[*Translation*]

Mr. Skelly: Mr. Speaker, I think that when the Hon. Member (Mr. Kaplan) spoke on this Bill, there was a great oxygen shortage.

[*English*]

If the Member recalls correctly, it was his Government which sold the other part of this organization to SNC. I believe *Les Industries Valcartiers Inc.*, which produces small calibre ammunition, was sold by the Liberal Government with no protection for jobs or pensions and no basic concerns about employees. It is ironic to hear him stand in the House and criticize his bedmates on the other side of the House.

I was somewhat surprised, and realized at what a low level the oxygen in this place must be, when I hear him talk about patronage. When the Liberals left office they were probably the most accomplished dispensers of patronage in the free world. They moved out of the way to allow the Conservatives to start where they left off and to continue, until it has reached a disgusting level which is beyond belief. To hear the Liberals criticize patronage is astounding.

It is also a bit of a surprise that they do not recognize that in the mid-sixties they sold the other part of this ammunition supplying operation to the private sector with no controls whatsoever. I know that was attributable to a momentary lack of oxygen in this place and that the Member is now back to form and will try to explain that to the House.

Mr. Kaplan: Mr. Speaker, the one point which the Member made which is worth dealing with is the issue of job guarantees. I think the NDP may be using that as a device to prevent privatization from ever taking place. What does a "job guarantee" mean? How can you ask a private purchaser to promise that every person will keep his or her job forever? It is impossible to ask a private purchaser to make such a promise.

If such a promise were made, when the collective agreement expired the employees, knowing that they could not be fired under this arrangement, could ask for any increase in salary that they wanted. It would not have to be reasonable or justified by profitability. When one pursues the logic of what the members of the NDP want, you see that they have come up with a seemingly logical way of trying to block privatization, but when one examines it, it falls to the ground. You cannot ask an employer to guarantee that every employee will keep his or her job forever.

However, you can ask the purchaser to do things in the future which, if they work out, will ensure that the company will have a future. That was my grave regret with regard to de Havilland. We could not expect Boeing to promise that every person would be retained in that company forever. How could it do that if the products did not sell, or if there was a recession? That is unreasonable. However, the Government did not ask Boeing to promise anything. It did not ask Boeing to promise to do research or development in Downsview. The Government asked for nothing other than a negative promise not to assemble de Havilland products anywhere else in the world. There were a hundred ways in which a Seattle lawyer could bypass that promise without Boeing having to do anything. There is a good Liberal ground for a sensible privitization policy between the NDP's request for guarantees of everything, which is unrealistic, and the Government's requirement of nothing at all in the way of commitment from the purchasers, but this is not it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Carleton (Mr. Turner)—National Capital Commission—Location of new United States Embassy; the Hon. Member for York Centre (Mr. Kaplan)—The disabled and the handicapped—Effect of Budget measures. *b*) Situation of the Handicapped—Government position; the Hon. Member for Don Valley East (Mr. Attewell)—Multi-culturalism—Preservation of immigrants' heritage.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is a great pleasure to have an opportunity to speak today on Bill C-87. Since the format for a debate on second reading is that of the principle and context in which a Bill is developed, I am sure the Chair and my colleagues in the House will allow me a little latitude to develop the context in which this legislation appears in the House, in order to understand it better.

The comments of the previous speaker were important. He spoke at length about the philosophy of the Liberal Party with regard to privatization and nationalization, and criticized the New Democratic Party and our colleagues in the Conservative Party. The Liberal position, in all the time that that Party has existed, has been schizophrenic. If one were to label it, that is what it would be. I am sure my colleagues in the Conservative Party will agree with that. They stole a good idea from the NDP and, with absolute incompetence, implemented it and wound up with absolutely nothing that anyone could appreciate, except for the Liberal Party. PetroCan is one of many very good examples in the country.

I suggest that that is a real problem. In handling public sector operations the Liberals tried to perform like the Conservatives with ideas developed by the New Democratic Party. No one denies that there is a very important and relevant role for the private sector in the country. For a cabinet Minister from the previous Liberal Government to criticize others is astounding. Their period of penance is not finished. It is amazing that the leaders of that organization would allow any of the front-benchers of the previous Government even to speak in the House at this time. The reputation of that Government was so bad when it was hurled from power by the Canadian people that there can be no credibility in what it promoted in the last Parliament. I see that the previous speaker is hanging his head in shame and leaving, to the comfort of all other Members at the present time. He will be back in due course to make his contribution.

There is a definite solid role for the private sector in the country, which it does perform, sometimes harmed by the Government and sometimes aided by it. Let us make no mistake that when someone in that Party attempts to criticize the NDP for its support of the private sector it is complete nonsense and is known across the country as such. We will see in a short time that that is the case in Manitoba.

Canadian Arsenals has been sold to the private sector for $91 million. It was sold to the firm which bought the small calibre operation flogged by the Liberals in the 1960s. It now has an effective monopoly on the provision of ammunition in Canada. That is unfortunate because it creates an interesting position for the Government of Canada. If something goes wrong with the firm, where will the Government acquire the material? If the firm is not able to negotiate a successful contract with the Government of Canada and decides to close its doors, where will the Government go? Would the Government simply have to buy it back, or would it simply make a cost-plus arrangement as was done so often in wartime? We know what happened in the United States with that kind of formula. There was absolute rank privatizing by many corpo-

rations, which was the subject of many investigations and criticisms after the war.

I agreed with the previous speaker when he said that this firm is too close to the national interest. It is too close to public procurement to be sold to the private sector. After all, the Government produced its artillery shells and small calibre ammunition for its own Armed Forces. Then it suddenly decided that this single-customer operation should be in the private sector. It is absolute nonsense that the Canadian Government should be buying from that firm at cost. That is the first principle. This company is not a private sector operation. If it is in fact selling ammunition to the Canadian Government for the Armed Forces, it should remain in the public sector and should not be handed off, in whatever fashion, to the private sector.

The other important point is that this is a monopoly situation. This company sells to the Canadian Government as its exclusive customer. I presume that in the future that exclusive customer will have to pay an interesting price for ammunition. It will certainly have to pay the cost of production, which includes wages, pensions, research and development and raw material. In addition, the price of artillery shells for the Canadian Government is going to go up. It is simple mathematics, because the company will add its acquisition cost to the price of its goods. We are going to pay the cost of production and the cost of acquisition. Then we have an additional cost, that of the company's profit. Why should we pay a private sector company a profit on top of all this in order to acquire artillery shells for which we are the only market? That is absolutely irrational.

• (1640)

If the Government sells these products to our NATO allies—and I presume we are not going to sell to Khadafy, but I am never quite sure with this group sitting across the way—what kind of conditions are we going to extract from them? Or, is the Government just going to have some loose policy that it hopes the company will follow? What kind of control will we have over resales of this equipment by our NATO allies?

A very disturbing fact is that some of our ammunition has been found in the hands of the Nicaraguan Contras. That means this company must in some way have transactions with agencies which provide ammunition to the Contras to shoot at Nicaraguans. Is that government policy? Here is a group fighting against the elected Government of Nicaragua, actively involved in what I would say is despicable terrorism, using Canadian ammunition, and the Conservative Government has not done anything about it, to my knowledge. However, it may be that we are simply selling to our NATO ally, the U.S., which is trying to supply $100 million worth of aid to be used against the democratically-elected Government of Nicaragua. They know what kind of activity is going on there by the Contras and they would rather have Canadian ammunition and maybe European weapons found in their hands when they are taken by the Nicaraguan authorities.

That brings us back to the question of where the Government is going. Is the ammunition to be sold only to the Government of Canada? If that is so, we should own it. If it is not so and the company is going to be encouraged to market its products around the world, what is the limit? Certainly with the private sector mentality which is present in some sectors of the Government, I am sure an intermediary selling to Libya might be an acceptable operation as well. There has to be very tight control in this legislation over who the recipients of the production will be. Without that tight control there should be only one customer, the Government of Canada. It is my hope that when the committee studies this legislation it will come forward with recommendations to tighten up the Bill.

The previous speaker talked about a sort of mixed-bag approach to moving different Crown corporations into the private sector. He was very concerned about employment guarantees. He did not feel it was possible to guarantee employment. What he might have been saying is that it is entirely possible that SNC is unable to strike a bargain with the Government on the price and may shut the operation down and everybody will be out. Or it may suggest that if the Government cannot open up the market, then SNC does not want to continue producing because it is not worthwhile. It could say that if it cannot get a cost plus agreement, it is not worthwhile. There are many possible ways in which the existing jobs could be lost.

It is my understanding as well that there are serious concerns about maintaining existing pension plans for these workers. Perhaps some government members could stand up and tell us their understanding of how this would work. Will these employees continue to have their pension rights? What information are we going to get on that?

This Bill does not provide any benefit to these workers or the people of Canada. There is no single benefit which will come to the people of Canada because of this particular action. Instead, we are watching the Government fulfil an ideological fixation. Members opposite have two basic beliefs which I think are rapidly becoming apparent to the people of Canada. The first is that Government is bad and somehow you have to get rid of as much of it as you possibly can. The selling of de Havilland was a mistake but it did fulfil an ideological commitment to a very narrow group in Canadian society which this Government appeals to. A member across the way is shaking his head. He is upset about that. Certainly there was a great desire to get rid of the Liberal Government. That resulted in 211 Conservative Members of Parliament, the largest mandate in our history. To see it running through their fingers at an enormous rate is indeed sad to see. The Conservatives are at 36 per cent or 37 per cent in the Gallup polls. In Quebec the loss has been enormous. Since September of 1984 it has been a tragic disaster. There were many people in this country who had very high hopes that this Government would make a fundamental change in direction in a constructive way for the Canadian people. This is not a constructive direction. The people of Canada are giving a very clear message in

repeated polls that it is not going to sit well when the Government comes to appeal for a second mandate.

• (1650)

The Ottawa *Citizen* recently listed many of the sins of this Government. Today was a beautiful example in the House of Commons. The Opposition was absolutely stymied. We would generally like to deal with one faux pas a day, but when you start getting two faux pas and three faux pas a day that are at the level of national issues it is astounding.

What is before us today is a faux pas. Canadian Arsenals should not be going to the private sector. If the House, in fact, were to hoist this legislation, or if it were simply to drop it, it would be doing a constructive thing for the people of Canada. There may be Crown corporations that can be sold off, that can be constructively put into the public sector, but this is not one of them. A large cross-section of people would support the concept that we should retain our principal source of artillery shells.

The second thing is that in no way should we be creating a private monopoly on the production of artillery shells and ammunition for our Armed Forces. Neither should we be forced to go outside the country to purchase that material. It is an extremely important consideration. It is not beyond understanding that this outfit could close down and we would be forced to organize another one in the public sector, so that is a mistake. The other aspect of it is that those jobs are important. We have no guarantees about pensions or benefits, and certainly we have no guarantees that the jobs will continue. This absolute carte blanche in putting this particular company into the private sector is absolutely wrong. It is my hope that Members on the Government side and Members on the Liberal side, certainly supported by the NDP, will not pass this Bill, or, hopefully, it will be dropped or hoisted.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: Mr. Speaker, before we vote on this Bill, I would like to ask my friend and colleague whether he can provide a bit more information on the protection given to the employees who will be directly affected if the proposal to sell goes through. I shall probably be voting against it, but I would like to ask him whether he can tell the House about the protection given to the employees.

Has he received from the Government or in his Party information saying that, whatever happens to this Bill providing for the disposal of Canadian Arsenals Limited, the employees will be or would be protected? Will the pension fund be protected?

[*English*]

Mr. Skelly: My colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), one of the very bright lights in the Liberal Party for a long time who has given it a solid sense of direction, and I think come to its support many times when the Government was running contrary to what many people felt was the commonsense approach, has zeroed in on a critical issue. Within the legislation we are concerned that there are not guarantees that will protect employment and pension plans—an extremely important question. If it had remained within the public sector there certainly would have been an opportunity for the Government to have a direct influence on levels of production and the nature of technological improvements. It could have guaranteed decent wages and working conditions, and it would have guaranteed pensions and benefits.

I suggest again that my colleague has zeroed in on a critical point, and I would have been certain that he would be supporting as well the position that we are putting forward on this matter.

Mr. Gauthier: On the last comment of the Member dealing with the pensions, the problem of course is the cross-over from public ownership to a private sector company. I am wondering if he would agree with us that indeed we have not had the information we requested. The Government has failed to come across with information dealing with the pension benefits that will be paid, and the indexing of pensions. I wonder if he would elaborate more on that and give us his view or his Party's view on this whole question.

Mr. Skelly: In terms of the sales of Crown corporations, this has been one of the very serious problems. The Government is not giving information on these sales. We do not know the value of this corporation in real terms. We do not know the conditions that will be imposed or removed from employees, and we certainly do not know what the future is going to bring for that group of people as they are cast out in a great deal of uncertainty. Where it does not make sense with this particular sale is that the client or the customer of this corporation is the Government of Canada.

Unfortunately, to reiterate some of the extremely important points, this Government is not only not providing Parliament with the information it needs to do its job, this Government talks of parliamentary reform and at the same time refuses to give to Members of Parliament the information they need to do the job. My hon. colleague from the Liberal Party has just mentioned the absolute travesty made by this Government in dealing with the de Havilland project. It refused to provide the background for Members of Parliament to do the job, in absolute contradiction of parliamentary reform. It is doing exactly the same thing with this proposal. In fact, this proposal is worse. I suggest to my colleagues over there that there are some serious steps that have to be taken by a Government that wants parliamentary reform, and the first important step is that Members of Parliament be given complete information, access to all government studies done, and a good briefing on its interpretation and what it anticipates will happen in terms of its actions.

So the information has to be given as well as the Government's position and intention, and those are not forthcoming in

this particular incident. They were not forthcoming in an adequate and timely way on the de Havilland incident. One aspect beyond that is that in the previous Government—and I would suggest this as a very positive note about the Liberal party when it was in power—it was possible to obtain information from the Public Service in a rather open and fair way. The bunker mentality of the present Government is something to behold. It is virtually a matter of parliamentary privilege for Members of Parliament to secure information now that Members have been cut off from information. The information which comes to them is limited. We have a very, very serious problem on our hands that one day very soon will become the subject of a debate in this House. I am extremely pleased that the two previous speakers have raised this issue.

Mr. Keeper: I have a question for my colleague. I am sure that my colleague is aware that this corporation which is being given to the private sector for a token, earned a profit last year of $11.3 million. It is puzzling why this corporation is being sold to the private sector and why the public Treasury is losing $11.3 million a year as a result of this sale. I wonder if the Member sees any connection between the sale of this corporation to the private sector and the fact that thousands of dollars in campaign donations were given by the company that is buying this corporation to the Conservative Party and to the Minister of Industry.

Mr. Skelly: Mr. Speaker, if I were to believe the letter put forward by the Minister of State for Youth (Mrs. Champagne) in which she advocated going out and recruiting people for the Conservative Party using public dollars, then this is an example of that type of mentality. She did not of course deny it; she simply said she made a mistake. My time is up. Thank you for the opportunity to speak, Mr. Speaker.

[*Translation*]

Mr. Gauthier: On a point of order, Mr. Speaker. I would like to ask the Parliamentary Secretary if he can tell the House whether we shall continue the debate on this Bill tomorrow morning at 11 o'clock or whether we shall be going on to something else?

[*English*]

Let me repeat the question. I want to know if the Government will call the same Bill at eleven o'clock tomorrow. As you know, there is much interest in the Bill and we would like to proceed with this discussion. Will we be proceeding with this Bill or will it be something else?

Mr. Bradley: Mr. Speaker, as far as I am aware, we will be calling this Bill at eleven o'clock tomorrow.

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

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INCOME TAX

PROVISION OF FUNDING FOR PEACE

Mr. Simon de Jong (Regina East) moved:

That in the opinion of this House, the Government should consider the advisability of introducing legislation whereby the income tax form would provide a specific section enabling taxpayes, who so indicate, to have that percentage of total annual federal expenditures dedicated to national defence transferred to a peace tax trust which would provide funding for peace and disarmament research and education.

He said: Mr. Speaker, I rise today on a timely issue of concern to us all, the survival of the human species. We live in a world where the two major powers have built up an arsenal of nuclear, chemical and biological destruction. In terms of the nuclear dimension alone, each superpower has the capacity to kill every man, woman and child 14 times over. It is totally unthinkable to even contemplate a global nuclear war. The lucky ones will be those who are killed immediately in such a confrontation.

Recently we have heard about the effects of a nuclear winter. Noteworthy scientists from both superpowers have predicted that a nuclear war would set off a nuclear winter that would destroy our weather patterns totally and make it impossible to grow crops and feed the remaining population. Nuclear war would destroy totally the social and physical connections within our country. Communication, electricity and gas lines would be totally disrupted along with our social network of hospitals and policing.

Of course, there are the long-term effects of nuclear war, including genetic mutations. In our age of increased nuclear testing above ground we saw dramatic increases in leukemia throughout the world.

There are generals from both major powers who suggest that a nuclear war is plausible and that a limited nuclear war can be won. Such a suggestion is unthinkable.

Let me quote from Lord Mountbatten who was actively involved in the two great wars as a commander. He stated on May 11, 1979:

As a military man who has given half a century of active service I say in all sincerity that the nuclear arms race has no military purpose. Wars cannot be fought with nuclear weapons. Their existence only adds to our perils because of the illusions which they have generated.

There are powerful voices around the world who still give credence of the old Roman precept—if you desire peace, prepare for war. This is absolute nuclear nonsense and I repeat—it is a disastrous misconception to believe that by increasing the total uncertainty one increases one's own certainty.

Despite the warnings of people like Lord Mountbatten, the arms race continues unabated. What makes rational human beings become involved in an arms race from which no one can emerge a winner? Surely it must be a sense of paranoia that

exists both in the United States and the Soviet Union. In many ways, this paranoia is understandable.

Let us put ourselves in the position of the Soviet Union which has historically been surrounded by opposing forces. The Soviet Union is totally surrounded with nuclear warheads, missiles and submarines and is a country that lost many of its citizens in the last war. From that perspective, the origin of its paranoia is quite understandable.

When we put ourselves in the position of the United States, as most of us in the western world do, we certainly have a basis for fearing the might of the Soviet Union. We have seen how the Soviets have expanded their borders into Afghanistan, Poland and Czechoslovakia. While the origin of our paranoia may be understandable, we have reached the point where the paranoia of one nation feeds on the paranoia of the other, like two images reflecting in a mirror. The Soviets become paranoid as they seee Cruise missiles and stronger weapons being situated around their borders. Therefore, they take what they consider to be protective steps, through increased defences, which is perceived by the western world as an offensive build-up. Therefore, we increase our defence expenditures which leads to increased Soviet defence expenditures, and the spiral continues.

Surely we have reached the point today when the very survival of the human race stands at the brink, when enough armaments have been built up on both sides that a mistake, a misconception or a mad act can offset a chain of events that will totally destroy the human race as we know it.

Therefore, as parliamentarians, wherever we may live, there is no greater issue than the survival of our human race.

Let me introduce another dimension into this debate. It is the economic dimension. Conservative estimates indicate that the total cost of the arms race is close to three-quarters of a trillion dollars. It is not possible to remove a trillion dollars from the economy of the world without everyone paying for it.

We pay for it in terms of higher interest rates. For example, the American deficit is almost a trillion dollars, largely due to the arms race. It is so great that total U.S. savings hardly meet the interest on that deficit. Therefore, the United States must maintain a strong American dollar in order to attract capital from other parts of the world and service their debt. In order for Canada to keep some of that capital we must also raise our interest rates.

Interest rates are normally 2 per cent to 3 per cent above the inflation rate. Therefore, with inflation currently at 4 per cent, interest rates should be approximately 7 per cent. At 7 per cent, a lot of farms will be able to survive along with a lot of small businesses. A lot of people will be able to afford to buy a new car or a new home. All this economic activity could occur if it were not for the high interest rates.

• (1710)

I maintain that every Canadian on a day-to-day basis pays for the arms race through higher interest rates, unemployment and farm bankruptcies. We cannot take a $1 trillion dollars out of the world economy without the result of lower standards of living for all people throughout the world, Canadians, Americans, Russians and Europeans. It is a reduction of $1 trillion to all of our standards of living. That is the price we pay for this madness which any reasonable person must admit does not work. If these weapons are ever actually used it will mean our mutual destruction. What my motion is asking today is that those conscientious objectors, any Canadian who feels that our participation in this madness is not a very fruitful exercise, those people who feel, because if their religious beliefs and moral principles, that their tax dollars should not help to contribute to this dance of death, be allowed to have their money put in a peace trust.

The history of conscientious objectors is an honourable one stretching through the history of the human race. There are groups of people who believe that participating in wars and in the arms race is not the solution to the problems which create war. Some of us might disagree with that, but no reasonable person can object to allowing those members of our society to object in a conscientious way to the machinery of killing. It would enrich our civilization and make us as a more civilized society if we allowed those men and women, because of their consciences, to object to participating in this madness. I am asking for this for those enlightened Canadians who believe that more can be obtained to satisfy the security needs of Canada if we spend more money on peace research and find out how we can resolve the human conflicts which create war. Such things as checking up on compliance, what is the proper technology for that? It needs money, research, investment to develop educational programs so that people can stop thinking in terms of the "good guy—bad guy" scenario but will think, rather, in terms of co-operating. Those are the models which are needed if we are going to resolve the conflicts which create this potential for war.

There is a tremendous need for peace research. The only way we can save our civilization and our way of life is through peace. Yet that hardly receives any funding at all. I believe it is close to $300,000 per year. Of course, our military budget is much closer to $9 billion per year. As a country, we spend over $9 billion doing things which I would tend to think most Members of Parliament in their heart of hearts really believe is a futile effort. There is no defence in a nuclear age, only madness. But we continue to pour over $9 billion into this make-believe.

But there is an area in which we can have some effect, an area which can really help to preserve and save our way of life, that is, peace research, to which we now only give a token amount. I am asking for the support of my colleagues. I ask them to look favourably upon my motion and to pass it.

The Conscious Canada organization is not unique. There are some 17 countries with similar organizations. In fact, they have achieved some success in various jurisdictions. In Italy, some 17 taxpayers who had been charged with not paying their taxes because of conscientious objections, have been found by the Italian courts to be not quilty. Under the Italian Constitution, they are guaranteed the right of conscience. In the United

Kingdom, Some 20,000 individuals, including 60 Members of Parliament, have a signed a document urging the Government to change its legislation to allow the people to not pay that proportion of their taxes which would go to military spending, and instead have it redirected to peace research. In the United States, the peace tax fund Bill is supported by 42 Members of Congress and four Senators. So the story goes through some 17 countries where there are organized groups of individuals who are attempting to redirect their tax money towards peace research.

I urge the Government to play a leadership role and Canada can play this very vital role. But here we stand between the two superpowers, the Soviet Union and the United States. Our very survival is dependent upon peace. It is dependent on the hope that those powers do not use their weapons of destruction, because if they do, it will happen over our heads. It is in our immediate national interest to maintain peace so, therefore, it must be in our national interest to do everything possible to work towards peace and disarmament, to make certain that those two superpowers remain at peace with each other.

I ask my hon. colleagues to support me in my motion so that Canada can take its rightful place and play its rightful role as a peacemaker in this world and to do that not only in our national interests but in the interests of the whole human race.

Humanity cries for a country and a group of people to rise up and take that leadership role. I urge my colleagues to dare to be different. I urge them to state that the king is wearing no clothes, that the arms race is a make-believe world filled with tremendous fear and danger. I challenge my colleagues to stand up and dare to be different in this world and to help preserve the human race.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, this is further to the proposal of the Hon. Member for Regina Est (Mr. de Jong) for allocating income tax revenues to funding for peace and disarmament research and education. The Hon. Member is no doubt aware that according to one of the fundamental principles of our society, Canadians elect Members to speak on their behalf when decisions are made on matters such as the allocation of financial resources that are supposed to benefit all members of our society. In its present form, the Income Tax Act contains no provision that allows taxpayers to determine areas to which their taxes are to be allocated.

Any change in the allocation of personal income tax revenues, such as the proposal contains, requires an amendment to the Income Tax Act by an Act of Parliament.

The Minister of Finance (Mr. Wilson) is responsible both for proposing and amending tax legislation and will deal with the tax questions raised by this motion.

In any case, today, Canadians can actually obtain tax deductions by making donations to non-profit Canadian peace organizations appearing in directories such as "A Directory of Canadian Peace Organizations with International Concerns", published by the Mennonite Central Committee.

The Government believes that defence and peace activities are not mutually exclusive, and that an amendment to the Income tax Act is unnecessary, since Government expenditures can be balanced so as to safeguard the security of Canada and the Alliance, while at the same time taking advantage of every reasonable opportunity to advance the cause of arms control and disarmament and of world peace and security.

Mr. Speaker, perhaps I may explain how Canada is now advancing the cause of peace and security without having to de-allocate tax revenues earmarked for defence in order to subsidize organizations for peace research and education.

For 35 years, our security policy has been based on three complementary principles: Deterrence, within the context of the collective security provisions of the North Atlantic Treaty Organization and the North American Air Defense Command; seeking fair and genuine agreements on arms control; and finally, a commitment to peaceful resolution of disputes, including participation in collective efforts to deal with the underlying social, economic and political causes of international tension.

• (1720)

Canada recognizes the need for collective action to discourage acts of aggression against North America and Europe. It endorses and financially supports NATO's defence efforts, particularly those policies under which the Alliance must have as few as possible of the weapons required for effective deterrence, while at the same time seeking to establish a dialogue and reach fair, balanced and verifiable arms control agreements. In that respect, stability and security for all are the objectives.

We belong to an Alliance whose deterrence strategy rests on both conventional and nuclear forces. Deterrence must guarantee enough stability to enable us to negotiate international agreements on arms control. Each member of the Alliance must share the burden of collective defence while benefiting from its protection. Our direct contribution to deterrence and defence is to provide efficient conventional forces. Rather than a question of ethics, it is a matter of knowing how we can best contribute to our own security, taking our limited resources into account.

The Government has clearly indicated its intention of honouring its commitments to our allies in terms of contributing to the stability of East-West relations with respect to security, and this stability flows from a credible and effective deterrence position. We have decided to provide a defence budget which is big enough to guarantee the effectiveness of our contribution and reduce the vulnerability of our troops in the field. In short, Mr. Speaker, an effective defence paves the way to peace.

It must be said however that defence funds are used to finance various nonmilitary measures which directly benefit all Canadians and contribute to restoring peace. This brings to mind the planning activities of Emergency Canada. As to our armed forces, they perform a great many nonmilitary roles such as the evacuation of critically flood-striken communities, search and rescue operations, fishing patrols, air transport of supplies and medical assistance to countries hit by natural disasters like earthquakes, as well as many other emergency services.

As a sovereign nation, Canada must dedicate part of its resources to develop and maintain its defence capability. At the same time, it is second to none among nations for its efforts in promoting disarmament and arms control, as well as international peace and security.

Mr. Speaker, I should like to deal now with the six Canadian goals in arms control and disarmament, as spelled out on October 31 by the Prime Minister (Mr. Mulroney) before the Consultative Group on Disarmament and Arms Control Affairs, and more recently by the Secretary of State for External Affairs (Mr. Clark) in his speech before the House on January 23. They are: First, negotiated radical reductions in nuclear forces and the enhancement of strategic stability. Second, maintenance and strengthening of the nuclear non proliferation regime. Third, negotiation of global chemical weapons ban. Fourth, support for a comprehensive test ban treaty. Fifth, prevention of an arms race in outer space. Sixth, the building of confidence sufficient to facilitate the reduction of military forces in Europe and elsewhere.

Concerning the first objective, the Canadian Government welcomes the progress made in the bilateral negotiations held in Geneva between the United States and the Soviet Union. We fully support the goals agreed upon and deem as encouraging the detailed proposals made last fall by both parties. These proposals have certain points in common, Mr. Speaker, but like all Canadians, we fervently hope that negotiations will bring about fair and verifiable reductions of nuclear weapons.

In his statement of January 23, the Secretary of State for External Affairs welcomed with satisfaction the latest proposal of Secretary General Gorbatchev, who reaffirmed the commitment of the Soviet Union to nuclear disarmament. While this new proposal is silent on certain issues, such as the SS-20 missiles now deployed in Asia, it does provide some encouragement.

The second objective mentioned by the Secretary of State is the maintenance and consolidation of the non-proliferation regime. Last year, Canada took part in the Third Nuclear Weapons Non-proliferation Treaty Review Conference, which was a great success for all the countries. Indeed, the countries present at the Conference reaffirmed by consensus the viability of the Non-proliferation Treaty as an essential tool in maintaining world security. The success of this review process shows that multilateral diplomacy can have results when all the parties involved decide to cooperate instead of confronting each other. Canada confirms this success since two major objectives have been reached, namely the maintenance of the NPT as the main foundation of the non-proliferation regime and confirmation of the objective and provisions of the NPT.

The complete ban of chemical weapons is our third objective. We believe that this can be achieved at the Conference on Disarmament in Geneva. To support the ongoing negotiations, Canada has shared the knowledge it acquired following investigation of the use of chemical weapons and presented last year to the Secretary General of the United Nations a manual on how to carry out this type of investigation.

• (1730)

The fourth item on which Canada is working is the bringing about of a total ban on testing. Support for such a ban is a basic goal of Canada's foreign policy. However, it is our belief that the question of inspection is the major obstacle to be overcome. The Secretary of State for External Affairs has announced in September, 1985, at the meeting of the United Nations' General Assembly, that Canada would update its analytical capacity in the area of seismic research. To that end, we intend to enhance our major facilities in Yellowknife in order to be in a position to better discriminate between low-amplitude earthquakes from disturbances caused by underground nuclear testing.

In addition to that, Canada took part with 26 other countries in the international exchange of seismological data. That technical experiment has been a major step on the road towards the verifiability of a total ban of tests.

The fifth goal, that is the prevention of the arms race in outer space, is now on the agenda of bilateral talks in Geneva. In the multilateral context, Canada took the lead at the 1985 session of the Disarmament Conference held in Geneva by circulating a discussion paper on the International Law Aspects of Outer Space, thereby contributing to the substance of the discussion.

As a final goal, this Government feels it is critical to develop the measures of confidence required to bring about a reduction of armed forces in Europe and elsewhere. Confidence is fostered by political actions conducive to increased East-West co-operation, and strengthening the dialogue is one of Canada's major goals.

Peacekeeping is another key component of the efforts to establish international peace and security. One of the goals of Canada's foreign policy has always been to help strengthen the powers of the United Nations Organization, especially its capacity to control conflicts and act as mediator. This goal, which has been part of our general aim to work for peace and security, remains a valid one. In fact, it is in our own interests to stop regional conflicts before they can escalate and jeopardize our security or vital interests. Our military role in international peacekeeping operations helps prevent hostilities from

spreading or breaking out, so that the underlying political problems can be dealt with through negotiations and the threat of direct involvement by the super powers kept to a minimum. However, Canada has never considered peacekeeping as a goal unto itself. Peacekeeping is aimed not only at preventing conflicts but also at creating a climate conducive to seeking solutions to the underlying problems. That is why Canada has always held the view that there should be considerable emphasis on the link between peacekeeping and the efforts deployed by all parties concerned to achieve peace.

Since 1947, Canada has participated in 15 UN peacekeeping operations. Outside the UN context, we have taken part in three similar missions, namely, the control commissions of 1954 and 1973 in Indochina and the international observers group in Nigeria. These initiatives were mostly financed from the Defence budget. During the past financial year, the Government of Canada has contributed over $41 million towards military salaries paid by the United Nations. These operations reflect the profound commitment and continuing contribution of generations of Canadians and successive governments to the peace objective.

Mr. Speaker, through various UN agencies, the Government has made a continuing contribution towards maintaining peace in all the countries of this world.

Not long ago, the Government demonstrated its commitment to peacekeeping. On April 11 last year, the Prime Minister (Mr. Mulroney) announced that Canada agreed in principle to take part in the multinational force and observers group based in the Sinai peninsula. The departments concerned are now considering how Canada can best contribute to the operations of the force, to replace the Australian helicopter unit of 100 men which is due to be withdrawn in April 1986.

Mr. Speaker, I would now like to consider the means available to the Government to give direct support to organizations involved in peace research and education, and thus provide an argument against setting up the peace tax trust proposed by the Hon. Member for Regina-Est (Mr. de Jong).

During the current fiscal year, over $700,000 from the External Affairs Canada's Disarmament Fund will be made available to groups and individuals from all parts of Canada. Since its creation in 1980-81, the Fund has made it possible for over 149 groups, organizations and individuals to support and encourage the debate, research and supply of information on all issues related to disarmament and arms control.

The Department of External Affairs subsidizes also other research and public information activities in this area. The Verification Section of the Arms Control and Disarmament Division is responsible for the analysis of the verification process and developing techniques and approaches for verificating the enforcement of current and future arms control and disarmament agreements. In addition to research on seismic technology and means to investigate alleged uses of chemical weapons, this service is looking into the feasibility of a satellite monitoring system to ensure compliance with arms control agreements. As I have already mentioned, it recently presented to the Conference on Disarmament in Geneva a working paper on the nature of the judicial system that might apply to space beyond the atmosphere.

The Department of External Affairs also gives a permanent $100,000 annual grant to the Canadian Centre for Arms Control and Disarmament. The Centre was established in 1983 and given the responsibility of organizing conferences and study groups on these questions.

The New Canadian Institute for International Peace and Security was created by Parliament in 1984 when all Parties supported the Bill shepherded by the Secretary of State for External Affairs. The Institute is directly funded by Parliament. Its budget in 1985-86 was $2.5 million and will increase to $5 million between now and 1988-89. It will seek to improve the knowledge and understanding of questions related to international peace and security within a Canadian context, and it will promote, finance and conduct research in those fields.

In 1983, 1984 and 1985 Canada gave a $100,000 grant to the World Disarmament Campaign. Our contributions will directly support world-wide public information and research activities. Our 1985 contribution was used to publish the Disarmament Yearbook, to finance the United Nations Institute for Disarmament, and to replenish the Voluntary Fund for the U.N. Decade for Women which we are celebrating this year.

In conclusion, Mr. Speaker, I would say that the Government is actively engaged in promoting peace and has earmarked sizeable funds to that end. In our opinion, the current Income Tax Act enables us to look after all matters concerning peace and security without the need to resort to the kind of measure proposed in the motion now before the House.

• (1740)

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, on behalf of our caucus I should like to respond to the very heartfelt, informative, interesting and innovative proposal put forward by the Hon. Member for Regina East (Mr. de Jong). I believe that he captured in his remarks and in the intent of his motion a sense of concern or anxiety among Canadians far more than did the statement of the Government spokesperson who, in a somewhat self-satisfying way, said that enough was being done. The Hon. Member for Regina East properly captured the real feelings of people who say that not enough is being done, that far more must be done.

During the past year I had the opportunity to participate in the work of the Special Joint Committee on International Relations. We had the rare experience of visiting across the country and listening to literally thousands of Canadians present their concerns before the committee. It was instructive that the first person from whom we heard was a young school teacher in Halifax. He gave a very eloquent and moving

address on star wars. Afterward I asked him what prompted him to make a presentation. He said that he was a school teacher and that his students had asked him about star wars. He was embarrassed at the time not to know anything about it and started meeting around the kitchen table with his friends. The more he examined the matter, the more he learned and the more he became concerned. Every Wednesday night they met around the kitchen table and began developing a series of ideas, analyses and information. Finally he appeared before the committee last July when it was on the East Coast. He talked about what they as a small community in Pictou county felt about star wars. That was not an isolated incident. It happened in many communities across the country. People would appear before the committee and say that more must be done.

The Hon. Member for Regina East properly expressed the imbalance in our commitments. People look around and see enormous sums being spent on armaments and in the nuclear arms race. They see the United States and the Soviet Union about to launch a new generation of the arms race with the proliferation and pollution of our outer space and the star wars program. They ask whether Canada can do more, whether we can find a way to turn the corner in a more meaningful way.

I am not saying that many of the efforts described by the Parliamentary Secretary are not useful. Of course they are useful, but they do not touch the deep undercurrent of unease and anxiety or that of hope and aspirations. Canadians believe that their country should be a peacemaker. As well, many people are asking what they can do to make a contribution, to do more.

I was partly dismayed at the committee hearing when we heard from the educators for nuclear responsibility, a group of school teachers from across the country. They said something which was very disturbing to me. They pointed out how difficult it was in the curricula of our high schools to get courses on arms control or on peace because they are considered by the school boards to be too controversial. Perhaps they represent too much of one side of the argument. When I visit the high schools in my riding every two or three weeks, I find that the students want to talk about one issue only. They do not want to talk about jobs. They do not want to talk about the environment, although they are concerned about it. They want to talk about the nuclear issue. Last Friday I visited Miles Macdonell Collegiate in my riding which was having a five-day teach-in on the issue of peace. They invited Members of Parliament to talk to them about what we thought was happening or where we could go. I was struck by the deep level of concern and by the willingness on the part of these young people to commit themselves. It is felt by thousands of Canadians that more must be done.

Does the legislative proposal of the Hon. Member for Regina East properly give form and substance to what must be done? In part I am attracted to the idea, but I have reservations on one ground—I think it would let the Government off the hook. If we resort to a form of populism or participatory democracy in the classical Greek sense where individuals make up their own minds—and I do not object to that—it means that the Government of Canada loses its obligation to make a choice for Canadians. That is what Parliament is all about. I want the Government to make different choices. I want Members on both sides to make different choices. I believe we are not making the right choices any longer. We should have the opportunity to debate the Estimates of the Department of National Defence. The defence Minister and the Secretary of State for External Affairs (Mr. Clark) should appear before the committee to explain their actions because they can easily forgo, evade or avoid their sense of responsibility.

I should like to refer to an example. Recently we received a report of the committee of NORAD which recommended that we sign up for another five years. To my unhappiness they indicated that there was not sufficient evidence to register a concern about the shifting sense of strategic thinking in the United States, moving from a sense of deterrence toward an active defence system. There was a multitude of testimony to show that this is what in fact was taking place. The Americans are making major commitments here and now to a very active defence system which will result in the fundamental militarization of Canadian territory, a vast network of active defence systems. That is a choice which Canadians should be making. It should not be made for us. It should not be made piecemeal. It should not be made in Washington. It should not be made in the NORAD headquarters. It should be made in this Parliament. However, it will only be made if Canadians understand what is going on. This means that the Government has to rid itself of its secretive attitude about what is taking place and start divulging far more of what it knows about the plans.

We must also look at the alternatives. If we say to the Americans, who are our allies, that we will not fully integrate our defence system with theirs if they go ahead with star wars, it means that we must put something in its place. We must put forward an alternative for the northern part of North America. As the Senate recommended a few years back, perhaps we must have our own form of satellite detection. We must develop an alternative to the proposals being put forward by the United States Defence Command. That is the important choice. It may mean that we have to utilize defence expenditures in a different way. We may not have to utilize them in a conventional or routine sense of going along with the conventional wisdom. We may have to establish a more independent defence posture in order that we can provide a bargaining position, a sense of leverage, with the United States in this very important and very crucial strategic security choice.

If the Hon. Member had his way and all those good minded Canadians who are very concerned about the arms race in effect abdicated and pulled out their money, there might not be money to provide the counterweight or counter ploy to the star wars program. That is a choice which should be retained in the hands of the Government, and it should be answerable for it. I agree fully with the stated purpose of the Hon. Member, that much more must go into the research and development of alternative techniques. One of the last acts of the Liberal Government, of which I was very proud, was the

establishment of the Canadian Peace Institute with an endowment of $5 million. I am pleased to say that the successor Government continued with that initiative. However, it is not enough; it is just a beginning.

Let us look at the tremendous appetite or hunger on the part of Canadians for more information. There is a tremendous ability in the number of peace groups across the country; there is individual time and talent; there are our educators and numbers of groups, ploughshare groups and others; and there is a kind of force they could bring to bear. We must find a better way of financing their efforts, a far more independent way so that they do not feel totally beholden to the Government. There must be an independent body which provides them with funding. They must feel far more free to undertake the kinds of investigation about which the Hon. Member talked. I fully agree with him. I would be prepared to say that perhaps we should look at the tax system to see if a more generous deduction could be allowed. It could be similar to the system of financing political Parties; that might be an alternative. I am not here to prescribe it, but I am saying that it is worthy of examination.

I see the Chairman of the Standing Committee on External Affairs and National Defence sitting opposite. Perhaps he would be prepared to take the question of peace education as part of his agenda for the committee in years ahead. It is critical and Canadians want it. However, if we follow the total advice of the Hon. Member, although I fully agree with his intent, in a sense we may be denying ourselves in Parliament the responsibility we need to make some very fundamental choices. For that reason, I express that reservation without expressing any reservation whatsoever about the intent, purpose, and objective of what he does.

● (1750)

In closing, Mr. Speaker, having expressed that reservation, we must still recognize that it is time for Parliament to have a much broader and more significant debate about the arms race and what we are doing, as a country, in the nuclear age. Canadians are far ahead of their Governments and this Parliament in expressing their concerns. They are leading us. One of the reasons is that we have not had an opportunity in this House to have a full-scaled broad-based debate about where Canada will go in the 1990s with regard to the matters of which the Parliamentary Secretary spoke, but which we have had very little opportunity to debate in the House.

I again recommend that Members of the Government side, who I know also feel very deeply about these concerns, represent to their caucus that it is time for Parliament to provide some leadership rather than to follow. It is time to let individual Members speak their minds and fully express what is in their hearts on this very fundamental issue. I compliment the Member for Regina East for at least giving us an hour of parliamentary time to do that. I wish we had an hour every day to do this. I wish this were an ongoing debate. If we had an ongoing debate, we may be able to accomplish what so many Canadians, particularly young Canadians, want us to do. They want us to find some answers to this very complicated, deep, and abiding issue which affects us all.

I want to extend to the Hon. Member my appreciation for his motion. Even though I have reservation about the actual technique, his objective is right. It behooves us, as Parliamentarians, to countenance his words and see how we can provide more leadership and direction in this very crucial issue.

Mr. Jim Jepson (London East): Mr. Speaker, I welcome the opportunity to take part in this debate. The issues raised by this motion are important and fundamental. For that reason, I do not apologize if my remarks today are similar to those expressed in this House last September 26 when we debated virtually the same proposal.

I have concerns about this proposition, albeit not about the ultimate goal of promoting peace and disarmament. It would be hard to take issue with the Hon. Member for Regina East (Mr. de Jong) on that most desirable objective. However, the method he is proposing in this motion is not one which this House should adopt. There are important issues of tax policy and fiscal policy which argue against adoption of this particular proposition. There are also important questions of parliamentary democracy which are involved, questions about the way in which our society tries to live together and govern itself.

Therefore, Mr. Speaker, I will not hesitate to be repetitive today and to discuss the same issues as we debated last September on a similar motion of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). The sponsor of today's motion was repetitive in the same way. I can only regret that our arguments of six months ago did not succeed in changing his mind. We will try again today.

First, I would like to deal with an unfortunate implication in the wording of this motion. It contains the idea that somewhere there is a fundamental opposition between the search for peace and disarmament and our expenditures on defence. What kind of conclusion is a taxpayer likely to reach if, on his T-1 tax return form, we present him with the option of earmarking 10 per cent of his income tax, or whatever percentage of federal spending goes to defence, to be spent instead on peace and disarmament, research and education? Is the taxpayer not likely to conclude that these two fields, defence and peace, are considered by the Government to be diametrically opposed?

I am in no way arguing that a valid case cannot be made for conscientious objectors, those who for strongly-held personal principles are opposed to serving in active combat where they could be called on to take another's life in defence of their country. However, that is in wartime. We are at peace now, and there is no contradiction in the position taken by the Government and accepted by a great majority in this House and across the country that our defence dollars are being spent to maintain peace and to prevent war.

Our defence expenditures reflect the long-standing Canadian policy in support of national and international security. For years Canada has played an honourable international role in

seeking peaceful settlements of conflicts between countries. Our support of NATO and NORAD reflects the broadly-based public recognition that those alliances serve to enhance international security. I recognize that the New Democratic Party does not accept that position and would have Canada withdraw from the western alliance. However, I do not think that their position goes so far as to call for abolition of Canada's defence forces. This motion does not advocate such an extreme step. I think the reason for that is clear. The NDP, like the rest of us, recognize that our defence forces serve Canada's vital national interests in many ways.

If the New Democrats, by some strange chance, were ever called upon to form a government here, I wonder whether that Government would really adopt the principles which this motion advocates. This motion calls for a system of opting out which involves an issue that affects our national well-being in a very vital way. I do not think that this way of doing things is part of our system of parliamentary democracy. In our society, democracy involves much more than just the idea that the majority rules and imposes its view on the minority. Canadians have always sought tolerance. Through public debate we have sought to develop policies which take differing views into account, and we seek solutions with which everyone can live.

In the debate last September 26 on his motion, which is virtually the same as the one before us, the NDP Member cited the Canadian Charter of Rights and Freedoms. He argued that freedom of conscience and religion, as protected in the Charter, should allow citizens to opt out in this way from financial support of a major sector of Government activity. I remind the House that the rights and freedoms in the Charter are conditional. They are "subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society".

In our democratic society, we are all subject to reasonable limits on our freedom of conscience, religion, and self-expression. This simply means that tolerance must work both ways. The majority must be prepared to listen to individual differences, but at the same time the individual must recognize that there have to be broadly-accepted rules which apply to all in our society. I do not believe it is unreasonable to expect all citizens to bear their fair share of the cost of Government services provided for the common good. It is not unreasonable to say that a democratic Government should decide, in the final analysis, where and how those public funds are spent. I re-emphasize that in our democratic society those decisions are made after the widest public debate with sensitivity to differing viewpoints.

The premise of this motion would allow any special interest group in the country to put forward a similar motion. If they were against abortion, they would want their funds to be earmarked for anti-abortion programs. If they were in favour of capital punishment, they would want their funds to be earmarked for that purpose. There are many special interest groups which would like to have their tax dollars earmarked for their special projects. Yet, we are faced with the reality of having to maintain the defence of the country. The previous Government took the strict diplomatic route and totally ignored the physical defences by which we maintain the safety of the country.

We must remember that the Russians understand only one thing; a position of strength rather than weakness. If you have any doubt, talk to Poland, East Germany, the Ukraine, Hungary, or Czechoslovakia. These countries lost their freedom to the Soviet Union, which has very little sympathy at the negotiating table for the rights and liberties of the people in these countries. It is vital to the safety and well-being of our country that we ensure that we are wise stewards of our tax dollars. I suggest, Mr. Speaker, that the best position for peace is a position of strength. If we do not prepare adequate defences for the country, we could find ourselves in the same predicament as so many other countries find themselves.

• (1800)

Mr. Speaker: The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL CAPITAL COMMISSION—LOCATION OF NEW UNITED STATES EMBASSY

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, this is my first experience with an adjournment debate as a follow-up to my question on February 24 to the Acting Minister of Public Works and I intend to get to the heart of my extremely serious concern quite quickly.

The National Capital Commission will be making a fundamental planning and political error if it recommends to the Government that the Mile Circle be used to house embassies. The local, regional, and indeed national outcry of total opposition to this proposal should in itself be a proper, clear, concise message to the Commission that it is making a big mistake. The duly-elected representatives of the four levels of Government directly affected are unanimously opposed to the proposal. Those representatives are myself at the federal level, Mr. Gilles Morin, the provincial Member, Mr. Marc Laviolette, the local alderman, and the Reeve of Rockcliffe Village which borders on the site, Mr. Pat Murray. There is no local political will for this project, why should there be a bureaucratic administrative one?

The Mile Circle land has been held in trust since 1904 by the federal Government as parkland. I cannot believe that today, in 1986, with all of our collective knowledge and experience, that the Commission is actually threatening to

destroy these parklands. I cannot accept the arguments that any development will be done in such a way as to maintain open spaces and a parkland setting. That is impossible since thousands and thousands of tons of concrete and steel will be sewn together by architects, engineers and construction workers to build embassies on the Mile Circle.

My professional background is in conservation and tourism development, and I know what impact infrastructures can have on parkland. If parks are for people, and I truly believe they are, then you put any or all development outside of them. Thomas Keefer meant for the Mile Circle to be used by people—people of all ages and from all places, not just from the National Capital region. The National Capital Act of 1958, Section 10(1) states:

The objects and purposes of the Commission are to prepare plans for and assist in the development, conservation and improvement of the National Capital region in order that the nature and character of the seat of the Government of Canada may be in accordance with its national significance.

I have received letters from across Canada opposed to this proposal from Canadians who feel that the Commission is compromising one of its fundamental philosophies, namely to conserve many of the natural parkland settings of our great capital. I am very proud of our magnificent city and I credit the Commission with making it that way. I, for one, want to keep it that way. In 1972 I defended Banff National Park from being raped by tourist developers. As someone who has lived in Ottawa all my life, I am proud to defend the Mile Circle Park from being raped by the Commission. This act of short-sightedness must be stopped. There are certain sections of our city that are sacrosanct, and this is one of them.

The *Policy for Parkways and Driveways*, published by the NCC as approved in July, 1984, the official plan of the Regional Municipality of Ottawa-Carleton as approved by the Province of Ontario in November, 1983, and the official plan of land use of the City of Ottawa, published in June, 1984, all state their commitment to the public open-space corridor along the Ottawa River, with the Mile Circle as part of this landscape conservation. These are commitments made to their constituents by three levels of Government. If the federal Government places embassy offices on this land, it would be an expression of contempt for the due process of planning.

Treasury Board wants to raise new revenue by selling some land, and I think we will all agree that this is worth while. However, for the sake of financial expediency, this particular case is not in the national interest. Is the NCC willing to reopen the terms of reference for the contract to study the Mile Circle site so that it would include the study of other potential sites as well? Will the Commission be willing to consult or will it not consult beforehand with community groups on such projects?

• (1805)

Is the Commission prepared to put its final selections through the due rezoning process required of all other citizens by the City of Ottawa and the Province of Ontario? If not, what form is there for the citizens of this region to participate in major rezoning projects by the Commission? Will the Commission seriously consider an appropriate site on the Rockcliffe Air Base as a timely alternative to the Mile Circle? My last question is: Will the consultant report on this proposal be made public?

In conclusion, let me congratulate the tremendous efforts of the Save the Mile Circle Committee for their work, and to my executive in Ottawa-Carleton for unanimously supporting my opposition to this project. If this proposal is part of the vision for our capital, then I cannot see very clearly.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I would like to first compliment my colleague, the Hon. Member for Ottawa-Carleton (Mr. Turner), for his diligence and commitment not only to this House, but outside the House and in caucus. His record is well known to his constituents.

As you know, there are no simple solutions to a complex issue such as the site for the U.S. embassy. The process that we are going through is lengthy. We are dealing with an issue of major national importance. We are also dealing with the very real concerns that were expressed and which all committees face in an evolving capital city. All of us need to share the responsibilities as well as the benefits of living in a capital city in the late 20th century. The relocation of the American embassy has a very long history. I do not want to bore Members with the endlessly long details of the events which followed the evolution of this issue, but I would like to point out a couple of significant highlights and events.

The relocation of the embassy first arose in 1969 when the embassy proposed to expand its facilities along Wellington Street to meet the growing accommodation requirements. However, this property was considered to be of paramount importance in meeting the accommodation needs of Parliament. The Government of Canada subsequently proposed to find another site to which the American embassy could be relocated. As the federal Government's agent responsible for creation of the capital, the National Capital Commission was charged with finding an appropriate site.

Until about a year ago, it was considered that a top priority site would be the one on Sussex Drive, north of the Connaught building. However, the U.S. Government imposed regulations for locating new embassy buildings. Obviously we know why. The NCC was asked to add additional criteria to the list for site selection. These new criteria for site selection included among others: a minimum site area requirement of at least six to eight acres; no tall buildings adjacent; and a buffer zone all around the embassy.

In all, 12 major criteria were used in evaluating some 20 sites in both the Quebec and Ontario parts of the National Capital Region. During the process of site evaluation, a certain number of sites were rapidly eliminated. Selections of these sites would throw into question a number of long established fundamental capital planning principles, as pointed out by my colleague. These principles include, among others, preservation of our river front properties. This exclusion is consistent with the NCC long-standing policy to retain federal river front land

in Canadian ownership for public use. This policy acts to ensure direct access by the public to the river shore. The remaining candidate sites were considered in detail, and the Mile Circle was selected as the site which best met all criteria.

As part of the site selection process, the NCC has retained the services of a consultant charged with carrying on a detailed site analysis. This analysis includes such matters as the suitability of land use arrangements in the Mile Circle, environmental impact, landscape design and ecological considerations. The study should be completed by spring. At that time the NCC intends to recommend a specific site in the Mile Circle area. The Canadian Government may then exchange this site with the American Government for the U.S. embassy land and buildings on Wellington Street.

It is my sincere hope that at the end of this process we will have produced a site development concept for the Mile Circle which enables the Government to meet its national and international obligations. I am sure that I need not remind my hon. colleagues that the Government of the United States spared no effort in providing our own Government with one of the most prestigious sites for our embassy in the City of Washington. In this context, I would call on the citizens of this great capital city to recognize their shared role and responsibility in this international dimension of the capital.

• (1810)

MULTICULTURALISM—PRESERVATION OF IMMIGRANTS' HERITAGE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a while ago I asked the Minister of State for Multiculturalism (Mr. Murta) about the Government's plans to continue providing strong encouragement for the cultural heritages of immigrants to Canada. The Minister assured me of the Government's commitment to retention of cultural heritages, and that he was in the process of reviewing the funding criteria for those programs encouraging the retention of ethnic culture.

Multiculturalism is a very important aspect of our lives. In fact, multiculturalism is part of what it means to be Canadian. In my riding of Don Valley East, one of its most exciting features is the cultural diversity.

My wife, Sandy, and I can recount many close friends from varying cultural backgrounds. George and Penny Poulos are of Greek heritage. Jay and Ann Hong are from South Korea. Rhett and Betsy Abarquez's roots are in the Philippines. Incidentally, one can imagine how thrilled they are with the new democratic Government of President Corazon Aquino. Garo and Zaro Pashayan are proud of their Armenian heritage. Mrs. Setsuko Thurlow of Olsen Drive is a survivor of Hiroshima. Frank and Judy Wilson are recognized leaders in the Jewish community. Vincent and Agnes Ching cherish their Chinese heritage, having been born in Hong Kong. George and Margaret Hayling from the black community take great pride in being from Barbados.

The peaceful coexistence of people of diverse races and cultures, bonded by common citizenship, not only fosters social cohesion and national unity, but also creates the basis for the eradication of prejudice and bigotry. The cultural diversity of Canada is as much a part of our national identity as regional diversity.

This diversity has been a factor throughout the history of Canada. Our nation was founded on the basis of cultural pluralism. The subsequent arrival of immigrants from many countries added to the pluralistic nature of the developing Canadian society.

The multicultural nature of Canadian society was officially recognized in 1971, when the House of Commons gave unanimous consent to the Government's response of the 1969 report on the "Cultural Contribution of the Other Ethnic Groups" of the Royal Commission on Bilingualism and Biculturalism established in 1962.

The Government adopted an official policy of multiculturalism within a bilingual framework. In 1972, the Multicultural Directorate was established within the Department of the Secretary of State, and a Minister of State for Multiculturalism was appointed. In 1973, the Canadian Consultative Council on Multiculturalism was established. In 1983, this Council was revitalized and restructured to become the Canadian Multiculturalism Council, or the CMC.

In 1982 the Charter of Rights and Freedoms was proclaimed. Section 27 reads: "This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians".

In May of 1985, the first deferal/provincial/territorial conference on multiculturalism was held. Employment Equity legislation was passed by the House of Commons. Also, in response to the recommendations of the "Equality for All" report of the Special Parliamentary Committee on Equality Rights, a Standing Committee on Multiculturalism was established. With the inception of this committee, everything pertaining to multiculturalism can be examined in depth. The mandate, to encourage and monitor the implementation of the principles of the multiculturalism policy throughout the Government of Canada, is a great responsibility and, indeed, a great opportunity. I am proud to be a founding member of this Standing Committee.

The Government's policy on multiculturalism is to help to preserve and enhance the traditional cultures; help members of the enthocultural minorities to develop the skills they need to participate fully in Canadian society and the economy; help all Canadians to recognize the multicultural nature of the country and to adapt themselves and their institutions accordingly. This provides a solid framework for all Canadians.

• (1815)

Canadians are proud of their origins and cultural heritage and wish to retain this essential part of their identity. The retention of cultural heritage is very important, not only to the various ethnocultural groups but to Canadian society as a whole. We are all enriched by cultural diversity. Indeed, our own family is expanding its cultural roots. While Sandy's parents were born in Scotland, my mother is of Irish descent and my father of English descent. Our younger daughter,

Leslie, married John Strolenberg, who was born in Holland. Our elder daughter, Pamela, married Mark Zaorski, who is of Polish-Irish heritage. Therefore we are developing a rich diversity within our own growing family.

As the Minister of State for Multiculturalism (Mr. Jelinek) has pointed out recently, multiculturalism encompasses all aspects of our lives. It has to do with jobs and rights as well as cultural retention. It must become both a social and economic reality. The Prime Minister (Mr. Mulroney) has stated, and I quote:

> There is no obligation more compelling, no duty more irresistable than to ensure that our minorities live at all times in conditions of fairness and justice.

It is a cornerstone of multicultural policy that there shall be no barriers to prevent Canadians, whatever their origins, from enjoying all the rights and privileges of citizenship.

In closing, may I say that the Minister of State for Multiculturalism in recent statements has spoken about the need to bring ethnic minorities more fully into the economic mainstream of Canada. Multiculturalism, in addition to its widely perceived value as a cultural asset, also makes good business sense. It is also a decisive advantage in a highly competitive economic environment. One way to create economic opportunity is to take greater advantage of the talents and resources of our ethnocultural communities. Over half of all small businesses in Canada are run by members of ethnocultural communities. In recognition of this fact, the Minister of State for Multiculturalism is sponsoring a conference in April called "Multuralism Means Business". I am very proud to be a part of this Government for its initiative in the field of multiculturalism and I look forward to even greater things to come.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, I am equally proud of the Hon. Member for Don Valley East (Mr. Attewell) for raising this matter which allows both of us to put on the record what means so much to us, the multicultural nature of this country. As the Minister of State for Multuralism (Mr. Jelinek) said in reply to the Hon. Member for Don Valley East (Mr. Attewell) last November 5, 1985, and I quote from page 8372 of *Hansard*:

> I am very happy to see an interest in this important matter coming from this side of the House as opposed to the Opposition Parties.

I strongly concur with the Minister's statement. Like the Hon. Member for Don Valley East, I have, as I am sure have many Hon. Members of the Government, a multitude of ethnocultural groups, a veritable treasure-trove of different languages and foods in my riding. I think at one time I came up with 52 different ethnocultural groups which reside within the Hamilton-Wentworth region alone. There must be as many more ethnocultural groups and nationalities in Metro Toronto, Vancouver, Montreal and other parts of this country. Not one of those peoples would see any conflict in being a Canadian first, yet the wonderful mosaic that makes up my own region stems from the fact that they retain their cultural heritage and roots and wonderful sense of their homelands. That makes up the fabulous cultural mosaic in our region.

I do not see the sense of Canadianism and homeland feeling as being mutually exclusive, nor do I see this as crossing any kind of political boundaries, although, as I said at the outset, I do agree with my Minister that no one opposition Party should presume to represent these people exclusively. From a Government point of view, it is entirely possible for the Government to be receptive to the idea of cultural pluralism, the preservation of fundamental concept of national unity.

● (1820)

Nobody should be obliged to suppress cultural identity. By emphasizing the need for all Canadians to have equal opportunity to participate actively in the economic life of the country, the Government regards as essential the playing and the maintenance of identity, the playing of all of these ethnocultural groups in the wonderful multicultural nature of this country of ours and in our future.

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

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Tuesday, March 11, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PROGRAM REVIEW

TABLING OF MINISTERIAL TASK FORCE STUDY TEAM REPORTS

Mr. Deans: Point of order, Mr. Speaker. I know the Minister is going to table his documents but I would like to ask him if he could assure the House that there is no duplication, other than the necessary duplication to guarantee that each of the documents will be presented in both official languages, that each document stands on its own merits, and that there are no more documents in that pile than are required to meet the requirements of tabling in each language.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Oh they of little faith.

Pursuant to the provisions of Standing Order 67(2), I have the honour to lay upon the Table, in both official languages, copies of study team reports of the task force on program review.

Some Hon. Members: Hear, hear!

Mr. Deans: Mr. Speaker, I asked for that assurance for a reason. As you know, Sir, it is not appropriate to have a demonstration in the House of Commons. I sought assurance from the Deputy Prime Minister (Mr. Nielsen) that each document was a single document in either French or English, and that there was no duplication for the purposes of demonstrating in the House of Commons, for whatever purpose. The Deputy Prime Minister did not assure me of that, I noted. I looked at the documents and there are in fact duplicates.

Mr. Nielsen: That is absolutely false, Sir. The tabling is strictly in accordance with the requirements of the Standing Orders of the House of Commons. Absolutely.

Mr. Deans: Why didn't you say so?

Mr. Wilson (Etobicoke Centre): Read them all, Ian.

Some Hon. Members: Hear, hear!

Mr. Deans: You take a look at the French Transport report.

TASK FORCE ON PROGRAM REVIEW

STATEMENT BY DEPUTY PRIME MINISTER—STUDY TEAM REPORTS

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is my pleasure to have tabled today the reports of the study teams of the task force on program review. The volumes that I have tabled represent the combined efforts of 221 individual Canadians who have reviewed nearly 1,000 programs and services in the federal Government. Perhaps that is some explanation for the hon. gentleman.

Over half of the men and women who were involved in the work of the study teams were recruited from the private sector. These men and women came from Victoria to St. John's, left their jobs and their families to serve their country without remuneration, each for three months. Among those who so served were senior executives of major corporations and small businesses, labour leaders, city administrators, and provincial deputies. I want to take this opportunity to formally recognize the debt of gratitude the Government and the country owe these outstanding Canadians.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Like the review itself, the output of these individuals is unique in the annals of Canadian public administration. Never before has there been such a broad representation from outside Government in such a wide-ranging examination. The release of the work of these mixed study teams is a public acknowledgement of their extraordinarily valuable contribution. Each study team reviewed the array of programs within their area of examination and prepared assessment notes on each program, presenting options for improvement and reform. In addition, the study teams prepared thematic overviews to describe their over-all assessment of program groupings. These study team reports were then referred to the Private Sector Advisory Committee comprising 12 representatives of labour, business, and professional organizations. The organizations themselves selected the representatives of their respective organizations to serve on that Committee. I would like to acknowledge these individuals and their sponsoring organizations for their outstanding leadership during the past year.

This private sector advisory committee met every Monday throughout the year-long course of program review and acted as a further review mechanism to the work coming to it from the 19 individual study teams. The study team reports I have just tabled today are the final product of this process of consultation and co-operation. Philip Aspinall, Chairman of

the Private Sector Advisory Committee, and Darcy McKeough, the Private Sector Liaison Advisor, will be meeting the media shortly to describe in more detail the work of the study teams. I would, however, like to take a few minutes to highlight some of the major observations of this work.

The Government of Canada has for decades been functioning in a twilight of partial information, overlapping responsibilities, and organizational inefficiencies. This condition has allowed structural distortions to creep into our economy and our society. Canadians deserve to know more about the myriad of programs and services they pay for. After a little over a year of careful examination by mixed teams of private and public-sector analysts, we know much more than any Government has ever known before.

This Government is not the first to discover the necessity for a wide-ranging, unfettered and objective analysis of the federal public administration. Over the years a number of studies, including the Glassco Commission and the Lambert Commission, described this situation. Several years ago the Auditor-General concluded that the management of Government was "out of control". During the summer election campaign of 1984, the Right Hon. Leader of the Opposition (Mr. Turner), who was then Prime Minister, recognized the dimensions of the problem when he said:

> There is a lot of space to reduce and cut expenditures and duplications: programs which are no longer in force, which are no longer pertinent, wastages in public administration.

[*Translation*]

What is unique in this case is that a party newly in power took advantage of this opportunity to open the doors and conduct an independent analysis in co-operation with the private sector. In other words, to welcome new ideas. And today, by publishing the conclusions of the study teams, we are opening those doors even wider.

• (1110)

[*English*]

A central conclusion of the study teams, and one with potentially profound implications, is the degree to which there has developed a vast array of government programs that are designed to subsidize activity rather than results, effort rather than success. Few who take the time and spend the effort to read the study team reports could dispute the observation that we have become a nation of what I call program junkies. In the absence of a full comprehension of the extent, nature and content of government programs, past Governments have felt little reluctance to use subsidies as a blanket solution to many problems of society. Therefore, government spending, including tax expenditures, has been expanding with the inexorable growth of a rolling snowball.

As I have said, the implications are profound, for the analysis I have just described reflects how dependent on government Canadians have become. The elements of this conclusion were evident from the first study team report, when those examining business services and subsidies observed that the Government has been "giving with both hands". However, it was important to await the observations of all the study teams before coming to any over-all conclusion.

My decision as chairman of the task force was not to pre-empt or to prejudice the work of study teams by releasing reports throughout the year. For this reason, I felt it was desirable that the reports be published together.

The study team reports and their options represent the first orderly step toward cabinet discussion. They do not represent government policy nor are they decisions of the Government. The reports provide the basis for discussion of the wide array of programs which exist throughout government and provide a valuable tool in the decision-making process.

Having said that, it is obvious from announcements already made throughout the past year that the business of governing has proceeded responsibly, while the review has been underway.

The decisions that have already flowed from the process of program review are of the following nature.

Decisions have been made on programs and services where the focus is primarily on the internal administration of federal Departments and agencies. Examples are in the area of regulatory reform, real property management and veterans' programs. In addition, a limited number of decisions have been made with implications for the provinces. These were in areas largely where we had confidence from our continuing federal-provincial consultations that the provincial Governments concurred with our direction. Examples include the Canada Assistance Plan and housing programs and devolution to the provinces in small cases under DRIE's Industrial and Regional Development Program.

On behalf of the Prime Minister, I have given written assurance to the provinces that no unilateral decisions will be taken by the federal Government and that advance consultation will occur before federal programs are revamped in ways that affect the provinces—especially where provincial Governments share program costs.

It should be noted that in making decisions the federal Government has not, and will not, be bound just to the options put forward by the study teams. A close reading of these reports will show that independent study teams, working within their individual terms of reference and examining the same programs, can come to different and sometimes contradictory conclusions. This only confirms the autonomy of individual study teams.

While the Government will be taking the options presented by these mixed study teams into account, it must and will make its decisions from a perspective that is broader than that of any individual study team.

Finally, the Government is referring these reports to the respective Standing Committees so that their analyses and their options can be assessed in the light of open public discussion. This Government is committed to parliamentary reform and determined that parliamentarians become meaningfully involved in the broader reforms to public policy.

The process of program review and the reports I have tabled today are steps in the reform of public administration in Canada. Parliamentary reform relates to the way decisions are made by elected officials. We must join these reform initiatives to policy-making in Canada.

Sir, the Government has been asking Canadians to join our commitment to the reform of Government as part of the mandate for economic renewal given to us by the people of Canada in September, 1984. The tabling of these documents shows beyond any reasonable doubt that this Government remains committed to policies of economic renewal in a climate of openness and public dialogue. We are committed to improving the management of Government and providing better service to the public.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, first of all we want to congratulate the participants who worked on these reports, a great many of them voluntarily, and we appreciate the amount of time that they have spent composing these reports for consideration by the Government of Canada and by this House. We are sure that the good things in the reports will be ignored by the Government, and certainly the cuts that have been suggested will certainly be implemented by the Government of Canada. This Government is more interested in figures than it is people. This Government is more interested in cuts. They have an obsession with cuts and reducing services to Canadians.

Perhaps the first thing that one will note in looking at some of these reports is that the Government of Canada really did not wait for these studies to be done. If one just peruses some of the reports, for example, the one on housing he will find that it deals with the RRAP program. One section deals with the Canadian Oil Substitution Program. Another section deals with the Home Heating Oil Subsidy Program and exemptions for CHIP grants in Prince Edward Island and Nova Scotia. Canadians and Members of the House know that these programs have been terminated since these study groups began.

• (1120)

We can look at another report on the environment. We see sections dealing with national parks and the weather services. There is a magnificent section dealing with the wildlife conservation programs, including migratory birds conservation, wildlife research and conservation and wildlife interpretation. After this study group began to study these programs the Government decimated the Canadian Wildlife Service.

We can go on to look at another report on major surveys, including the Surveys and Mapping Branch, the Canadian hydrographic service and oceanographic data. The list goes on. We know what the Government has done since these study groups began their work. We know about the charges it has implemented that make it practically impossible for people in the fishery to even buy charts.

Let us go on to look at job creation, training and employment services. That is an interesting report which studies Canada Works. We all know that Canada Works is no longer in existence. This report studied Katimavik and many other programs which have been dealt with by the Government since the study groups began their work. Yet the Minister stands up in the House to say that the Government will not unilaterally make any changes in the Government until this report has been studied by the Standing Committees of the House and reported to the Canadian people.

We are also concerned about what interpretation the Government will give to the positive conclusions that were arrived at because of a sincere concern on the part of the participants in these study groups. We need only to go back to when the Minister presented his reports from the study teams in May, 1985 to understand the basis for our concern. In that report of the various study groups we can see some constructive comments under targeting of scientific research and development through the National Research Council, but we know what the Government of Canada did to the National Research Council following the presentation of that report.

When we look at the employment services section of that report that was presented last May and look under "job placement", we know that the Government cut out the mobility grants that were available to Canadians in order to move from one part of the country to the other. The Government took the main representations of those study groups on training, job creation and employment programs at face value and reorganized the direct job creation delivery of programs in this country. But did the Government consult with those who were affected—the unemployed? No. It commissioned some fine studies to be conducted by very educated people from the universities, the trade schools and the unions as well as private enterprise. It then discontinued the direct job creation programs for the poor man with a family and only eight weeks of work in a year. Those individuals are not allowed to work under direct job-creation programs of the Government because of the interpretation given to the recommendations of that particular study group.

According to the Government's largest employment program, a person who has trained in the occupation of a job being advertised cannot be referred to that job. For instance, an unemployed carpenter is not allowed to be referred to a carpentry job in his community. A person who has just finished a carpentry course in trade school is not allowed to be referred to that job. The Government has proven that grave errors are made when the people affected by these reports are not consulted.

In conclusion, we want to congratulate the people who formulated these reports. We look forward to examining the reports and holding the Government accountable for its actions. The Government should not proceed with any further changes to our system until there has been full consultation, not only in this chamber but with the people in our society who are affected by those changes.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in commenting on the Task Force reports which we received about an hour ago, I was tempted to bring all the documents with me and ask whether there is an agenda for action by the Conservative Government, or whether it intends to pick and choose which of those recommendations it finds most to its favour. In fact, when I look through the document, I begin to see that this is simply a continuation of what we have seen from the Government in its first 18 months in office. The values of Bay Street and Wall Street prevail in the Government's budgetary policy as well as in the Nielsen Task Force review which has been brought forward today.

It is quite clear that the unfairness that led to a $1,300 increase in taxes on the average family between the November, 1984 statement, the May, 1985 Budget and the most recent Budget is to continue. When it comes to spending review, or program review as the Government calls it, it intends to take away essential services to ordinary Canadians while leaving the services to the business and corporate sector essentially untouched, unexamined and in fact uncut.

In effect, the other shoe has dropped. We see that the unfairness of the tax policy is being matched by the unfairness in terms of spending policy. The Government began the Nielsen Task Force by saying that the goal was to eliminate waste and inefficiency in Government. What we are in fact seeing is that the Government intends to eliminate services that are extremely important to average Canadians.

In order to conduct this review the Government spent much money and invited 221 experts from different walks of public and private life to meet every week. The Deputy Primer Minister (Mr. Nielsen) has given his praise for their work. Rather than suggesting that the Government is grossly inefficient or wasteful, that study group suggested a number of areas to be cut and chopped. The sections of the report that I have read indicate that the group frequently agrees with the priorities, prejudices and biases of the Progressive Conservative Government. Perhaps they were chosen to conduct this review for precisely that reason.

The House Leader feels somewhat aggrieved by that, but I do not remember, from my experience in the Ontario Legislature, that Darcy McKeough was particularly concerned about the needs of ordinary Ontarians. Yet he has played a key role in sifting through the recommendations of the various study groups.

Mr. Hnatyshyn: What about the CLC?

Mr. Cassidy: There was one member of the review committee and he was there to try to prevent some of the worst things from happening. If you put one trade unionist with eleven people on the main review committee and you have 200 people from the private sector, you end up with the introduction that we see.

The first substantive recommendation in this report deals with the question of universality. It says that as far as the Task Force is concerned it found universality everywhere it looked and it is determined to stamp that out. It intends to take away universality. We debated the principle of universality in 1984 and 1985. Those debates took place because ordinary Canadians were very concerned about the fact that the Government was backing away from universal programs that were essential to the average Canadian family. The Prime Minister (Mr. Mulroney) stood in his place to say that universality was a sacred trust. The sacred trust means, obviously, it was to be defended for at least 12 months before the program review came in. Now we have this new attack on universality which appears will mark this Government up until the next election.

● (1130)

We are told that study team after study team focused on universal subsidy programs and then built a case to abolish them. I am not sure whether or not what is in this report is Government policy. We are told it is not. But yesterday I received a phone call from the Public Service Staff Relations Board and was told that 15 workers in one particular section had been given pink slips and were told they were being fired because of the Nielsen Task Force. The task force report is not Government policy until the Government decides to make a move, and it would appear it does not particularly want to have a process of public review over a series of recommendations which, to put it mildly, vary a great deal in terms of quality.

The documents point to the lack of control over tax expenditures as a major weakness in Government financial accountability. I welcome that admission. The documents confirm the estimates of the Auditor General of between $30 billion to $50 billion in tax expenditure taking place every year, and that this is an area of Government expenditure which is essentially not under control. Neither the Liberals nor the Progressive Conservatives have shown themselves to be accountable in this particular area.

My hopes with the introduction of the document were that perhaps the review would deal substantively with the question of tax expenditures. My hopes have been dashed, however, as I look at what has been done in terms of tax expenditures to business. When we get down to the specific recommendations, we find that the task force has copped out when it comes to dealing with major tax expenditures to business and to the wealthy. The largest tax expenditure that I can see in this particular document is the accelerated depreciation which is given to business. In spite of all of the resources of the task force, it was unable to come up with an estimate of the value of that particular tax expenditure more recent than 1981. If that tax expenditure was worth about $3 billion in 1981, one has to assume that in 1986-87 it will be worth between $5 billion and $6 billion. How does the task force deal with that major expenditure? Did it really go into it in order to see whether it was justified or whether there were better ways of spending the public funds of the taxpayers? No, it did not. It stated that while it was most difficult for the Department of Finance to evaluate, its impression, based on discussions with the Department of Finance, is that it believes that the objectives of the system of tax expenditures for accelerated depreciation are reasonably satisfied.

Mr. Rodriguez: Spoken like a bunch of corporate giants.

Mr. Cassidy: That is right, Mr. Speaker. What it did when it assessed various programs of tax expenditures to the corporate sector was to adopt the principle of revenue neutrality. Even if it thought that in certain cases some reductions in tax expenditures should be made, rather than saying, "Let us ensure that the money goes into the hands of the taxpayers and is used for other purposes", it said, "But if we take those tax expenditures away, we should reduce the over-all tax rate so business in general is not left to be suffering at all".

That is particularly objectionable, given the statistics which indicate that the corporate sector in Canada now takes more from Government in terms of grants and tax expenditures than it pays in corporation taxes. In 1983—which are the latest figures we were able to get, lacking the ample resources available to the Nielsen Task Force—corporations paid about $7 billion in taxes and received $12 billion in tax subsidies and grants. That is a far cry from the ordinary family who were seeing their taxes go up by $1,300 per annum as a consequence of the tax measures of the Government, and the taxpayers know damn well they are paying a lot more than they are receiving from the Government.

There is something wrong with a task force which spends as much time in minuscule considerations of cuts in the patent office, recommendations which have already been demonstrated to be unworkable, to be based on faulty information and to be totally unsustainable and justifiable, as it does on a program which now costs $5 billion or $6 billion in terms of tax expenditures through the process of accelerated depreciation.

I want to suggest that even a cursory glance at these documents suggest that they are widely varying in quality and in terms of the degree to which the very study teams accepted what they were told by the Government, the degree to which they accepted the line they received from the Government. The quality is enormously variable; the prejudices, however, are consistent. Those prejudices, I want to reiterate.

[*Translation*]

Those prejudices come from St. James Street, from Bay Street and from Wall Street in New York. It means that instead of a study of Government spending that focuses on the interests of the average Canadian family, of the people on Main Street, Canada, we have a study containing 21 papers, all of which reflect this Government's bias towards the corporate sector, the big companies and the rich in our society who ignore the needs of the average family and small business people in this country.

[*English*]

I would like to give an example of the prejudices found in this particular report. Universality is the first target. If we accept the task force, I suspect there will be no more universal programs. The task force recommends the elimination of most non-profit and co-operative housing programs. It recommends that employable people now receiving welfare be moved over to unemployment insurance, apparently to save tax dollars. And when the unemployment insurance benefits run out I suppose they will have to take their tin cup to Sparks Street or to Bay Street and hope that they can survive on that. The task force proposes that the Government withdraw from native health services. In the area of regional development it proposes to eliminate the subsidies for marine transportation even where that is vital to keeping our country together. It proposes that subsidies in grain movement will go to farmers, not the railways, something which was fought bitterly in this House over the course of the two or three years before 1984. Despite the promises made during the election campaign by the Progressive Conservative Party, the task force recommends an end to all farm fuel tax rebates. It is recommending that one of the important programs for the maintenance of cash flow for farmers, the Prairie Grain Advance Payments program, be cancelled. It is proposing to eliminate all socio-economic considerations for the fisheries as well as the federal role in habitat protection in western Canada. It is proposing to reduce expenditures in person years in fisheries by 20 per cent in two years. It is proposing what is said to be aggressive cost recovery on coastguards, harbours and so on, which I suspect would lead to our coasts becoming depopulated because no one would be able to afford to use the harbours.

One would assume that perhaps the task force would recommend means of increasing employment, but one does not increase employment by terminating Katimavik, as the task force recommended, which has led now to the tragic events taking place outside of the Senate. The founder of Katimavik is now engaging in a hunger strike. The task force is proposing that training spending be cut to 95 per cent of 1985 levels. It suggests that future guaranteed training levels be eliminated, that critical trades skills training be cut in half, and that the basic adult literacy program be eliminated. These are just a few of the recommendations of the Nielsen Task Force. It is proposing that the Canada Council be made a flagship for grants and, as a consequence, that other programs of support for cultural activities be cut, and is proposing to freeze the capital budget of the CBC. It is considering the elimination of the National Film Board because "it is a threat to the private film sector in Canada". It proposes to cut women's programs to the levels of 1983-1984.

It is proposing to look at the whole system of exemptions on sales tax and to raise the sales tax on building materials, bicycles, non-prescription drugs, clothing and a number of other items. That is again a somewhat mindless approach.

[*Translation*]

—once more, I suggest that this list may be satisfactory to the people on Bay Street, on St. James Street and on Wall Street, but it will not satisfy the people on Main Street. It will certainly not satisfy the people on average incomes, the middle income families in Canada.

[*English*]

This is a shopping list for Bay Street at the expense of Main Street. In conclusion, I do welcome the fact that the Government intends to refer this matter to the various standing

committees. In those standing committees—and I see that my time has expired—we will not stand for a set of cuts which cut universality, something which hurts ordinary people and which is directed at average Canadians. It is about time that the privileges given to large corporations and to the rich and powerful are taken away, not the services to ordinary Canadians.

● (1140)

Some Hon. Members: Hear, hear!

* * *

INTERPARLIAMENTARY DELEGATION

FIRST REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Joe Reid (St. Catharines): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the first report of the Canadian NATO Parliamentary Association.

It was my privilege, again, to attend a meeting in Washington, D.C., of the Sub-committee on Out-of-Area Challenges to the Alliance of the Political Committee of the North Atlantic Assembly. As it appears in the report, the greatest of these challenges still continues to be southwest Asia, including the Middle East Basin.

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

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PETITIONS

PFAA—HAIL AND CROP INSURANCE—VULCAN COUNTY

Mr. Gordon Taylor (Bow River): Mr. Speaker, because the Alberta Hail and Crop Insurance and PFAA used the whole County of Vulcan, comprised of some 493,000 acres, the pay-out of the funds provided by the federal Government under the Prairie Crop Drought Assistance Program was among the lowest even though the crops were among the worst. Therefore, some 287 farmers, about 70 per cent of the farmers in the county, are petitioning Parliament and the Minister of Agriculture (Mr. Wise) to rearrange the boundaries and put divisions one, two and three, where the crops have been virtually nil for three years, into one designated area and thus make payment where the need is the greatest. In duty bound your petitioners will ever pray.

The Acting Speaker (Mr. Charest): Does the Hon. Member for Bow River (Mr. Taylor) assure the House that the petition is certified according to the new rules?

Mr. Taylor: Yes.

CRIMINAL CODE

MEASURE TO AMEND

Mr. Bob Hicks (Scarborough East) moved for lease to introduce Bill C-281, an Act to amend the Criminal Code (capital punishment).

The Acting Speaker (Mr. Charest): Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Hicks: Mr. Speaker, the purpose of this Bill is to allow a judge when passing sentence on a person who has been convicted of first degree murder the option of sentencing that person to either life imprisonment or to death. The intent here is to place in the hands of each judge an option that he or she may exercise after hearing the individual evidence and taking into account any recommendations from the jury.

In addition, in the case where the death sentence is imposed, death shall be by means of an intravenous injection of sodium thiopentol.

Motion agreed to, Bill read the first time and order to be printed.

* * *

TASK FORCE ON PROGRAM REVIEW

REFERENCE OF STUDY TEAM REPORTS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties with respect to the reference of the various reports which have been tabled by the Deputy Prime Minister (Mr. Nielsen) earlier this day. I think Your Honour will find a disposition to accept by unanimous consent and without debate the following order:

That, notwithstanding any Standing or Special Order of this House, the Reports of the Study Teams of the Task Force on Program Review, laid upon the Table earlier this day, be referred to the several Standing Committees as follows:

Since the list is rather long and there is a detailed allocation of the reports to the committees, if it is agreeable to the House, Mr. Speaker, I would ask that the list be printed in *Hansard* as if it had been read.

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

Some Hon. Members: Agreed.

Motion agreed to.

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

To the Standing Committee on Aboriginal Affairs and Northern Development

Report on Indians and Natives

To the Standing Committee on Agriculture

Report on Agriculture

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To the Standing Committee on Veterans Affairs
Report on Veterans' Programs

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the following questions will be answered today: Nos. 510 and 511.

[*Text*]

INCOME TAX OWED BY CORPORATIONS

Question No. 510—**Mr. de Jong:**

1. In (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 (*e*) 1984, how many corporations currently active in Canada have failed to remit taxes owing and in what amounts?

2. For the 1985 taxation year, what is the estimated amount of taxes that will be owed?

3. (*a*) How many corporations, no longer active in Canada, still owe taxes to the Government and in what amounts (*b*) how many are (i) foreign (ii) American owned?

4. What is the breakdown of the taxes owed by corporate size and size of debt?

5. (*a*) How many corporations have been deferring taxes for the years referred to in Part 1 and what is the breakdown by (i) amounts deferred (ii) corporate size (*b*) what is the current amount of deferred taxes?

6. How long a period have taxes been owed by corporations?

7. For the same years, what was the amount of taxes in dispute?

Order Paper Questions

Hon. Elmer M. MacKay (Minister of National Revenue): 1. The Department does not maintain a listing of corporations currently active in Canada. We are able to provide the following statistics with respect to corporations that owed income tax as at the fiscal year ends in question.

Year ending March 31	Number	Dollars Outstanding (000,000,)
1981	51,578	$ 623
1982	95,781	870
1983	88,197	937
1984	81,457	1,055
1985	87,713	1,243

2. The Department estimates that as at March 31, 1986 corporation taxes outstanding will be $1.2 billion.

3. This information is not captured by the Department.

4. The statistical information obtained for collection purposes does not link size of debt and corporate size. We provide the following breakdown of taxes owed by corporations as at March 31, 1985.

Dollar Range	Number	Dollars Outstanding (000,000,)
Current		
Debt—All ranges	58,025	$ 277
Overdue		
Debt– Under $5,000	18,824	34
$5,000–$50,000	9,449	138
Over $50,000	1,415	794
Total	87,713	$1,243

5. Information concerning deferred income taxes is not assembled since it is not useful for the management of the collections function.

6. The Department's aging of accounts receivable classifies old accounts in an "over two years" category. A particular account could involve reassessments to several taxation years. Accordingly, extensive analysis of individual accounts would be required to produce the requested information. It was agreed that the response in 1. above provides sufficient information.

7. The following reflects the dollar value of the accounts outstanding on which appeals had been filed, as at the respective fiscal year ends.

Year Ending March 31	Dollars Outstanding (000,000,)
1981	$350
1982	364
1983	302
1984	488
1985	565

Canadian Arsenals Limited

TAXES OWED BY INDIVIDUALS

Question No. 511—**Mr. de Jong:**

In (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 (*e*) 1984, what was the amount of tax owed by individual tax filers and what is the breakdown by income groups?

Hon. Elmer M. MacKay (Minister of National Revenue): Statistical information concerning taxes outstanding on the basis of income groupings is not captured by the Department. The following information is provided on the amounts owed by individuals for the years requested.

Year ending March 31	Numbers	Dollars Outstanding (000,000,)
1981	793,836	$1,015
1982	808,772	1,225
1983	799,547	1,372
1984	876,329	1,680
1985	862,947	1,701

[*English*]

Mr. Gass: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Charest): The question as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): I wish to inform the House that because of the ministerial statement Government Orders will be extended by 35 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Monday, March 10, consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, it is my privilege to speak to Bill C-87, which is entitled "an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof". The long and short of this particular Bill is that the Government is asking the House of Commons to authorize it to sell a Crown corporation, Canadians Arsenals Limited, and to place that company into private hands.

Taken within the context of the way the Government is behaving with respect to all social, cultural and trade policies, this is one more piece of evidence which convinces us that the Government is again being irresponsible and amoral—in fact, in this case it convinces us that this is an immoral Government. We are told that the purchaser is the SNC group of Montreal, Quebec, which has operations in that province. I hasten to say that I have absolutely nothing of a negative nature to say about SNC. This is not a question of whether or not we are concerned and in favour of this particular company buying Canadian Arsenals Limited over and above some other company. Indeed, I was pleased to read in the release made by the Minister of Supply and Services (Mr. McInnes) that 500 of the 4,000 employees of that company own the plant and the corporation. In that sense it is an enlightened company, if that number of employees are shareholders in it. I hope no one will regard my comments with respect to what the Government is doing in selling this corporation off as being in any way aimed at SNC.

My Liberal colleagues have expressed in their speeches so far in the House—and I trust they will in the future—their objections to the sale and a number of technical factors involved with it. For example, they are concerned about the sale price. We are told that the report commissioned on behalf of the Government by Arthur Andersen states that the value of the company is between $80 million and $98 million. Some of my colleagues have been asking whether or not this sale price of $92 million is an adequate price. They point out that, after all, the assets were alleged to be worth $126 million in 1984. Apparently business is booming at Canadian Arsenals Limited. Its profit levels have gone up constantly year after year. My colleagues are wondering if this sale price is a good one or if this is another fire sale like de Havilland. They also say that they cannot really know. We in Parliament are being asked, as in the case of de Havilland, to give our support to something without having the facts at hand.

● (1150)

A Government that came to office claiming that it was going to enforce freedom of information is apparently unwilling to disclose to these representatives of the Canadian people in the House of Commons the figures and the report from Arthur Anderson. Apparently we are asked to simply proceed on faith, as we were asked to do so in the $1 billion giveaway to the banks and in the de Havilland case.

Of course, the Government realized later on that people of Canada really do not approve of these hidden, secretive methods of selling off things that belong to the Canadian people, or giving away money without giving the Canadian people and opportunity to have access to it. One would think that the Government would have learned. It has had to back off time after time and finally give in and give to the people of Canada the information they have demanded. That was true with the banks, and especially true with de Havilland. There are objections from my colleagues that they are not in a position to be able to make a competent judgment on behalf of their con-

stituents and the Canadian people with regard to the value of this particular sale.

Some of my colleagues have pointed out that there is also a problem in that this may create a monopoly situation. They feel that the Government is providing a company an opportunity to have monopoly access to the Canadian Government for the selling of ammunition. They feel that this sale to the Canadian Government could then be boosted to whatever price the company might wish. There is no clear explanation as to how this might be avoided if this company is put into the hands of a private-sector firm.

As well, some of my colleagues are concerned about the fact that the Public Service Alliance, despite all the claims of the Tories that they are going to consult, has not been consulted. The Tories have again made a mockery of this statement in presenting the Nielsen report. They say they consult the Canadian people when they in fact act first and consult afterward.

My colleagues point out that the Public Service Alliance indicates that the workers at Canadian Arsenals Limited were not consulted. Despite the comments of the NDP indicating that there was no concern given by the Government to the pensions of the workers at Canadian Arsenals Limited, I was glad to see that the Minister of Supply and Services (Mr. McInnes) had indeed taken some steps to protect the interests of the workers at least by way of pensions, and I commend him for that effort.

While there has been Government secrecy, a lack of consultation and the fact that once again the Government is selling out a profitable Crown corporation which belongs to the taxpayers at fire sale prices, I have other reservations about this particular sale. I have additional objections to this sale on the grounds that all this in any case fits into a most regrettable over-all Tory approach, which is that the only way to measure what we do is to get money for it. Making money and saving money are the considerations of the Government first, second and last. The consequence of this kind of approach to governing is to destroy life, to destroy the quality of life or to destroy our environment for the sake of a fast buck. I suggest that this Government's over-all approach to young people, senior citizens and those groups that are aggrieved, including the poor, is that it cares about statistics, not people. It cares about statistics instead of people.

In selling off the ammunition company to the private sector, the Government is encouraging this company to compete for contracts abroad. That is my indictment of this deal. This company will be put into the private sector and there is nothing to keep us from seeing this organization fall into the hands of some organization other than SNC, an organization that will sell ammunition for profit. In fact, the Government admits this and boasts about it. The Government points out that this new consortium will be better able to compete in the international markets. After all, SNC only makes small ammunition but will now be able to get into the business of large ammunition and in fact create a much larger complex which can compete more effectively on the international markets. That is a tragic confession on the part of the Government. Is that not just what we would expect of the Tories? They do not mind Canada being a merchant of death if it will turn a buck.

This is the case not only for this one sale. On the contrary, this fits into the Conservatives' total philosophy. The Minister of Supply and Services was selling off for a fast buck a Canadian Crown corporation to a non-Canadian company. We saw this approach in the case of de Havilland. But the most shocking and callous example of all was the recent announcement by the Minister of Regional Industrial Expansion (Mr. Stevens) that he would solve the economic problems of Cape Breton by bringing to Cape Breton an ammunitions plant. Is that the way to solve the economic problems on a long-term basis? An ammunitions plant in Cape Breton will have to do whatever it can to turn a buck. Of course, if it is in Cape Breton, it is able to sell from Canada in a way that it cannot sell from its own country.

Which company was this that the Minister for Regional Industrial Expansion suggested would set up a plant in Cape Breton to help Cape Bretoners with their economic problems? It was suggested that the company that would come to Cape Breton to make machines of war would be the Thissen Company. Thissen is the name of the father, if you will, of the Nazi war machine. Thissen was the man who originally put Hitler into business and who financed his campaign and armed his bully thugs. Thissen was the man who set up the armaments machine of the Nazi Wehrmacht. That was Thissen. Imagine suggesting that a company with that name could come to Cape Breton to set up an armaments plant in order to be merchants of war and sell to whomever will buy. It is disgusting. It is a revolting thought. It is insensitive and it is criminal.

Is the way to solve the economic problems of Canadian people to make us merchants of war?

It is the Minister of Regional Industrial Expansion who suggested this solution to the problems of Cape Breton. I am concerned that this can be done without the blinking of an eye, without some concern on the part of the Government which did not deny this but is rather considering this as a way to solve our problems

• (1200)

Is it not true that for decades Canada has built its reputation upon being a country of peace? Is it not true that we have indicated repeatedly that we would not be merchants of war or merchants of death? Is it not true that Canada has indicated that it would not sell armaments throughout the world to countries which use them to destroy one another, to kill one another? Is it not true that we do not want to be contributors to more bloodshed in the Middle East, Africa and Asia?

Canada is not in the business of selling armaments in order to make our living in the world. We can find better and more constructive ways, by setting up companies which deal in the fields of environmental, medical, biochemical, and biomedical research. We have enough brains in Canada to concentrate on things that build rather than on things that destroy.

I have a concern about the sale of Canadian Arsenals Limited. It is one small, miniscule part of a total approach in a program which is insensitive about matters of war and peace, and about how Canada images itself in the world. Canada plays its role to bring about peace in a world weary of war, where millions of people are starving, suffering and dying. Do we need to become involved in the munitions business and send out weapons for people to kill one another? Is that what Canada is to become? I do not care which administration would do it or did it. I do not care what Party label is on it. I am saying that it is not good now. We should not approve of this kind of approach to solving our economic problems. It is better that the company remain in the hands of the Government and not become part of an arsenal of machinery or of an industrial military complex.

When Dwight D. Eisenhower became President of the United States, he confessed that he was concerned that the United States was doomed and had been sold out to the industrial military complex which was calling the shots for him in the White House. He expressed dismay and concern. We do not want to build our economy on any kind of industrial military complex. Perhaps the Tories emulate and look with great satisfaction at how the United States has built up a $2.5 trillion deficit, mainly on defence, mainly on the largest machinery of war ever created in the history of the human race. That is what the Americans base their budget on, going to defence, as they call it. Is that how we will build up the Canadian economy? Are we envious of the Americans? Do we want to get into the business with them? Are we so hungry for profits that that is the direction in which we have to turn? I do not think a single Canadian would say yes to that.

The people of Prince Edward Island are concerned that Litton Systems might come there; that is becoming a problem in that province. Canadians do not feel that they want to make money from the blood on the faces of other men. That has been a Canadian sense of pride throughout our history. We have only gone to war to destroy oppression. We have not fed the machines of war and we have not profited from it. I am sure that those whose sons died in the last war to put down Hitler will not appreciate the fact that we are considering bringing Thissen into Canada to sell munitions and to profit. That company was founded by the men who backed and put Hitler into power.

Canada should be perceived as a messenger of peace. Therefore I believe that we should reconsider all steps, not only the one which we are considering now, which is a little one in the over-all issue. I plead with the Conservative Government to re-examine its priorities. Above all it should give support to the Secretary of State for External Affairs (Mr. Clark). If he is to go throughout the world saying that Canada stands for peace, we should not be making Canada appear to be a merchant of war.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words on Bill C-87, an Act to sell Canadian Arsenals Limited to the private sector. Some people may ask the following questions. What is Canadian Arsenals Limited, how important is it, and why should it not be sold to the private sector? We have heard a few speeches in the House outlining the whole theory of why we should be selling arms at all, and why we should be privatizing a somewhat important Canadian Crown corporation which will now probably go out to peddle arms around the world. I find that to be morally repugnant. It is the main reason I oppose the sale of the particular Crown corporation to the private sector.

The reason the Government is selling this particular Crown corporation is nothing short of its dogmatic commitment to the ideology of privatization.

Mrs. McDougall: Oh, oh!

Mr. Nystrom: The Minister of State for Finance (Mrs. McDougall) can rise to contradict those comments with good arguments. I invite her to do so. Canadian Arsenals is a very profitable Crown corporation. It has a lot of money. It has a lot of guaranteed contracts. From a business point of view, it is a sound business corporation which has made a lot of dough. Why get rid of it? Why not keep the corporation and use its profits to reduce the deficit? It does not make any sense whatsoever to sell it.

Canadian Arsenals Limited was founded back in 1945. It is owned 100 per cent by the people of the country through the federal Government of Canada. It manufactures medium and large calibre ammunition. Its main customer for 90 per cent of its production is the Department of National Defence. The Government is selling a Crown corporation which sells 90 per cent of its products to the Government itself. I ask whether that makes any sense. It is an industry which is located entirely in the Province of Quebec. It has two plants. One is located in St. Augustin just outside Quebec City. The second is in Le Gardeur just outside Montreal. As I said, the company has been very profitable. Ninety per cent of its production is sold to the federal Government of Canada and 10 per cent of its production is exported. It has many contracts. However, the Government of Canada wants to sell it. I really wonder why, other than its dogmatic commitment to the ideology of privatization. We can see what that has done for Margaret Thatcher in Britain.

The employees of the company are organized by the Public Service Alliance of Canada. It is my understanding that the union was not consulted on the sale at all. Its workers are concerned about their pension benefits. There is no guarantee about jobs or job security. Suddenly the Minister announced that the company would be sold, and that was it.

I should like to refer to a press release issued on December 2, 1985 by the President of the Treasury Board (Mr. de Cotret) who is also in charge of the privatization task force. He said: "Currently the government of Canada purchases 90 per cent of Canadian Arsenals Limited's production. This Crown corporation, CAL, has been impeded in exploring opportunities to diversify". The Minister is saying that because it is a Crown corporation it has not had the chance to diversify as it might be able to do in the private sector. He went on to say: "The Government is confident that once the company is

privatized, CAL will produce additional markets in product diversification. Indeed, through this sale, the Canadian ammunition industry should become internationally competitive, making possible increased sales to our NATO partners".

One of the purposes of the sale is to try to make Canadian Arsenals Limited a merchant of war peddling arms around the world. I ask Conservative Members of Parliament whether or not this is really what they want. Here we have a Cabinet Minister saying that if we sell this company it will pursue additional markets around the world. It will diversify its products, selling to God knows whom, Mr. Speaker, in different parts of the world. I say to you, Sir, that this country has had a very proud record of not being a merchant of war and it has had a very proud record of not creating jobs through producing bombs, rifles and ammunition. That has been neither our history nor our tradition. Going back 50 or 60 years, it was not our tradition. It was not our tradition in the Pearson years, the Diefenbaker years, the Trudeau years or in the Clark era.

• (1210)

Why do we have this change in policy? Why is the new Prime Minister (Mr. Mulroney) privatizing a very profitable company? One of the major purposes being to diversify and pursue international markets so as to peddle guns. That is not good enough. I wish for once that some of the backbench Conservative Members of Parliament would get up and say what they feel and think, and say no to the Prime Minister who is trying to change Canadian foreign policy in this very important way. Why is he doing it?

SNC Defence Products of Montreal is a private company that produces ammunition. Is the Government selling CAL to SNC in Montreal because that company contributes money to the Conservative Party for electoral purposes?

Mr. Thacker: That is silly.

Mr. Nystrom: There we have a Member of Parliament from Alberta saying silly. I just happen to have here a copy of an article from *The Toronto Sun*. If the Member thinks this is foolish, he should get up and respond in a few minutes time. *The Toronto Sun* for Dec. 4, 1985 writes that SNC contributed $1,000 directly into the campaign funds of the Minister of Industry in his fight for re-election in his Toronto area riding in 1984. So we have a $1,000 contribution to the Minister's campaign fund.

Further, *La Presse* reports on February 19, 1986 that SNC contributed in excess of $10,000 to the Tory campaign in 1984. I ask my friend from Alberta whether it is silly to wonder why the sale of this private Crown corporation is going to SNC when it contributes money to the Tory campaign caucus. Here we have a private manufacturer of ammunition contributing to the Conservative Party. That same Conservative Party is privatizing Canadian Arsenals and selling it to SNC. Is there a bit of hanky-panky going on behind the scenes and that is why the Government is privatizing this company? I wonder.

SNC has sold ammunition to the rebels in Nicaragua in the past. If it did that in the past, and if we in this House allow the privatization of Canadian Arsenals, then there is nothing to say that that company will not sell more ammunition to the rebels in Nicaragua who are trying to unseat the Sandanista Government. It is against the foreign policy of this country, as stated many times by the Minister for External Relations (Mrs. Vézina), to export arms of any sort to a trouble spot like that in the world.

Are we in this House being complicit in escalating a war in Nicaragua because we are selling Canadian Arsenals to the private sector? That is one question I would like to have answered by Conservative Members. I do know that there are some progressive Members in the Conservative Party who are concerned about President Reagan's push to fund the anti-Sandanista contras in Nicaragua with $100 million for arms and military equipment and who are concerned about the possibility of another Vietnam in Central America. Yet here we have a Canadian Conservative Government selling Canadian Arsenals Limited to a private firm that has sold ammunition to the rebels in Nicaragua. I think that is a very important moral question that Conservative Members of Parliament had better answer before we allow this Bill to become law.

I also mentioned that CAL has been very profitable in the last few years. It has made millions of dollars. Its projected sales and profits for the next few years will be about 20 per cent per year. I ask again, why sell a company that is so profitable? Why sell a company that does 90 per cent of its business with the Canadian Government? Why privatize a company of that sort, Mr. Speaker? It is one of Canada's most successful Canadian Crown corporations. I thought it was good business to keep things that are doing well. I thought the private enterprise philosophy said that if things are going well and you are making a profit, you keep it and reinvest the profits, but divest something that is not doing too well. So I ask why sell it?

[*Translation*]

Mr. Della Noce: Free enterprise.

Mr. Nystrom: The Hon. Member from Montreal says: it is free enterprise. But free enterprise for whom, Mr. Speaker? Is it free enterprise for war merchants?

[*English*]

Free enterprise for whom?

As I said before, 90 per cent of its market is guaranteed by the Department of National Defence. Why sell? Its sales are expected to double. It is Canada's third most profitable company, so why sell it unless you want to enhance the profits of some members of a private company that contributed to the Conservative Party? I see the Member from Camrose or Battle River. He is so excited that he is jumping to his feet. He is embarrassed by the sale of Canadian Arsenals. I will not go on too long because I know he wants to participate. He, being a red Tory, is embarrassed—

Some Hon. Members: Oh, oh!

Mr. Nystrom: —by this kind of blatant privatization to thicken the pocketbooks of contributors of the Conservative Party in the City of Montreal. I know that the successor to Jack Horner in this House must be repulsed by that very idea.

Mr. Robinson: Stand up and be counted, Arnold.

Mr. Nystrom: If the Member did not have a Prime Minister who would keep a tight reign on him he would be up in this House making a very eloquent plea that we should not be going ahead with this deal, in the tradition of John Diefenbaker who would never have done this kind of thing. John Diefenbaker would never have sold Canadian Arsenals to a company selling ammunition to Nicaragua and the rebels, escalating a war in a far-away land. I know that a red Tory like the Member from Central Alberta is very unhappy about this type of deal. I wish he would use his seniority and his muscle to teach the Prime Minister a few facts of Canadian life and tell him of some of the important things surrounding the history of our country and what it has stood for over the years.

I appeal to Members of the Conservative Party to not let the country become a merchant of death or a merchant of war. If this company is privatized and sold to SNC in the Province of Quebec, as the President of the Treasury Board said, the company will then pursue additional markets, diversify its products and sell internationally. But what is this company going to sell? Ammunition and guns. It is not selling food products or machinery and technology to the Third World countries to help them become self sufficient. The company is selling guns, just like President Reagan in the United States who is trying to sell guns to the rebels in Nicaragua. Thank goodness that members of the Congress and members of the Senate in the United States are saying no to Ronald Reagan.

An Hon. Member: That is dirty.

Mr. Nystrom: A Member of the Conservative Party says that is dirty. Of course, it is dirty work that Ronald Reagan is trying to do in Nicaragua. I agree. But the American Congress and the Senate will not let Ronald Reagan get away with it. Let us not do by the back door some of the President's dirty work in Canada by selling this Crown corporation to the private sector that will produce arms for Central America. It is a question of morality. It is something we should not be doing as a country.

It is also a question of good economic sense. Why sell a very profitable Crown corporation to the private sector? Why sell to the private sector a corporation which is doing very well? Please get up and respond to that. If something works well, the Conservative Party wants to get rid of it and load more and more debt on the shoulders of the people of Canada. If something is not going very well, they do not seem to have any response whatsoever. This is the same Conservative Party that puts tax after tax after tax on the farmers in my constituency. The same Conservative Party that in the Budget of a week or so ago got rid of the investment tax credit for farmers. That means a tax increase of $50 million a year for Saskatchewan farmer, and some $150 million a year for all farmers, including those in Ontario who produce tobacco. If you increase the tax load of farmers by 50 per cent you are putting a lot of them out of business. At the same time they will line the pockets of their wealthy friends in Quebec, Ontario and elsewhere by selling them a very successful Canadian Crown corporation with a guaranteed 20 per cent return per year, and increased sales each and every year. It makes no sense whatsoever.

• (1220)

All we hear from this Government is taxes, taxes, taxes. Since the Conservatives took power in September, 1984, the average family in my riding has seen its federal taxes go up by $1,304 a year. The sales tax went up by 1 per cent in the last Budget, 1 per cent in the previous Budget, and 1 per cent in the financial statement of November, 1984. There was a 3 per cent increase in income taxes as well. The ordinary people in this country get taxes, taxes, taxes. The wealthy people of this country get all kinds of tax breaks so they can line their pockets with extra money.

This is very important legislation. I wish Conservative Members of Parliament would get up on their feet and talk about it. It is the kind of legislation that previous Conservative Prime Ministers would never have thought of introducing. There is no way the Right Hon. Member for Yellowhead (Mr. Clark), if he were still Leader of the Conservative Party, would introduce legislation to privatize one of the most successful Crown corporations in this country, particularly when, once it is privatized, it will become a merchant of death exporting weapons around the world. There is no way under the sun that the Right Hon. Member would ever do that. There is no way that John Diefenbaker would have done that.

What we have now is a new Republican Party. Sort of the Republican Party North. What Ronald Reagan says in Washington, Brian Mulroney will do in Ottawa. This Bill is testimony to that fact. I know that a lot of Members of the Conservative Party are very upset about it. That is why we see a nosedive in the polls like we have never seen before for any Government in the history of Canada. Never before have we seen a party fall, over about eight or nine months, from 60 per cent to 36 per cent. It is a free fall.

[*Translation*]

It is a free fall, Mr. Speaker.

[*English*]

We have never seen that in the history of Canada, federally or provincially. We have never, never seen a party fall so quickly from public favour. With this kind of legislation that free fall is probably only half finished. Come the next election campaign there will be very few Members of the conservative Party left when Canadians mark their ballots.

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

[*Translation*]

Questions and comments. The Hon. Member for Lac-Saint-Jean (Mr. Côté).

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, about the question asked by Hon. Member for Yorkton-Melville (Mr. Nystrom): Why sell Canadian Arsenals . . . Why in his brilliant speech that lasted nearly twenty minutes, did we get all this rhetoric about the sale of Canadian Arsenals? For twenty minutes he trotted out all kinds of frightening, ridiculous and idiotic scenarios, something at which the Socialists are experts. Why, after 40 years, sell a company the Canadian Government no longer needs?

Forty years ago, in 1945, the situation was different. Munitions for defence had to be purchased on the market. Now, 40 years later, the situation has changed.

The Canadian Government is role is to administer the affairs of Canadians and not to operate commercial enterprises. We are not a capitalist institution but a Government institution that administers the business of this country.

The Hon. Member said earlier that the present Government of Ontario also consists of both Socialists and Liberals, who recently sold the Inter Urban Transport Company, also a profitable enterprise, to Lavalin.

However, ten years ago in Toronto they had a problem. The city of Toronto needed interurban transportation equipment. In ten years they developed a technology and built up profitable enterprise that today can be used not just by the city of Toronto but by all of Canada and perhaps all of North America.

Now that is what sensible Governments try to do, while the Socialists, supported by the Liberals, continue to spout their rhetoric and try to interfere, whenever a Government makes a sensible decision. Yes, it is a sensible decision to sell Canadian Arsenals to the private sector because it will help to diversify and create more companies. The raison d'être of any enterprise should be, first of all, to make a profit, and to make a profit, one must increase sales, produce more, diversify and be competitive.

That is what private enterprise will do with Canadian Arsenals Limited. It will certainly not use it to produce food.

Mr. Speaker, I am amazed anyone would have Canadians believe that the company that purchased Canadian Arsenals Limited will peddle munitions and arms, emphasizing the situation in Nicaragua and elsewhere.

Mr. Speaker, I ask the Hon. Member for Yorkton-Melville why he rose in the House to play the demagogue on such an important Bill, unless he is doing it for the sale of publicity. All he can think of at the present time is the opinion polls. I wonder if he has any other valid reasons, and whether these include the interests of middle-income Canadians or, as he keeps saying: "Ordinary Canadians, ordinary Canadians".

Mr. Speaker, for the Conservative Party there is only one kind of Canadian, the real Canadians. As I said the other day, the "extraordinary Canadians" are on the other side of the House. They are the socialists. There are not many of them, and there are very few Canadians in this country who listen to what they have to say.

Mr. Nystrom: Mr. Speaker, the Hon. Member from Quebec asked me a question: Why sell the company—

An Hon. Member: Why this demagocic approach to the sale?

Mr. Nystrom: —why sell the company to the private sector, Mr. Speaker?

First of all, the company has been quite profitable and made a lot of money in this country, and that is why I want to keep it for the people of Canada and for the Government of Canada. That is one good reason for us to keep the company.

Second, Mr. Speaker, the Conservative Party is now in the process of changing a Conservative tradition and a Canadian tradition. Up until now, Mr. Speaker, the Conservative Party and the Government of Canada under any Prime Minister—Pearson, Trudeau, Diefenbaker or Clark—have followed the same policy and, traditionally, making munitions has never been geared to profits. It is a very important principle and the present Government is about to change it. Until now we have decided to keep the industry in the public sector because it happens to be a sector where profits are not required, Mr. Speaker, and it has been a Progressive Conservative Party's tradition.

Third, Mr. Speaker, is the significance of public enterprise. The Hon. Member said we are socialists, that we want everything to be state-controlled, and so forth. Well, Mr. Speaker, let us not forget that the Progressive Conservative Party has always been a staunch defender of public enterprise. I vividly recall the policy of John Diefenbaker, and before him came Sir John Macdonald. The Progressive Conservative Party has always been a strong advocate of public enterprise, a time-honoured legagy, Mr. Speaker.

• (1230)

It was the Progressive Conservative Party that set up Radio-Canada, the CBC, not the Liberal Party. It was also the Progressive Conservative Party that established the Canadian Wheat Board, which is another major public enterprise in this country. We owe it to the Progressive Conservative Party. It was also the Progressive Conservative Party that created the Canadian National Railways, Mr. Speaker, not the Liberal Party.

The great Conservative tradition concerning public enterprise exists as well at the provincial level. Two Alberta Conservative Members sit in front of me, and they know that Mr. Lougheed nationalized a number of companies in their province. I remember very well the case of PWA, Mr. Lougheed's airline. He nationalized it, along with many other Alberta companies. The Conservative tradition in Alberta is to have a lot of state-controlled enterprises. Perhaps Mr. Lougheed is a Red Tory, but still it is a major Conservative tradition.

It was the same thing under Mr. Davis in Ontario. It was Mr. Davis and his Progressive Conservative Party who nationalized Suncor, a major oil company. I would suggest that the neophyte Conservative Member from Quebec has no understanding at all of his Party's tradition and roots. The Party of the Prime Minister (Mr. Mulroney) is not at all the same as Mr. Diefenbaker's Party, Mr. Speaker. This Party has changed its views and policies, it is not the same political Party. As I said in English, we now have the Republican Party of the North. It is a Party like Mr. Reagan's Republican Party, or a Conservative Party like Mrs. Tatcher's Conservative Party in England. It is not the same political Party.

That explains the current drastic drop in the popularity of the Progressive Conservative Party throughout Canada. It is the Party of corporate power, the Party of wealthy people, not the Party of ordinary Canadian men and women.

The Acting Speaker (Mr. Charest): The Hon. Member for Lac-Saint-Jean (Mr. Côté) on a very short supplementary.

Mr. Côté (Lac-Saint-Jean): Yes, very short. Mr. Speaker, you do not have to be a genius to realize that, when the situation calls for it because the private sector is unable to provide the services required by the Canadian public, the state must take over. Naturally, we were completely in agreement when the Canadian Government created the Canadian National Railways, Air Canada, the CBC or the Canadian Wheat Board, which you mentioned, and when the CBC established in our own region of Saguenay-Lac-Saint-Jean the first French-speaking radio station outside major centres. But the situation has changed. In the small region that we represent, there are now nine radio stations. Since the private sector can replace public corporations and do the job better and more economically, a responsible Government like the Conservative Government must accept to transfer to the private sector not only the lame ducks among the Crown corporations, but also the profitable ones to make them even more profitable and beneficial for Canadians and for the Government, because a corporation which is sold when it is on the brink of bankruptcy will not be profitable for anyone, but if it increases the number of jobs it offers and its revenue, it will benefit all Canadians, and not only extraordinary Canadians.

The Acting Speaker (Mr. Charest): Very, very quickly.

Mr. Nystrom: Yes, Mr. Speaker. The Hon. Member says that the Conservative Party established the CBC, the Canadian Wheat Board, Air Canada and so on because it was important at the time to create such corporations—

Mr. Côté (Lac-Saint-Jean): It was the Government.

Mr. Nystrom: Yes, the Government established these corporations. However, Mr. Speaker, I think that the same is true for Canadian Arsenals Limited. It is also an important corporation as it deals in defence production, such as guns and ammunition. This is very important and it is important to keep this here in Canada. We traditionally have in this country a policy—

[*English*]

We have a tradition in this country when it comes to production of arms and the sale of arms that we have is done by a public corporation. We do not export arms to other countries around the world. It is a long-standing Conservative tradition, a long-standing tradition of our Party and the Liberal Party. It is a standing tradition that was talked about many, many times by former Conservative Prime Ministers. Yet we have a Government today that wants to change that and become more and more like Ronald Reagan and the Republican Party by privatizing this very important munitions company; privatize it and sell it to a company that has already sold arms to the rebels in Nicaragua. Do we want to become that kind of a merchant of war? I say no. I say the Conservative Party tradition has not stood for that. If the Member from Yellowhead was still leader of the Party he would not be doing this. Now we have a head of the Conservative Party that does not have these long-standing Conservative traditions and a real commitment to this country, like we had with John Diefenbaker and Joe Clark and so many other Conservative leaders.

The Acting Speaker (Mr. Charest): Order, order. Period of time for questions and comments has expired. The Hon. Member from Crowfoot on a point of order?

Mr. Malone: Mr. Speaker, I hesitated to interrupt the Hon. Member on what is obviously his maiden speech. Surely he has been around here long enough to know that the use of first names of Members of Parliament and leaders of parties is against parliamentary tradition. He has repeatedly done so. Any speech that tries to focus on what is a historical tradition when he cannot follow them ought to be a speech that is not listened to.

The Acting Speaker (Mr. Charest): Resuming debate.

[*Translation*]

Debate. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has the floor.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased to take part in this debate. As has been the case for most of the bills it has introduced so far, this Bill is an opportunity for the Government to hide facts and distort the truth. As most everybody must be aware by now, the purpose of Bill C-87 is to authorize the divestiture of Canadian Arsenals Ltd. This Crown corporation was set up in 1945. At the present time, it is providing 750 jobs at its Le Gardeur de Repentigny plant, in the Montreal area, and 50 jobs at its

Saint-Augustin plant, near Quebec City. Unfortunately, as usual, the two elected Members representing these areas are keeping quiet, and both are of the Progressive Conservative Party persuasion.

Why, as members of the Liberal Party, do we oppose this Bill?

It is not so much because we are altogether against the Government selling Crown corporations, but because we feel it is doing it the wrong way. First of all, this is a profitable operation. Why is the Government so eager to sell right now this profitable operation? Also, there has been no consultations between the Government and the employees. That is the second mistake the Government is making while trying to sell this corporation. Finally, a study of this corporation was carried out by Mr. Andersen. Unfortunately, the Government refuses to make public both the study and Mr. Andersen's report. Why is the Government refusing to make them public? What is it trying to hide? Also this matter is whose responsibility? That of the Minister of Supply and Services (Mr. McInnes). And everybody is aware that the Minister of Supply and Services was involved in the census-connected patronage and jiggery-pokery. How could the House trust that Minister when all Hon. Members were deceived by him; yet, this individual would like us to take his word for it without seeing the report?

Mr. Speaker, I suggest that no Canadian who is listening to us now could understand it if, as Members of the Official Opposition, we accepted this deal without seeing the report, while taking the word of this Minister who has misled the Canadian public before.

• (1240)

The company is not going bankrupt, as I indicated, and it has a $200 million backlog of orders. Why proceed in secret with that deal? As we know, this is not the first deal made since September 4 by this truth-hiding Tory Government. We experienced that in Montreal in the Gulf-Ultramar case, and we will refer to that later this afternoon. With respect to issues in east-end Montreal, we had lies and lies and lies. We could also refer to matters such as I indicated earlier concerning the survey. We could mention the Pratt & Whitney issue which Ministers came to announce, while withholding the truth concerning job creation outside of Montreal. We saw that in the Hyundai plant location, another lie to Quebecers. They hid the truth, all the time knowing the company headquarters would be located in Ontario and parts would be manufactured outside. But they let the people believe that everything would be located in Quebec.

Mr. Speaker, our Tory Members are naive. They are not accomplices, they are naive people. They had themselves manipulated by the Ministers and people in the Prime Minister's Office. Let them pass the Bill, if they have no conscience, but they would like us in Opposition to blindly accept that deal without having seen Mr. Andersen's report. In a conversation which my colleague who is critic for the Department for Supply and Services had, he was told by the Minister: "If you want to see his report, come to my office, I will show it to you." Why do it in secret? Why act that way? When one has nothing to hide, one opens up the books. When one is accused, one opens up the books still wider. Why does the Government . . . I would like a Tory Member in this House to tell me why his Government will not let out Mr. Andersen's report. Why will the Tory government, the Minister of Supply and Services not make that report available to Conservative Members?

Mr. Speaker, that deal does not involve a company manufacturing candy, or chocolate bars, or foodstuff. That company manufactures ammunition. This in my view calls for a very close scrutiny. What may happen to an ammunition company tht is sold to an individual or to a company, to a corporation? With all the conflicts raging throughout the world, as we know, those people have just one mandate and it is to make profits. If there are opportunities to sell arms and ammunition to foreign countries, those people will only see profits to be made. When the company was a Crown corporation, the government was using it to meet its own needs.

Mr. Speaker, Canada is not a warring nation. In Canada we speak of peace. Who will trust us if, when we speak of peace and extend our hand, we hide a knife behind our back? Who can trust a country, a Prime Minister acting in such a way? One of the reasons why I question that deal is that the Minister of Supply and Services, as we know now, will not disclose that famous report.

Once again, I want to ask the Conservative Members of this House: Why can't they see this report?

Mr. Speaker, you will recall that in the Saguenay-Lac-Saint-Jean area, there was a controversy about the F-18 tests and the shooring range, which clearly shows that the people of Quebec and the people of Canada are against war and violence. In this case, the Government's attitude to the sale of a Crown corporation, a major corporation involved in the manufacture of munitions, is about the same as if it were selling a chocolate factory.

Mr. Speaker, several Conservative Members protested earlier when the previous speaker, the Hon. Member from the New Democratic Party, mentioned the matter of contributing to the Tory campaign fund.

Mr. Speaker, this afternoon I will mention another case, namely what happened to Gulf in Montreal East in connection with the campaign fund, and the financing of certain companies and certain decisions that have been made since September 4.

Mr. Speaker, again I want to ask the Conservative Members in this House: Why sell off this company so quickly? It is a profitable enterprise. It is a company that manufactures muni-

tions. What guarantee do we have that this company will not sell munitions and arms to foreign countries that are presently engaged in armed conflict? What guarantee do we have that this company will strictly meet the needs of the Canadian Government? If we do have that guarantee, why sell the company, since it is a profitable concern? Is there any Conservative Member who can tell me why the Minister refuses to publish the report by Mr. Andersen who made a study of this enteeprise? Can any Conservative Member tell me whether this company has no more orders or is in difficulty and therefore needs the private sector? Why didn't the Government consider a joint venture, in order to monitor the company to a certain extent, considering the specific nature of this enterprise?

We saw what happened when the sale of de Havilland was negotiated. This time, however, we have a company that manufactures munitions, and that is a very important point.

I realize that Conservative Members, as great capitalists and defenders of the rich, are delighted to see one of their gang getting richer. But it should not be done at the expense of the people of Canada, and I repeat, this is a company that sells munitions, which is a very serious matter.

As I said before, the people in the Saguenay-Lac-Saint-Jean area are protesting. I have yet to hear a single Conservative Member in this House say he is against this transaction, I have yet to hear a single Conservative Member truly speak on behalf of his constituents.

Mr. Speaker, we have seen what the Government did in the Budget. We have seen what this Government has done about its spending, and the devious way in which it managed to get rid of its Minister of State (Youth) (Mrs. Champagne), by cutting the funds she was allocated to help our youth. We have seen, I repeat, the behaviour of the Minister of Supply and Services (Mr. McInnes) who is responsible for this transaction. The Minister wrote to all Liberal members guaranteeing there would be a single representative for the Census . . . He failed to keep his word, and today, you expect me to trust this person who deceived me personally, in writing, who deceived the entire Canadian population, and who is now saying: You can't see the Andersen Report, but trust me! Come to my office, I will show you . . . That is rank hypocrisy! It is rank hypocrisy to treat Canadians this way. It is about time that certain Conservative Members wake up and see the light. I repeat, I, for one, and we in the Liberal Party are not systematically opposed to the privatization of sale of Crown corporations, but we simply do not accept the way it is being done. We would like—and I suspect all Conservative Members wish they could have the same figures—to have all the information the Minister had to make a decision.

It was the same thing in the case of de Havilland and Pratt & Whitney when he made the announcement. How do you explain that the Hon. Member for Longueuil (Mr. Leblanc) had full access to the files while the other Members from the same region did not? Why this smokescreened and dishonest approach? Why are they always trying to hoodwink people?

When you look at poll results in Quebec, there has to be a reason why the gap between Conservatives and New Democrats has narrowed down to one percentage point. Stop wondering, you are responsible for your own downfall, what with all those mistakes and scandals. Much the same thing can be said about the letter which a Conservative Member from the Quebec City area sent to all local contractors to tell them their names would not appear on a list unless they had contributed to the 1984 election campaign chest and, second, played ball and joined the Brian Mulroney club. What a shame! It is a disgrace, and after the many recent incidents you expect the Official Opposition—and the Member for Lac-Saint-Jean (Mr. Côté) will surely ask the question—to adopt this Bill sight unseen, as it were? Well, I do not owe anything to anybody. I am here to represent constituents, not to defend the Government. Considering the double-dealing that has been going on we simply cannot accept the refusal to table the Andersen report. If the Minister is so sure he is right, why not table the report? If he choses not to, it is because the report does not quite reflect his own views.

It was the same thing in the case of Gulf, when the Minister referred to the O'Farrell report. He lost face and the report was hidden, shelved or burned just so he would not hear anymore about it for a whole month.

● (1250)

The Acting Speaker (Mr. Charest): The Hon. Member for Champlain (Mr. Champagne) on a point of order.

Mr. Champagne: Although his speech seems to be well on its way, Mr. Speaker, I should like the Hon. Member to deal at least with the Bill which is now before the House and not with the Gulf Corporation issue. That is over and done with. The Hon. Member should refrain from considerations which are beside the point and stick to the issue of the Canadian Arsenals Limited divestiture.

Mr. Malépart: It's a fact that we are concerned about this Bill, Mr. Speaker, but because of the way the Government has dealt with other issues, I am compelled to say: I can no longer trust the Government. Just like the Canadian people as a whole are saying "niet", I can no longer trust this Conservative Government and I will have to double check and ask twice as many questions.

And why do we have to do this today? It is because of its previous decisions concerning the Gulf issue. A number of Progressive Conservative members were royally conned by the Government on this issue, just like in the Domtar and Montreal East affairs. Why? Is there a single Hon. Member . . . Perhaps the Hon. Member for Champlain (Mr. Champagne) could enlighten me: Why were there no consultations of the employees by the Government? Just consultations. It was not

necessary to make the decision for the corporations, but the Government could at least have consulted them. Why did it choose to ignore them completely? It seems to me that the lives of 750 workers in Montreal East and 50 workers in the Quebec City area are important. It seems to me also that it would have been quite natural for someone from the Minister's office—not necessarily the Minister himself—to meet them and say: The current situation is such and such, and you should not be concerned about losing your job. But the Government has provided no job security whatsoever. Surely the Hon. Member for Lac-Saint-Jean and the Hon. Member for Champlain both agree with me that the employees should have been consulted. Before the Government decides to sell any such corporation, Hon. Members and employees alike would appreciate being consulted. I suggest that when the Government wants to privatize a corporation such as the Canadian Arsenals Limited, the de Havilland or Canadair corporations, it is of paramount importance that it be done in consultation with the employees. I am not suggesting that it should deal only with the union representatives. If it wanted to, it could easily organize a meeting of the 750 employees inside the plant to consult them and advise them of the Government's decision.

I think that the Government should rely on the intelligence of these workers. They are qualified and competent people. Perhaps they could have advised the Minister on the best way to protect these 750 jobs in the Montreal and Quebec City areas. I suggest that would be important. Let us consider this decision as a whole, Mr. Speaker, Government Members and Opposition Members will certainly agree with me that in the case of some decisions that had been made previously, no sooner had the banks failed that the Prime Minister said: We must find money to compensate the rich people with over $60,000 in investments. Two or three people made that decision, most Hon. Members being unaware of what was going on. But when the time comes to help ordinary citizens like these employees, it's a different ball game, Mr. Speaker, it is the dictatorial aspect that is surfacing.

Mr. Speaker, if we want to know what has happened since September 4, we have only to look at the adjournment motion which the Government proposed last Friday. It was certainly the first time in history that a Government defeated its own motion, Mr. Speaker. They vote with their eyes closed. However, I must congratulate the Hon. Member for La Prairie (Mr. Jourdenais) for having kept his head. He did not act like a sheep or like a follower by saying to his leader: Yes, I am rising against our motion. He said: One moment, I shall not act like a buffoon; if you want to do so, go ahead, but I shall remain seated; I do not want to be part of this. Since September 4, there has been mistake after mistake, Mr. Speaker. Do you know the latest joke in all Canadians homes? The people are betting on which Minister or Member will be the next one to make a mistake. It has replaced Loto Québec and Loto Canada. We shall have to start a lottery. It would work better than the hockey lottery, Mr. Speaker. Do you think that we are going to accept to support this—

An Hon. Member: Blindly!

Mr. Malépart: Yes, blindly. Mr. Speaker, I would like at least one Member opposite to have the courage to say: I am familiar with the Andersen Report and we do not want to table it because it tells the truth and we want to do the opposite of what it recommends. Or else, he could say: Yes, I know about the Andersen Report; it tells the truth and we are going to publish it, and I am promising right now that I shall put pressure on the Minister to publish it. If the Conservative Members accept such a deal without being familiar with all the studies which have been made, they will remain blind followers for quite awhile. We saw a lot of them last Friday, but thank God, a few saved your honour.

An Hon. Member: Not many.

Mr. Malépart: The same thing will happen again. Is there one Conservative Member who will rise and say that the 750 employees of Le Gardeur should have been consulted? The Government made a mistake in not consulting the workers. It is essential that the Government go and see these people.

Mr. Speaker, I began my speech at 12:40 p.m. and I see that it is nearly 1 o'clock. I am anxious to see a Conservative Member rise after the Oral Question Period and say: I am going to see the workers and we are going to have the Andersen Report. If not, I am not asking him to vote against the motion, but he should simply stay away from the House when we vote.

The Acting Speaker (Mr. Charest): Order, please. I am sorry but the time alloted to the Hon. Member has now expired. Questions or comments. The Hon. Member for Lac-Saint-Jean (Mr. Côté).

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, I have a question for the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). Why did you, the Member for Montreal-Sainte-Marie, remain on your seat for 10 years? Why did you not open your mouth in this House during those 10 years? Did you have velcro on your lips? You like to say that some Members on this side have velcro lips. Is it because the Hon. Member for Montreal-Sainte-Marie had "Krazy Glue" on his seat? Or is it because the Hon. Member was wearing new suits? Or is it that the Hon. Member had new dentures? During those 10 years, there must have been issues discussed in this House and proposals moved by the Liberal Party. If not—

Mr. Blais: Two-hundred billion.

• (1300)

Mr. Côté (Lac-Saint-Jean): If there were none, how is it we are now faced with a debt exceeding $200 billion? There

certainly were some. The Hon. Member for Montreal-Sainte-Marie certainly has seen some of them. Therefore, I ask the Hon. Member for Montreal-Sainte-Marie, how it ever was that during those ten years, no reference was ever made to single-parent families? How come you never fought for farm producers, Mr. Member for Montreal-Sainte-Marie? How can you explain, Mr. Member for Montreal-Sainte-Marie, when your Government, your party voted billions for the F-18, and you referred earlier to the F-18's in the Saguenay-Lac-Saint-Jean area, how can you explain that having voted those billions for F-18's and we had to foot the bill—all Canadians, not only ordinary people, but all true Canadians—the price had more than doubled? How is it you never spoke on that? Why then when there were votes for investments in Canadian Forces Base Bagotville, in the area you referred to earlier, you never rose? How come there was that question of a firing range, as you mentioned earlier, during a period of ten years? And he never did anything. You never had the courage to rise, you and your Party, to speak up, to make a stand!

Mr. Member from Montreal-Sainte-Marie, on September 4, 1984, Canadians had enough. If you have a chance, please read *Le Devoir* of March 11, about who actually owns the Liberal Party of Canada. Mr. Speaker, earlier he had the courage, if I may use that word, to announce that after the oral question period, he would rise to speak on political party fundings. But that kind of courage, he owes it to Conservative Members. Who but a Conservative Member has first referred to party funding? Who else but our Prime Minister spoke of healthier political practices? That is a bunch of questions we are asking you, Mr. Member from Montreal-Sainte-Marie. What did you do concerning . . .Before this afternoon, except for putting your feet in your mouth, as you do on occasion, what have you done about political party funding during those ten years you had that velcro over your mouth and that "krazy glue" on your seat?

Mr. Malépart: Mr. Speaker, with respect to the Hon. Member for Lac-Saint-Jean (Mr. Côté) and those who applauded, the Hon. Members for Duvernay (Mr. Della Noce), for LaSalle (Mr. Lanthier), for Bellechasse (Mr. Blais), six months ago, we accepted that those people did lack experience. But they and the Hon. Member for Lac-Saint-Jean have just demonstrated that now, after close to two years, what they are showing is incompetence and ignorance.

Mr. Speaker, I would first tell the Hon. Member for Lac-Saint-Jean that I have not been sitting in this House for the past ten years. As far as political party funding is concerned, I was in Quebec City, this is where the quest for democracy in funding started. Do you therefore see the depth of the ineptitude you are now showing? Do you see, Mr. Speaker, how stupid one can be? In the beginning, during the first six months, we knew he was looking for the toilets, for the doors to the clothes closets, but now he has shown just how incompetent and ignorant he is.

As for the time I sat here before being a Member in Quebec City, I can tell the Hon. Member for Lac-Saint-Jean or the less than important Member for LaSalle that I was re-elected, because my constituents trusted me. But on their side, any ninny could have been elected. He will learn this, Mr. Speaker, that when there is an overwhelming majority, the winners are those who are re-elected.

Now, I will tell the Hon. Member for Lac-Saint-Jean what the Quebec Liberal team has done. My colleagues, namely Claude Tessier and Jean-Guy Dubois demonstrated on the Hill with the factory owners and the workers of the footwear industry to obtain quotas from the Government. However, not a single Tory Member was brave enough to do likewise.

Mr. Speaker, concerning the Crow rate policy, it is thanks to the Quebec Liberal Members that the policy was amended.

I realize why the Member for Lac-Saint-Jean is not familiar with the Tory tradition, because in Quebec so many former Liberals or Creditistes turned Tories at the last election because they had the chance of being elected. Now the Hon. Member for Lac-Saint-Jean is one of those who has often changed his political subvervience.

Mr. Speaker, the Hon. Member has just clearly shown that and I think that I have answered many of his questions but he himself has not answered the basic question about this Bill. Is he ready to vote without having seen the report which is now in the Minister's hands? And why is he ready to vote without being aware of all the consequences?

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, on behalf of all Canadians, I would like to thank the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). For a year and a half now, Canadians have been wondering about the Hon. Member, but he just gave us the answer. He said it all. He talked of intelligence, knowledge and abilities. He talked like he used to in 1976, in Quebec City, where it all began. He just gave us proof that he left his intelligence, knowledge and abilities in Quebec City . . . he did not bring them with him to Ottawa. As a matter of fact, since he came to Ottawa, Mr. Speaker, he never mentioned the financing of political parties, and neither has his Party.

He said he talked about it in Quebec! That Bill was introduced and passed by the Parti Québécois. So . . .

On behalf of Canadians, I thank the Hon. Member for Montreal-Sainte-Marie. Now we know that you left your intelligence and abilities in Quebec City, and that for 10 years you have been collecting your pay doing nothing but sitting in your chair, something conservative Members will not do and would refuse to accept.

The Acting Speaker (Mr. Charest): Order! The Hon. Member for Saint-Jacques on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, if I am not mistaken, the subject now under discussion is privatization and I will read the title—

Mr. Gauthier: —because you did not know that.

Mr. Guilbault (Saint-Jacques): —is Canadian Arsenals Limited.

A while ago the Hon. Member for Champlain rose on a point of order because my colleague had mentioned a few other initiatives of this Government. He has now launched an abusive tirade against my colleague from Montreal-Saint-Marie (Mr. Malépart) and I do not see how it relates to Canadian Arsenals Limited.

I would merely ask you, Mr. Speaker, as much as possible to try and ask the Hon. Member who is speaking to be relevant.

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Champlain (Mr. Champagne) on the same point of order.

Mr. Champagne: Mr. Speaker, I am in total agreement with my colleague for Saint-Jacques (Mr. Guilbault) on his point of order.

However, my colleague for Lac-Saint-Jean was responding to the allegations made by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). Had we not strayed from the legislation, as the Hon. Member for Saint-Jacques has just commented on, most probably and certainly we would not have heard from the Hon. Member for Lac-Saint-Jean, such disgraceful comments as made by the Hon. Member for Montreal-Sainte-Marie made.

Hence since a point of order was raised, if the Chair lets the Hon. Member for Montreal-Sainte-Marie carry on with his examples, then in my view the Hon. Member from the other side of the House should be allowed to answer along the same lines as the Hon. Member who had the floor.

The Acting Speaker (Mr. Charest): Order, please. I recognize the Hon. Member for Lac-Saint-Jean, also on a point of order.

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, it is improper to refer to the presence or absence of Members and I do not intend to do so. However, when a Member is away from the House and cannot hear the debates, if he was unable to see them on television when he was in the lobby, I think that it is very wrong for him to come back to the House and try to bring other Members to order.

Mr. Speaker, if the Hon. Member for Saint-Jacques (Mr. Guilbault) indeed heard—

The Acting Speaker (Mr. Charest): Order, please! Order, please! For the last time, I hope, a point of order from the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Canadian Arsenals Limited

Mr. Malépart: Mr. Speaker, with your permission, it is only fair that I defend myself since I was attacked two or three times.

As concerns the law on the financing of political parties, I would like to point out that it was the Liberal Party which proposed amendments to this law in 1976.

The Acting Speaker (Mr. Charest): The period for questions and comments has now expired.

* * *

• (1310)

[*English*]

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order to simply advise the House with respect to Business of the House. I had contacted the opposition House Leaders at the outset of today's proceedings and I now confirm to the House that tomorrow will be an allotted Opposition day and we will continue on Thursday with Government business.

Mr. Gauthier: Mr. Speaker, on that same point of order, I thank the Minister for that advice and notice. I would like to ask him if on Thursday we will be proceeding with the same legislation that is before us today, or if he had in mind anything specific for Thursday.

Mr. Hnatyshyn: Mr. Speaker, it would be our intention to continue with the legislation in the order in which I had indicated last Thursday. We will continue to monitor the situation and hopefully make progress.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to make a few comments on Bill C-87, an Act to provide for the divestiture of Canadian Arsenals Limited. We are talking about a Crown corporation which is 100 per cent owned by the federal Government. It was formed in 1945 to ease the transition from a wartime to a peacetime economy. Ninety per cent of its sales are to the

federal Government through the Department of National Defence. Canadian Arsenals Limited makes medium and large-calibre ammunition. It had profits of some $11.3 million last year. Yet this company is being offered for sale for some $92.2 million.

We in this Party are asking what reason the Government is giving for this sale. We are not able to perceive any reason except an ideological reason. There is a blind adherence to an ideology that all Crown corporations are somehow wrong. If there is one thing that Conservatives dislike more than Crown corporations that lose money, it is Crown corporations that make money. Here we are talking about a Crown corporation that makes money. Last year the *Financial Post* ranked Canadian Arsenals Limited as number three in Canada in terms of its five-year profit growth. It is a profitable company with which we are dealing; yet the company is going to be sold by the present Government for some $92.2 million.

I would like to point out to Hon. Members that the sale of Canadian Arsenals Limited is not the only example of the Government being led blindly down the privatization path by its adherence to an ideology that has no real connection with the reality of the Canadian economy. The privatization program is not one that is helping the different regions of Canada. I am sure this is true for the region affected by the sale of Canadian Arsenals Limited. Certainly it is true on Vancouver Island. There is the proposed privatization both of the Esquimalt drydock and of Teleglobe which has facilities on Vancouver Island.

I would like to illustrate what I mean by dealing with some of the factors involved in the privatization of the drydock at Esquimalt. That facility has a replacement value of some $56.3 million, and since 1978 the federal Government has invested some $30 million in the Esquimalt drydock to make sure that it is an up-to-date, modern facility able to handle virtually any ship on the Pacific coast. It is in fact one of the largest drydocks on the entire Pacific coast, both in Canada and the United States. It is an important facility and an important part of the greater Victoria economy.

The Government's plan for privatizing the drydock has three steps. First the Government will attempt to sell it to a Canadian company. If that is not successful, it will put it out for international tender, and if that is not successful it will then be sold for scrap. What studies have been made about the importance of this facility to the over-all economy of Victoria?

I would like to remind Hon. Members opposite that according to the unemployment statistics that came down last week, Victoria has the highest unemployment rate of any major metropolitan centre in Canada. In fact, the unemployment rate is 16.1 per cent. For Vancouver Island as a whole the unemployment rate is 16.2 per cent.

I would like to know what studies have been done with regard to the impact privatization will have on unemployment. Since the Conservative Government was elected in September 1984, the City of greater Victoria has lost 10,000 jobs. Yet the Hon. Member for Victoria (Mr. McKinnon) and the Hon. Member for Esquimalt-Saanich (Mr. Crofton) are Conservative Members. Their ridings have lost 10,000 jobs and we are concerned about that. I expect privatization will make the situation even worse.

We have not seen any attempt by the Government to make the drydock in Esquimalt pay its way. The current rates for work being done in the drydock are badly out of date. They were set in 1971 and they have not been raised since that time. It is no wonder the drydock is losing money. We can presume that any buyer that attempts to operate that drydock will raise the rates.

We can look at the philosophy of privatization as it affects Teleglobe which has a facility at Lake Cowichan in my riding, a facility that employs 19 people. This is another corporation that is making money, just like Canadian Arsenals Limited. The employees of Teleglobe have the same basic concerns as the employees of Canadian Arsenals. They are concerned about job security and their pension rights. They have no guarantee as to what will happen to them. They have not been involved in any kind of meaningful discussion one way or another. The same kind of situation is being faced by the employees of Teleglobe as is being faced by the employees of Canadian Arsenals Limited.

It seems that the policy of privatization being followed by the Conservative Government is almost exactly the same as the policy of privatization that was followed by the Bennett Government in British Columbia, a policy that has resulted in disastrously high unemployment rates and a disastrous economy in general. It is a policy that is tied in with the attempt to starve our economy to health in the belief that if we cut back enough somehow the economy will start blooming and blossoming. That has not worked. There is no recognition of the Government's basic responsibility for the health of the economy. There is no recognition that the Government can be on the side of the people to help provide better lives for them. Instead, there is just a blind adherence to an ideology of privatizing any Crown corporations that exist.

Canadian Arsenals Limited as a Crown corporation selling to the Department of National Defence saves taxpayers money. It helps keep our deficit down. I would like to ask government Members what studies they have done indicating that privatization of Canadian Arsenals Limited will in any way serve the public interest. Is it going to serve the public interest by reducing the cost to the Government for munitions? Is it going to serve the public interest by creating job guarantees? How is the privatization of Canadian Arsenals Limited going to serve the public interest in any way? It will serve the private interest of SNC, the purchaser.

• (1320)

It is interesting to note that SNC gave $1,000 to the campaign fund of the Minister of Regional Industrial Expansion (Mr. Stevens) and $10,000 to the 1984 Tory campaign fund. It is very solidly in support of the conservative Party, and the Conservative Party likes to look after its friends in situations such as this. However, I suggest that the Conservative Party and the Conservative Government have a responsibility

to Canadian people. We have not seen anything in connection with Canadian Arsenals Limited which suggests that they have even conducted basic studies as to the value to Canadians of privatization. The SNC group operates world-wide, but mainly in Canada and the developing world. Since it is the group which owns the company that provides small calibre ammunition to the federal Government, we are concerned that it will have a monopoly on munitions sales in Canada. We are also concerned about what will happen in terms of munition sales in other parts of the world, particularly in the Third World.

It is interesting to note that in the press release of December 2, 1985, the Minister said that the Government was confident that once the company was privatized, CAL would pursue additional markets and product diversification. Also he indicated that through the sale the Canadian ammunition industry should become internationally competitive, making possible increased sales to our NATO partners. We are concerned that it will not only make possible increased sales to NATO members but indeed, increased sales to Third World countries which should not be putting money into munitions; for that matter, neither should NATO countries. Certainly we are concerned about the idea of a Canadian company becoming involved in the merchandizing of death through armaments.

Also it is interesting that IVI, the only manufacturer of small calibre ammunition in Canada, a subsidiary of SNC, has been found to be supplying arms to the Contras, the rebels in Nicaragua, which follows the whole philosophy of Ronald Reagan trying to destabilize the situation. We have received appeals from all countries in Central America and in South America that there must be a withdrawal of interest by other countries so that the people of Central America can solve their own problems. Here we have a Canadian company selling arms to the Contras, making a handsome profit and trying to destabilize the entire situation. We do not want to see this continual merchandizing of death. We are concerned that it is something that will happen as a result of the privatization of CAL and the sale to the SNC group.

Our Party has some basic concerns about the rights of employees and how they will be affected by the sale. It is interesting that in the same press release of December 2 the Minister indicated that the interests of CAL employees were of paramount importance to the Government in conducting the sale. In particular, SNC must as a condition of the sale, sign a reciprocal transfer agreement to ensure the portability of the pension rights of CAL employees. In addition SNC has agreed to observe the terms of the collective agreement recently ratified by CAL employees.

The interests of CAL employees have not been taken into account in any kind of adequate way by this agreement. They were not consulted prior to the sale being drawn up. They have been unable to look at the agreements to see whether the promises in the press release were present in the agreement. There is no satisfactory agreement with the employees on their pension rights; for example, the question of indexation for which they, along with other federal public servants, have paid to guarantee indexation. There has been no agreement on the indexing provision. No information has been made available to the employees as to whether the early retirement provision of their pension plan will still be in effect after the sale. The present plan allows for early retirement at age 55 years, but they do not know what is happening to it. They do not know what is happening to their job security. As I said earlier, there was no consultation prior to the sale.

Since there is a lack of participation on the part of Conservative Members in this debate, we have come to the conclusion that there is no reason for the sale except ideology. It is not in the public interest to proceed with the sale. It is very definitely not in the interests of those employees who are presently working for Canadian Arsenals Limited.

The whole question of private profit should be taken away from the manufacture of munitions rather than putting it back in. Basically that is what the Government is doing by privatizing Canadian Arsenals Limited and by making it available to the SNC group so that it can make a handsome profit. If we are to live in a world where there are conditions of national security which have to be met, let us make sure that we meet those conditions on the best terms possible for all concerned rather than make national security some kind of financial bonanza for one more corporation.

Reference was made this morning and this afternoon to the warning of the late President Eisenhower about the military industrial complex. By privatizing Canadian Arsenals Limited we are encouraging the development of a military industrial complex in Canada. I do not think it is something that should be encouraged. When we look at the whole question of privatization, perhaps there should be a simple test which the Government could apply; that is, that unless there is adequate reason for privatizing it should be left in the public domain. The reverse of that is also true. There should not simply be nationalization for purely ideological reasons. There should be sound reasons on both sides of the debate. If industries are to be nationalized, brought into the public domain, it should be done for very concrete reasons. By the same token, if Crown corporations are to be privatized, it should be done for some very basic, empirical, pragmatic reasons. We do not see those empirical, pragmatic reasons in this particular situation. Instead we see a blind adherence to an ideology that Crown corporations have little or no place in the fabric of Canadian life.

From my own vantage point as a Member from Vancouver Island, I say that privatization will have an adverse impact upon the economy of that region. I am concerned that it will also have an adverse effect on the people of Quebec, the province in which Canadian Arsenals Limited operates. There seems to be a policy on the part of the Government of raising taxes, taking more and more money from individual taxpayers. This means that moneys are taken out of local communities, such as those on Vancouver Island, to be used for whatever purpose by the Government here in Ottawa. However we are not receiving programs which feed money back into the local

economies. In fact, quite the reverse. We are drawing money away from the local economy which will have a strangling effect on it. We have seen nothing in the way of job creation. We have seen the loss of some $16,000 jobs on Vancouver Island since September 1984 when the Government was first elected.

● (1330)

Along with this policy of raising taxes and doing nothing about job creation in areas where it is most needed we have a policy of privatization, of selling off our resources and not letting the Canadian people or the House of Commons know what is involved, of keeping employees in the dark about conditions under which their jobs are being sold out from under them. Privatization is being kept very private. It should be a matter of public information.

Finally there should be tighter controls on the production of munitions in Canada. We do not want to see this simply proliferate in a way that will allow all kinds of private corporations to get involved, not only in producing munitions and selling them at a profit to the Canadian Government, but producing munitions and selling them to Third World countries. If we have legitimate reasons for national security, then it makes sense for us to keep control of the production of our own munitions. It should be done only for purposes of national security, not for purposes of profit.

On this basis, I would like to oppose this Bill. I urge all Members to think very carefully before they rise in support of it.

Mr. Foster: Mr. Speaker, I was interested in the speech made by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). He covered many of the points of concern to members in all caucuses.

With regard to Bill C-87, does the Hon. Member believe that keeping the Arthur Andersen report private is really in the best interests of a reformed House of Commons where Members are making decisions in the light of all information? Does the Hon. Member really believe that the Government is doing itself a service and doing Parliament a service by keeping that report private? It deals with profitability and the long-term plans of the corporation. This Crown corporation is reported to have some $200 million in backlog of orders and it is reported to be increasing its sales of armaments and munitions during the next five years. What is the profitability from the Government's point of view? Will the corporation taxes it will pay in the private sector equal the profits which now directly accrue to the Crown?

It seems to me the report on other matters relating to how the new company will be handling its labour relations would be very valuable, as would details of whether employees will be able to transfer their credits and the rights they now have under the Public Service Act, for example pensions and so on.

I think the other point which the Hon. Member made, also very important, is how well the Government will be able to control the sales of the company. Will we suddenly be sending armaments and munitions into world hot spots, such as the Middle East or other dictatorial dominated nations? I would like to hear the Hon. Member's comments in this regard.

The Acting Speaker (Mr. Charest): I am sorry to have to interrupt the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). When we resume Orders of the Day, the Hon. Member will be able to continue.

It being 1.35 p.m., I do now leave the Chair until two o'clock this afternoon.

At 1.35 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, the youth of Canada are being brutally neglected by the Government. Programs such as Katimavik gave hope to many idealistic youth, unemployed youth, or youth in transition, who worked for $1 a day and served this country, its municipalities and people, in this award-winning program. Katimavik has now been brutally cast aside, bringing sorrow and disappointment to thousands.

Senator Jacques Hébert, in the face of overwhelming evidence based on the Senate task force report on youth, knows that too many young people have no work and no hope of work. He has seen the Tories cut funding for education, job training, and youth employment. The Tory Budget completely neglects youth and has rendered its own Ministry of Youth powerless. Senator Hébert is desperate. He has gone on a hunger strike. How sad it is that the Government should cause this man to feel the need to take such action on behalf of the despairing youth of Canada.

* * *

YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it should come as no surprise that it was Erik "the hatchet man" Nielsen who eliminated Katimavik. In killing Katimavik the Government failed thousands of young Canadians and hundreds of communities. The Government has failed to see the tangible benefits of assuring all youth a future. The

Government has also failed to understand the very real plight of a lost generation of youth. The Government has failed to grasp the intense vision which compels Senator Hébert to dramatize his concern. The Government has failed to provide an effective advocate or program for the youth. Instead, it has produced a Tory recruitment agency.

Mr. Nielsen said this morning that the study team reports do not constitute Government policy. The recommendations contained in the 21 volumes will be referred to standing committees for study. If that, in fact, was his intention, why did Mr. Nielsen kill Katimavik?

Mr. Speaker: Order, please. I must remind Members that reference to Members by name is out of order.

* * *

[*Translation*]

THE CENSUS

CHOOSING COMMISSIONERS

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, I wish to express amazement at a remark made in the House by the Official Opposition with respect to census commissioners. Yesterday, Mr. Speaker, the Liberals accused us of political patronage in the selection of census commissioners. Opposition Members have a short memory. Since 1963 the Liberals have had the last word on the appointment of census commissioners, over 20 years to build up their system and dictate their political preferences. I wonder whether they are so lily-white. Before any kind of examination, the official responsible for selecting the commissioners in my riding made it quite clear to our representative that appointments would be made among those who had experience in the 1981 census. For the opposition, one has to be a Liberal to make the grade. Mr. Speaker, I have to say that my commissioners in Kamouraska-Rivière-du-Loup are just as intelligent if not more, than Liberal applicants.

* * *

[*English*]

ROYAL CANADIAN LEGION

DIAMOND JUBILEE

Mr. Joe Reid (St. Catharines): Mr. Speaker, this year marks the Diamond Jubilee of the Royal Canadian Legion. It was on a rather bleak day in 1926 when Sir Percy Lake, President of the Legion, told the delegates gathered in Vancouver that the future for those who served in the Great War was very difficult indeed. Their first proposal for pensions was practically ignored. The membership was then 11,000. Today this organization, founded on the principles of remembrance, just rights, loyalty and comradeship, has over 1,800 branches. Membership now totals 600,000 people, roughly the size of Winnipeg.

S.O. 21

I am certain that Members of this House would like to pay tribute to this great organization as it celebrates 60 years of service to Canada and Canadians, service which has continued in times of peace and war.

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[*Translation*]

CANADA POST CORPORATION

HOME MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Thanks to the Conservative Government, Mr. Speaker, we have two classes of citizens: those who have home mail delivery and those who have not. In the riding of Saint-Léonard-Anjou some families do not have home delivery, yet others, practically next door neighbours, do. Until yesterday we Canadians were proud of the fact that this Government service was universal, but the situation has changed since the advent of the Conservatives. Why should somebody who buys a new house not be entitled to home mail delivery, whereas somebody else who bought a house two years ago does have that right? It is unfair, Mr. Speaker.

* * *

● (1405)

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Multiculturalism Minister's failure to follow the Prime Minister's (Mr. Mulroney) lead on Japanese-Canadian redress, weekly becomes more outrageous and tragic. The Minister does not recognize that the Canadian Government in 1942-1943 uprooted and dispossessed people who had not been charged with any seditious activity and whose only offence was their Japanese origin. The Minister does not appreciate that there has never been proper compensation for these property losses.

The Minister refuses to negotiate a proper redress and speaks recklessly of the millions that he thinks it might cost. Mr. Speaker, the Minister's skirmishing against the Japanese-Canadian community is repugnant to Canadians. Other Canadians, such as those of Ukrainian origin who came to Canada before 1914 from Austro-Hungary, suffered unjustified internment during wartime.

But these communities recognize that dispossession of the Japanese-Canadian community is a unique precedent the Parliament of Canada must cancel.

Only a properly negotiated redress can do that.

Mr. Speaker: Order Sixty seconds.

S.O. 21

TASK FORCE ON PROGRAM REVIEW

TABLING OF REPORTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the tabling this morning of the reports of the Task Force on Program Review chaired by the Deputy Prime Minister (Mr. Nielsen) is of a significance which cannot be overstated.

It is part of the process of reforming the public administration of Canada which got out of control over years of mismanagement and because of the practice of setting up a plethora of programs to deal with every real or imagined problem.

The options outlined in the report will provide the Cabinet with sensible alternatives so the Government can in future be conducted in an efficient, humane, and cost-effective manner which Canada deserves. The thanks of this House and the nation are due to the many Canadians who served so ably on the Task Force on Program Review.

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[*Translation*]

AVIATION INDUSTRY

GOVERNMENT'S PERFORMANCE

Mr. Nic Leblanc (Longueuil): As you know, Mr. Speaker, the Longueuil riding has a major industrial vocation and is at the heart of Canada's aerospace industry.

Among the corporations in my riding which are directly involved in this industry, there is the Pratt & Whitney corporation which employs over 7,500 workers. The Pratt & Whitney corporation manufactures airplane motors and exports 85 per cent of its production. It contributes very significantly to the economic development of our country.

Our Government recognized recently the importance of the aerospace industry in Canada and the impact it has on our economy by creating 1,000 new jobs in the fine riding of Longueuil.

Mr. Speaker, it is thanks to the kind co-operation which I obtained from the Minister of Regional Industrial Expansion (Mr. Stevens) that this project has become a reality.

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[*English*]

PUBLIC SERVICE

EFFECT OF PAY ZONES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, it is incredible to think that, in a nation based on the solid foundation of equality, the federal Government chooses to discriminate against segments of its own work force. I am referring to the system of pay zones designed more than 20 years ago to determine the salaries of selected public servants. The idea was to pay public servants salaries reflective of the regions in which they worked.

There are over 14,000 members of the Union of National Defence Employees who are subject to this form of economic discrimination. There are tens of thousands of other employees in Public Works, Agriculture, Transport, Environment, and other Departments, in similar circumstances. If the Government of Canada can establish universal pay scales for the RCMP, the Armed Forces, Canada Post and, yes, Members of Parliament, no matter what region we may represent, then these dedicated Public Servants deserve no less.

* * *

HUMAN RIGHTS

CALL FOR REUNIFICATION OF BULGARIAN FAMILY

Mr. Alan Redway (York East): Today I want to bring to the attention of the House another case of children trapped behind the Iron Curtain. Ziya Ismailoff, who works in my riding, and his wife, came to Canada from Bulgaria in 1984 to escape religious and political persecution. Their sons, nine and 11 years of age respectively, are being held as "deposits" to ensure the parents return. Bulgarian law prohibits removing children from the country.

Recently one of the Ismailoff children sent his parents a paper airplane with a message, "I want to fly to Canada. I want to fly to you".

I call upon the Secretary of State for External Affairs (Mr. Clark) to do everything in his power to see that the Ismailoff family, and the many others like them, are reunited here in Canada.

* * *

● (1410)

ETHNIC AFFAIRS

BALTIC COMMUNITY'S OPPOSITION TO *HIGHWAY TO HEAVEN* TELEVISION PROGRAM

Mr. Sergio Marchi (York West): Mr. Speaker, representatives of Canada's Baltic community have expressed grave concern over the scheduled March 12 airing of the one-hour program *Highway to Heaven* on CTV. Rightfully so. The episode depicts a fictitious family named "Baltic" as neo-Nazis terrorizing a concentration camp survivor.

This depiction on national television of a neo-Nazi, who carries as his surname the name of an ethnic group, can only bring lasting damage to the promotion of racial tolerance and sensitivity. It is absolutely contrary to the multicultural fabric of Canadian society to allow such indirect bias, wherein an entire group of citizens is, by implication, maligned.

I therefore join with other concerned citizens and call upon the CTV at the very least either to delete or dub over this offensive reference. The possible defamation of 100,000 Canadians who take pride in their Baltic heritage can and must be averted.

TERRORISM

ESTABLISHMENT OF SPECIAL EMERGENCY RESPONSE TEAM

Mr. Bill Attewell (Don Valley East): Mr. Speaker, many weeks ago the North American Students' Network Canada arranged for today to be an anti-terrorist lobby day here in Ottawa. The group of approximately 200 students are led by Naomi Noyek, chairperson of the Anti-Terrorism Day, and Dan Ronen.

These students are to be commended. Their honest concern and actions typify the worries and frustrations of most Canadians that Canada not become a haven for terrorists or other suicidal killers who are determined to bring their conflicts from their own country to our soil.

Several incidents during the past year have made it shockingly clear that we in Canada are not immune or insulated from these savage, brutal activities. Accordingly, all Canadians will be supportive and proud of yesterday's announcement by the solicitor General (Mr. Beatty) that a permanent special emergency response team will be formed to counter terrorism in Canada.

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[*Translation*]

GOVERNMENT EXPENDITURES

NIELSEN TASK FORCE REPORT—AVAILABILITY ONLY IN ENGLISH

Ms. Sheila Copps (Hamilton East): We have just received the findings of the Nielsen task force report, Mr. Speaker, and for the first time in their lives, Hon. Members were unable to receive bilingual copies.

An Hon. Member: Shame!

Ms. Copps: Having sent a request, I have been provided with a copy in English only.

Mr. Speaker, I sit in the House as a Canadian Member, and not as a French or English Member. And I suggest all Canadians have the right to know what is going to happen with Mr. Nielsen's cuts. I want to find out in both French and English what is going to happen with the cuts to the Canada Employment Centers.

As an elected representative, Mr. Speaker, I think I have the right to read, both in French and in English, the findings of the task force which will result in programs being cut, especially those for young Canadians.

S.O. 21

[*English*]

AGRICULTURE

OFFER OF JOB COUNSELLING AND RETRAINING TO FARMERS

Mr. George Henderson (Egmont): Mr. Speaker, the Canadian Rural Transition Program announced in last month's Budget is a bleak indication of the government's farming philosophy.

The Government wants to help farmers get off the land. It is issuing the golden handshake to the small independent farmers by offering them job counselling and retraining. I will not deny that Canadian farmers are facing a serious financial crisis, but training them to be computer programmers or pipe fitters does not solve the problem. The country needs an innovative strategy designed to foster growth and prosperity on the family farm. Family farms are the backbone of many rural communities. Those people have spent their lives working the land to produce cheap food for Canadians. What are they being offered in return? Encouragement to close the farm gate!

Farmers do not want job counselling and retraining. They need a bold, aggressive approach to keep them on the farm. The Government must meet this current crisis head on. It must not take the easy way out and turn its back on Canadian farmers.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Maurice Foster (Algoma): Mr. Speaker, during the last two months crude oil prices have fallen from $25 U.S. a barrel to $12 U.S. a barrel. The Minister of Energy, Mines and Resources (Miss Carney) said that prices would come down during this period. She was right. Prices have come down at the pumps, but only in the United States, not in Canada. The price of gasoline in Sault Ste. Marie, Michigan, at 31 cents a litre, is 20 cents a litre lower than the price in Sault Ste. Marie, Canada, at 51 cents.

Constituents of mine filled their gas tanks last weekend in Sault Ste Marie, Michigan, and saved $18 on a single tank of gas. today the Minister of Energy, Mines and Resources says that she is losing patience with the oil firms about gasoline prices. Canadians are totally frustrated and fed up with the oil companies, the Minister, and high oil prices.

If the Minister will simply tell Petro-Canada to charge fair prices for gasoline, Canadians will have them from all oil companies within 24 hours. Canadians want the Government to act on oil prices now.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

YOUTH

UNEMPLOYMENT LEVELS—REQUEST FOR ANNOUNCEMENT OF NEW EMPLOYMENT PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. There are 700,000 young Canadians without a job and rapidly losing hope. The Prime Minister's Government has been destroying youth training programs and has recently gutted the Youth Ministry. In light of the recent vivid demonstration of commitment on the part of Senator Hébert and others, will the Prime Minister give us some cause for hope that he will be announcing some new programs for the young people of the country? Will he give them some indication that they have a future in Canada?

● (1415)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated to the House that, indeed, there would be further programs announced on an ongoing basis, particularly in regard to the role of the Minister of State for Youth. As the financing from the previous year winds down, at the end of the fiscal year, or at about that time, I have already indicated that there would be new indications put forward.

I should indicate that under the terms of the legislation the Minister of State—any Minister of State—is technically and legally a Minister of State to assist a given Minister. So the role of the Minister of State for Youth is not only to put forward various programs but to be the effective advocate on behalf of youth, and this Minister has done this throughout the entire Government. For example, in one Department, the Department of Employment and Immigration, $700 million has been set aside for youth, and 37 per cent of the entire Budget is devoted to youth. Some 219,000 young people will benefit from programs in the portfolio—

Mr. Speaker: Order. The answer is too long.

[*Translation*]

YOUTH PROGRAMS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister is trying to protect his Minister's reputation. Senator Hébert, however, has made a brave gesture.

Could the Prime Minister, in turn, give him some indication that he may reinstate a number of programs or set up new programs for youth, in order to meet commitments he made to the youth of this country during the election campaign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated to the House that for us, youth unemployment is one of the major problems we have in this country. It goes way beyond the partisan considerations of any political group. These are our children, the children of all Members of this House and all Canadians. That is why we worked so hard that the unemployment rate among young people between the ages of 15 to 24, which on September 4, 1984, was 18.4 per cent, is now 16.4 per cent, a drop of 2 per cent in 16 months. Fifty thousand new jobs were created for young people in 18 months. It is not enough, but we are going to work through other programs and new initiatives in order to bring about a substantial reduction in unemployment among the youth of Canada.

[*English*]

SENATE COMMITTEE REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, a mere recital of statistics does not help our young people who are despairing of finding work. Indeed, if the Prime Minister wants to deal purely in statistics, the last numbers show that unemployment for young people between the ages of 15 and 24 went up in the last month. The Minister of Finance recognizes that.

I have from the other place a unanimous report of the Senate, with 26 recommendations which can go, I believe, a long way to restoring hope for our young people. Will the Prime Minister give us a firm indication that he intends to bring in some new programs which will meet a very vital problem? Unless he does, we risk losing half a generation.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree with the sentiments expressed by my right hon. friend. Indeed, it is imperative and incumbent upon all Governments to deal in a straightforward and effective way with the problem of youth unemployment which became a tremendous tragedy between 1980 and 1984, with a net loss to the economy of 285,000 jobs for young people between the ages of 15 and 24 years. Youth unemployment between 1980 and 1984 escalated from 12.9 per cent to 18.4 per cent. That is where the tragedy is involved.

● (1420)

However, in response to my right hon. friend, I can assure him that, yes, I will be delighted to look at that program, and any other suggestion that will create jobs for—

Mr. Speaker: Order, please. I must interrupt. It is becoming rather long.

[*Translation*]

CREDIBILITY OF MINISTER OF STATE (YOUTH)

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State (Youth). I would like to ask the Minister whether in all sincerity she can, at this very moment, claim to speak for youth this Government, or if, after her attempt to manipulate and organize the youth of this

country, she thinks she has no credibility among Canadian youth to speak on their behalf. Where is her legitimacy?

Right Hon. Brian Mulroney (Prime Minister): The Minister is not only a spokesperson but a credible and very, very effective Minister in this Government and for Canadians.

PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): I understand. The Prime Minister was not about to let the Minister put her foot in it again, which is why he answered for the Minister, but I would ask the Prime Minister: Could he, in all honesty and integrity, claim before this House that the Minister speaks on behalf of young Canadians, when she has tried to take advantage of them, manipulate them and certainly organize them for partisan, unworthy and unacceptable purposes?

Right Hon. Brian Mulroney (Prime Minister): That is a very biased and partisan remark which is unworthy of the Hon. member who himself has been a Minister. He knows perfectly well that the Minister has worked very hard for the youth of this country, and with results. The New Democrats are snickering. Job creation makes the New Democrats snicker. The fact is that the youth unemployment rate dropped two per cent since the Minister was appointed. And that is the result of hard work.

* * *

[*English*]

TASK FORCE ON PROGRAM REVIEW

STUDY TEAM OPTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister. The Minister knows today, since he commented in the House, that his Task Force on Program Review of the Government has now reported. The alleged task of the task force was to make recommendations on improving efficiency in government programs and agencies. If that were all that were involved everyone would be delighted. Will the Deputy Prime Minister acknowledge that the large majority of cuts recommended by this task force have nothing to do with efficiency but, instead, consist of cuts affecting services to people in every region of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will acknowledge no such thing. What the Leader of the New Democratic Party is trying to distort is the fact that what was tabled today were study team reports by mixed private and public sector study teams, headed by a private sector advisory committee upon which three national labour organizations were represented. Those study teams have presented options to the Government as a first step in the orderly process of the decision-making process. What is more, they have been referred to the standing committees of the House for a full airing and invitation of broad public discussion.

Some Hon. Members: Hear, hear!

COMMITTEE REFERRALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, of course the Deputy Prime Minister did not answer the question.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I say that with seriousness. I hope he will listen to the second question and answer it.

Considering that, among other things, this task force recommends that the Government abandon farmers, native people, the poorer regions of Canada, and all those dependent upon public housing, will the Deputy Prime Minister acknowledge that in referring this set of packages to the committees the dice are loaded and that what is really being referred to the committees is a Conservative agenda for an uncaring Canada? That is what he is about.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I counted six false representations in the preamble to the Hon. Member's question. The hon. gentleman would like to arouse, for partisan purposes, the fears attached to those false representations. However, the fact remains that these are study team reports produced for the examination of parliamentarians and parliamentary committees. They do not set forth recommendations; they set forth options. The hon. gentleman may have some of his own and I am waiting with bated breath to hear what are his suggestions and those of his party members.

Some Hon. Members: Hear, hear!

• (1425)

TASK FORCE OPTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is the Deputy Prime Minister saying that the task force does not recommend a series of cuts and an abolition of a number of programs providing economic and social services that affect farmers, Atlantic Canadians, native people, and women? Is he telling the House that the task force does not make those recommendations? If he is not saying that, will he admit that the second question is right, and that what the Government is proposing is a very uncaring, insensitive Government for the people of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the gentleman continues to distort. I said clearly this morning, and I am sorry he was absent when I tabled the report—

Mr. Broadbent: I read it with care.

Mr. Nielsen: If he read it, he would have noticed that in the introduction to each and every volume of the reports that have been tabled, there is the statement that the reports were setting forth options identified by the study teams, and that those options did not represent Government policy and were not decisions of Government but that all of them were referred to the parliamentary process for review. I repeat that if the hon. gentleman and members of the Official Opposition will take advantage of the opportunity, they will be advancing their options at the committee stage.

* * *

YOUTH

FUNDING OF MINISTRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of State for Youth. In her reprofile of spending for youth, the Minister misled the House. In fact the actual spending cuts, projecting for inflation, are not $100 million but $150 million, at a time when youth unemployment is rising. How can the Minister justify her own $1 million budget until April Fool's Day at a time when she has sat silently and allowed programs like Katimavik to be cut?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, our efforts on behalf of the young goes on full time: jobs are created, more and more young people avail themselves of training programs. Our work goes on as usual.

[*English*]

CANADA EMPLOYMENT CENTRES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is for the Prime Minister. If the Minister of State for Youth has been so effective in lobbying on behalf of youth, why is it that the Nielsen task force is suggesting that within two years there could be a potential closure of every Canada Employment Centre in the country?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as I repeated to the Leader of the New Democratic Party in answer to his three questions, what we are dealing with are reports of study teams which have presented options for all Members of the House to consider in the committee process.

I might take this opportunity to point out the very positive accomplishments already achieved by the Government as a result of the task force work. One example is the consolidation of real property services. Under the previous administration, there were literally billions of dollars—

Ms. Copps: We are talking about jobs for young people.

Mr. Speaker: Order, please.

[*Translation*]

GOVERNMENT EXPENDITURES

REDUCTIONS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of the fact that the report submitted by his task force estimates at some $36 billion, the amount of tax expenditures, that those expenditures have increased much faster than general Government expenditures, and that the Government knows neither the costs nor the benefits of those tax expenditures, will the Deputy Prime Minister explain why his task force has done nothing to reduce those billions of dollars of tax expenditures, particularly those intended for big corporations? Instead, they chose to aim the greater part of their cuts at services to the average Canadians.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am really quite surprised at what the Hon. Member has just said. Obviously he did not read the Budget. Obviously he did not read the May Budget. Obviously he has not been paying attention in the House.

We have eliminated the largest number of tax expenditures of any Government in recent history, and I can enumerate these. They include the scientific research tax credit, the limited partnerships, as was recognized by his own Party's finance critic, the bump of which the O&Y Company took advantage, the use of trusts, the income splitting, the financing of yachts and the financing of motels. I have a long list of these, and I wish the Hon. Member would read the documents before he wastes the time of the House with questions like that.

Some Hon. Members: Hear, hear!

CORPORATE INCOME TAX

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. If he is talking about options, will he explain why options were not provided with respect to the cutting of major tax expenditures which benefit corporations? Can he justify the task force which says that it does not suggest significant changes relative to the four corporate income tax expenditure items covered by the overview? Why are those options not being made available to the committees of the House and to the people of Canada?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, two major corporate tax expenditures were eliminated in the last Budget—the investment tax credit, 7 per cent and 10 per cent, plus the inventory valuation allowance. Those are two examples of the continuing and ongoing effort which the Government has made to weed out of the tax system all tax expenditures we can that are no longer effective. I have

referred the Hon. Member and his colleagues to the booklet we put out last year which enumerates all these tax expenditures, and I am still waiting for their recommendations on what ones we should be removing.

Mr. Broadbent: You got your letter before the Budget.

Mr. Speaker: The Hon. Member for Eglinton-Lawrence.

Mr. Broadbent: Just don't lie in the House of Commons.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Mr. Broadbent: I will stand up and say it if you want.

Mr. Speaker: Order, please. I heard that. I must ask the Hon. Member for Oshawa to withdraw that, please. I simply ask him to withdraw that.

Mr. Broadbent: Mr. Speaker, I withdraw my comment about the untruth of what he just said.

Mr. Speaker: Thank you.

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EDUCATION

FUNDING OF UNIVERSITIES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Prime Minister. Ontario university presidents are criticizing the Government and have united to say that the underfunding which is taking place will seriously undermine our post-secondary educational institutions. The president of the University of Waterloo, Douglas Wright, is participating in a strike to demonstrate this concern. Could the Prime Minister explain how he can allow the deficit to be fought on the backs of our post-secondary educational institutions which guarantee the future of our country and of our youth?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon Member takes a look at the Budget and at the legislation now before the House, he will see that the growth in Established Programs Financing, both for health and for post-secondary education, is ahead of inflation. There is also protection in the Bill for inflation plus. If he looks realistically at the legacy left in terms of the amount of money which is now paid from the public coffers for debt financing, I think he will have to admit that it is a fair offer in view of the circumstances which we all face.

Mr. de Corneille: Let him tell that to the presidents of the universities and to the youth.

FEDERAL SHARE OF FUNDING

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, would the Prime Minister kindly answer my question? Is he really prepared to ignore the fact that universities are sinking into oblivion as buildings and equipment fall apart, as students are jammed into classrooms which cannot hold them, and as professors and other staff are demoralized? Or will he hear the desperate cry of our young people?

Mr. Clark (Yellowhead): What is David Peterson doing?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I refer the hon. gentleman to the Al Johnson report, for instance, in terms of what the federal Government was paying relative to what the provinces were paying for post-secondary education. I have already indicated what the Minister of Finance has done in terms of the Budget and Established Programs Financing. Why does the Hon. Member not go to his Liberal counterparts in Queen's Park and say: "You pay your share too"?

Some Hon. Members: Hear, hear!

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FISHERIES

TASK FORCE ON PROGRAM REVIEW

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, I sould like to direct my question to the Prime Minister who represented Atlantic Canada at one time. The Nielsen task force recommends drastically cutting services to Atlantic Canada, in particular the fisheries, all in the name of efficiency, at the same time as it is raising costs. Will the Prime Minister agree that these recommendations have little to do with efficiency and everything to do with Tory ideology?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman must be hard of hearing. I have said several times today that these are correctly identified as study team reports which consist of analyses and options put forward by study teams for consideration in the decision-making process. The reports have been referred to the standing committees where those options, as well as those of the hon. gentleman and others, will be fully exposed to the public light of day for the first time in the history of Government in our country. I would hope that he would ensure that his input is there.

GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, what the House and, more important, the people of Atlantic Canada want to know is where the Government stands in respect of these particular recommendations. Will the Government go on record now and distance itself from this drastic and Draconian measure?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know to which measure the Hon. Member is referring.

Mr. Rodriguez: All of them.

Mr. Nielsen: All right, the hon. gentleman says "All of them". Obviously he places no credibility whatsoever in the consultation process.

Mr. Rodriguez: All the cuts.

Mr. Nielsen: Two hundred people have devoted themselves for over a year to present these options for consideration by parliamentarians—

Mr. Nystrom: Not the farmers.

Mr. Rodriguez: Not the fishermen.

Mr. Nielsen: —and he wants to throw them all in the garbage bin. That is his idea of democracy and his idea of the consultation process; it is not ours.

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RESEARCH AND DEVELOPMENT

LEVEL OF GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Finance. I have received a letter from a women whose son will soon complete his post-doctorate in physical chemistry. She fears that he will have to join his brother and three former classmates in the United States because Canada will not look after our young scientists. Everywhere he applies he receives the same answer—no vacancy due to lack of funds. By inadequately funding research, as the Minister did in the Budget, what is he saying to this mother and to a whole generation of young Canadian scientists?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am saying to that mother and the whole generation of young scientists that there is a tremendous future in Canada because of the funding provided in the Budget of a couple of weeks ago, which could amount to a total of $1 billion over the course of the next five years. That is in addition to the research and development measures which we took in the last Budget. The Government is committed to encouraging research and development. The facts are very clear, that that is where we stand.

[*Translation*]

POSSIBILITY OF BRAIN DRAIN—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, ACFAS, the Association canadienne-française pour l'avancement des sciences, says the scienctific community has been swindled by the Minister. My question to the Minister is this: What will he do to prevent a brain drain that will drive young Canadians away from this country, that will drive out research and future jobs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member neglects to say that the budget left to the Government showed a distinctive downturn which took place in the current fiscal year. We have restored that downturn. More than that, we have increased the budgets from there in a very innovative way which will bring the research community more closely together with the industrial community, so that the research efforts will be much more co-ordinated as between research laboratories and the market-place. That is what makes effective research and development.

* * *

GRAIN

PORT OF CHURCHILL—USE FOR EXPORTING PURPOSES

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for my honourable, honest, and trustworthy friend, the Minister of Transport.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): Wait for it.

Mr. Turner (Vancouver Quadra): That is the high-water mark.

Mr. Benjamin: The Minister and his Party, in the Prince Albert statement and subsequently in the federal election campaign, promised and guaranteed to expand and improve the use of the Port of Churchill for grain transportation, and the Deputy Prime Minister is referring all these reports to the standing committees. In order to save the time of the standing committees, will the Minister now repudiate the recommendation of this bunch of boneheads to exclude Churchill from the grain transportation system! Will he repudiate that now, so that the committee does not have to deal with it?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Deputy Prime Minister indicated in his comments this morning, the recommendations which have been presented are simply recommendations and do not represent government policy.

Mr. Benjamin: Then repudiate it.

Mr. Mazankowski: Nor are they decisions of the Government. They provide a basis for discussion.

Mr. Benjamin: What is there to discuss?

• (1440)

Mr. Mazankowski: I would think the Hon. Member should be aware of the 23 projects under the ERDA subagreements that were fulfilled to enhance the Port of Churchill, which was an undertaking by the previous Government. Of course, Mr.

Speaker, I would not want to preclude the Hon. Member's participation in the standing committee because he may have further advice to offer.

Mr. Speaker: A short supplementary question, please.

Mr. Benjamin: Of course, Mr. Speaker. We are going to be on this for weeks.

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VIA RAIL

CAPITAL INVESTMENT IN ROLLING STOCK

Mr. Les Benjamin (Regina West): Mr. Speaker, I am just trying to help the Minister to be a man of his word. In order not to allow the Deputy Prime Minister and the Transport Committee to make a liar out of him, will the Minister now guarantee that there will be no postponements, as recommended, that this item will not be referred to the standing committee, that there will be no postponements on the provision of capital investment for locomotives and transportation equipment for VIA Rail?

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Who wrote that question?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member knows the discussions with respect to the acquisition of new rail passenger cars are ongoing between VIA and the TransConsortium of Bombardier and UTDC. Those discussions are continuing.

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ROYAL CANADIAN MOUNTED POLICE

EMERGENCY RESPONSE TEAMS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Solicitor General. During the past year it has become agonizingly clear that diabolical, suicidal terrorists have considered Canada a relatively safe haven. However, all Canadians will welcome the anti-terrorist initiative the Solicitor General announced yesterday. My question, Mr. Speaker, which I am getting to, is since the RCMP already has emergency response teams across Canada, will they be dismantled when the new unit—

Mr. Speaker: Order, please. Does the Member have a question? I am sorry, I just heard the preamble again.

Mr. Attewell: Shall I repeat the question, Mr. Speaker?

Some Hon. Members: No.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Minister, I think, is ready to answer.

Hon. Perrin Beatty (Solicitor General of Canada): I think I heard the question, Mr. Speaker. It was whether or not we would be dismantling our emergency response teams. The answer is no.

This new team will differ from conventional emergency response teams because of the degree of training. Conventional emergency response teams are made up of police officers who are assigned other responsibilities and who train one day a month. This new special emergency response team will be in constant training. It will be permanently assembled and it will be ready to be dispatched at the sign of any emergency.

Some Hon. Members: Hear, hear!

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PORNOGRAPHY

USE OF TELEPHONE SYSTEM

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister who is replacing the Minister of Communications. It concerns dial-a-porn. As the Minister knows, the problem of youth as consumers of pornography is a disturbing one, and nowhere is it more evident than in the growing abuse of the 1-900 telephone system for dial-a-porn operations originating from the United States. Why is the Government allowing the Canadian telephone system to be used to import and spread pornography to the young of Canada?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am aware of the Minister's interest in this question. I will take notice of it and he will respond to the House in due course.

Mr. Speaker: The Hon. Member for Vancouver East.

Mr. Nunziata: Mr. Speaker, I have a supplementary for the Minister of Justice.

Mr. Speaker: Order, please. The Hon. Member for Vancouver East.

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STATUS OF WOMEN

STUDY TEAM REPORT—FUNDING OF WOMEN'S PROGRAMS

Ms. Margaret Mitchell (Vancouver East): My question is for the Prime Minister who promised women equality.

The culture and communications study team, which involved only male consultants from the private sector, has recommended a $9 million cut to the Secretary of State Women's Program which funds rural, native, and immigrant women's programs, as well as helping women's centres, transition houses, and advocacy programs.

Will the Prime Minister assure women, who were not consulted in this process and do not agree with the assumptions of this committee, that there will be no cuts to women's programs that are designed to help women achieve greater equality and protection from violence?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Again, Mr. Speaker, I point out that this is a study team report, the one to which the Hon. Member is referring. It will be going to committee where it will have full input. In the meantime I can assure the Hon. Member that there was the broadest possible consultation, including that with womens' groups, not only by that study team but by others as well.

Mr. Speaker: A short supplementary, please.

CITIZENSHIP, LABOUR AND IMMIGRATION STUDY TEAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, will the Prime Minister support the recommendations of the citizenship, labour and immigration task force—another task force—which came up with exactly the opposite conclusions, questioning the credibility of this whole exercise? It stated that any cuts to Secretary of State women's programs would be inappropriate given the Government's commitment to long-term action for women. What kind of a study is this when we have no input by women?

Mr. Speaker: Order, please. This is now too long.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if the Hon. Member was here this morning when I tabled this study team report, not a task force report, she would have heard me say that many of the options outlined by one study team were contradictory to options that were identified by another, or even a third. That will be found throughout the work, which only goes to emphasize the independent, autonomous nature of the objective process through which the study teams produced their reports for our consideration.

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YOUTH

REPAYMENT OF STUDENT LOAN

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the absence of the Secretary of State I would like to direct my question to the Minister of State for Youth concerning a serious problem faced by many of the people she is supposed to represent.

A constituent of mine, a young woman with a small child, for the last few months has been harassed by a collection agency on behalf of the Secretary of State's Department, for the collection of a student loan that she made, even though she has repeatedly tried to negotiate a long-term payment schedule with the bank and the collection agency.

This is not an isolated case, Mr. Speaker.

Mr. Crosbie: Order, please.

Mr. Speaker: Order, please.

Mr. Axworthy: I would like to ask the question of the Minister of State for Youth.

Mr. Speaker: Order, please. Order.

Mr. Hnatyshyn: Is this a policy statement or an individual question?

Mr. Speaker: Order, please.

Mr. Hnatyshyn: It is not order.

Mr. Speaker: Order. Just a question, please.

Mr. Axworthy: I would like to ask the Minister of State for Youth whether she is aware of these harassment techniques that are now taking place, and will she make representations to her colleague, the Secretary of State, not only to investigate this case but what it appears to be a general pattern of harassment of those who are benefiting from student loans?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I am not aware of this being a policy in any way. I will take the question as notice and bring it to the attention of the Secretary of State—

An Hon. Member: We have lost two years.

Mr. Speaker: Order, please.

Ms. Copps: It is—

Mr. Speaker: Order, please. The Hon. Member for Hamilton East and others, and on this side too, today. The House is getting noisy.

Mr. Benjamin: And it is going to get worse.

Mr. Speaker: A short supplementary, please.

STUDENT LOAN PROGRAM

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I have a supplementary question for the Minister of State for Youth. In view of the fact there is an escalating number of defaults and an increasing debt load carried by those who have student loans, will the Minister, on behalf of her constituency, undertake to represent to her cabinet colleagues that there be a major review of the Canada Student Loan Program to determine whether the actions of the banks and collection agencies are really fair—

Mr. Speaker: Order, please.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Canada Student Loan Program is being looked into very seriously to make things as easy as possible for young

people who have to borrow money to continue their studies. During the course of that study, I am sure the Hon. Member's concern will be looked after.

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AGRICULTURE

CASH ADVANCE PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. Considering the task force recommends cancelling the interest-free cash advance program for prairie farmers, a program brought in by the Diefenbaker Government years ago, will the Minister repudiate the recommendations to cancel cash advance programs that are so important to the prairie farmers? Indeed, it is an assault on prairie farmers.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have been listening to questions and answers on this subject throughout the Question Period. I cannot understand why members of the Opposition are not getting the message from the Deputy Prime Minister.

Mr. Broadbent: We got the message.

Mr. Wise: The message is very clear—

Mr. Broadbent: It is a loaded dice.

Mr. Wise: It is a joint report, private and public, involving provincial input, on a whole variety of programs. I am certain Hon. Members across the way should recognize that these are options, and they should recognize and accept the fact that these are not government policies.

An Hon. Member: They are slow learners.

Mr. Speaker: Order, please.

COMMITTEE REFERRALS

Mr. Lorne Nystrom (Yorkton-Melville): My supplementary question, Mr. Speaker, is for the Prime Minister. In light of that answer and others, will the Prime Minister now agree not to refer to committee any recommendations from this task force report that are contrary to promises made by the Conservative Party in the 1984 election campaign? Will he agree to that?

• (1450)

Mr. Broadbent: Let's hear that one, Erik.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: You guys are absolutely incredible.

Mr. Speaker: Order, please.

Mr. Benjamin: Poor Gary Philmon, he is a dead duck.

Mr. Speaker: Order, please.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, try as they might to distort the facts, they are not going to succeed. What we are dealing with are study team reports which require a little maturity, more than that displayed by the Hon. Member for Nickel Belt, to deal with. What the NDP is saying is: "To heck with the study teams; burn before reading. We don't want any discussion at all."

Mr. Wilson (Etobicoke Centre): No change.

Mr. Nielsen: Surely that is not a mature approach to the decision-making process in which we invite them to be involved.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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CORPORATE AFFAIRS

SAFEGUARDING OF PENSION PLAN FUNDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He will know from recent press reports that the private sector has put pension funds in jeopardy and pensioners themselves at risk. What action is being taken to secure pension plan funds against unilateral action by the parties concerned, particularly third party claims against pension funds in the event of a bankruptcy?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I thank the Hon. Member for his question. As he probably knows, the Advisory Committee on Revision of the Bankruptcy Act tabled its recommendations earlier this year. Consultation will take place this spring. I can assure him that his point will be a very important part of these discussions as well.

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YOUTH

CANCELLATION OF KATIMAVIK PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of State for Youth. Is she aware that Katimavik, among its many activities, works with senior citizens? For example, there is a project involving the North Centennial Manor in Kapuskasing, Ontario. Does she really think it is right that a worth-while experience of giving and learning for Canada's youth should be eliminated?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, while going across the country this year talking with young people, yes, they said they are prepared to do voluntary

work. They want to work with the older generation. They are prepared to do it, Sir, without it costing the Government up to $20 million a year. That is what they will be doing, Sir.

REQUEST THAT PROGRAM BE REINSTATED

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary is directed to the Prime Minister. Will he agree to reconsider this action very carefully and, having done so, restore Katimavik to its full level of funding so that our youth can continue to benefit from this program, as well as those whom they serve?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the decision to end Katimavik was just one of many painful decisions the Government was forced to make as we struggled to restore fiscal sanity to the country. I have acknowledged that previous Governments had the option to introduce programs like Katimavik. That is a fundamental right of any Government. It is also the right of any subsequent Government, having received a mandate from the people, to implement other programs on behalf of youth. That is what we have done. In the process we brought the youth unemployment rate down from 18.4 per cent on the day we were elected, to 16.4 per cent today. We have not done enough, but we are going the right way and we are going to do an awful lot more.

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[*Translation*]

AGRICULTURE

ABOLITION OF PROGRAMS—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a question for the Minister of Agriculture. Because of the policies of the Tory Government, one Quebec farmer out of every five is now facing bankruptcy.

Can the Minister of Agriculture assure Quebec farmers that the disastrous recommendations made by the Nielsen Task Force, which will result in an almost complete elimination of farm subsidy programs, will not be accepted by his Government?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is really the same question we have been getting throughout Question Period. Again, these are strictly options, not government policy. Let me just give them a couple of examples. If they read what the task force said with reference to dairy policy, did we accept it or reject it? We rejected it. Indeed, for the first time in a long time, we delivered a dairy policy for this country.

Some Hon. Members: Hear, hear!

Mr. Wise: That is one example.

[*Translation*]

ABSENCE OF FARMERS FROM NIELSEN TASK FORCE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister is ready to reject some recommendations, and I am now asking on behalf of all Quebec farmers, why not reject all those disastrous recommendations, and why did the Task Force not include a single Quebec farmer?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, they have some difficulty defining the difference between options and recommendations. I am not so sure whether they got the last example or not, and if they did not, let me give them another example. They should look to see the recommendation of the task force regarding feed freight assistance. Did we accept it or did we reject it? We rejected it. Just take the time and trouble to see what policy we are working on at the moment.

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SHIPBUILDING

PROPOSED CONSTRUCTION OF ICEBREAKER

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Transport whose many virtues have already been extolled by the Hon. Member for Regina West. What progress has been made toward the construction of a Polar Class 8 icebreaker, and when will the keel be laid?

Mr. Blackburn (Brant): 2010.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, discussions are ongoing. An interdepartmental committee has been established and I have been mandated, along with the Associate Minister of National Defence, to bring recommendations to Cabinet some time within the next month or so to meet the very worthy proposition to which the Hon. Member has referred.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy. She has admitted she is getting impatient with high gasoline prices. It is nice to see that she has faced reality along with the rest of Canadians. Since she has not imposed a deadline for gasoline price reductions, and since the companies are not rushing forward to reduce their prices, why is she so sure prices will decline now?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I suggest it was the former Liberal

Government which did not face reality when it brought in the NEP which caused so much damage. In response to the question, we put in place a competitive system and under that system gasoline prices will fall.

ANTICIPATED PRICE REDUCTIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, time has passed the Minister by in all senses regarding her predictions. Will she tell us if prices will be falling in a substantial way, or exactly how much can consumers expect to save at the pump?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, no Government has ever been so wrong in the forecasting of oil prices as the former Liberal Government. That Government forecast prices would rise to $70 a barrel. I am quite prepared to wait and see how the situation unfolds.

• (1500)

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other acts in consequence thereof be read the second time and referred to a legislative committee.

Mr. Manly: Mr. Speaker, I will speak briefly in response to the question that was asked before the lunch break. I was asked a question about the Arthur Andersen Report about the value of Canadian Arsenals Limited, and certainly we, in our Party, would want to have that report released when this Bill goes to the legislative committee, as I expect it will. Our representative on that committee will be pressing to have the Arthur Andersen Report tabled. We believe that this is important not only for the information of Members of Parliament, but also for the employees of Canadian Arsenals Limited and also for the general public. Thank you very much.

Mr. Speaker: Questions and comments. Resuming debate? Question?

Mr. Cassidy: This might be a slightly transparent means of getting the point on the record, but I would like to ask my hon. friend, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), whether he would agree with me that it would be desirable for the Government, in addition to tabling the Andersen Report when the committee meets, also to undertake to table the actuarial report on the pension plan and the consequences of the privatization, and also any other documents or studies which may have been prepared in connection with this particular sale following the precedent that was set previously when the Government proceeded on the de Havilland affair and made those documents available to the committee that was studying it. Would my hon. friend agree that that was a good idea and recommend that to the Parliamentary Secretary and to his Minister?

Mr. Manly: Absolutely. As I mentioned in my few remarks on Bill C-87, one of the problems that the employees of Canadian Arsenals face is that while the Government has said in a press release that their pensions are being protected, they have not been able to see any of the documents relating to this. This matter has to be clarified by tabling all relevant information so it will be available to the legislative committee that is studying it, and, above all, so it will be available to the people who are most affected, and that is the employees.

Mr. Speaker: Questions, comments? Resuming debate.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to speak in this debate on Bill C-87, a Bill to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof. We have, as you know, debated this question now for some three days and I would like to put on the record some of the reasons why we feel so strongly, and our prerequisite to supporting the motion that this Bill be now sent to a committee for further study and consideration, clause by clause. The Member for Glengarry-Prescott-Russell (Mr. Boudria), you will recall, in his speech to us at the opening of this debate speaking as the Official Opposition spokesperson on February 24, 1986, referred to unanswered questions in regard to the value of Canadian Arsenals Limited and the cost efficiencies the Government is looking for in privatizing this company. I can quote from page 10866 of *Hansard* my colleague, the Hon. Member for Glengarry-Prescott-Russell, said:

> The first thing we should know is that, although the Minister has assured us that there has been an agreement with the employees and that the employees were seemingly satisfied with the way this whole sale will take place—

He went on to say:

> —this does not at all reflect the conversations I have had with the people from the Public Service Alliance of Canada.

That is a most essential point, and I think any employer such as the Government of Canada should tell us openly that he has consulted with the employees and assured them that the cross-over from a public to a private company will be done in the most efficient and care-taking manner.

I do not want to talk about the several subjects which this entails, such as job guarantees and career opportunities, but there is one point which I find to be very interesting and which should be raised again today, and that is, the question of pensions. These people have for years been working for a Crown corporation covered under the Public Service Staff Relations Act, I take it, and under the Public Service pension plan. That pension plan, of course, as we all know, has been indexed to the cost of living and these people have contributed

to the public pension fund and, therefore, should be assured that this plan will be transferred to their new employer when the effective transfer is made to the new owner.

We do not have that guarantee. We do not have much information dealing with the pension arrangements. We will be looking forward in committee to getting from the Minister some of the answers to these questions.

In his opening remarks also, after speaking about this Bill, my colleague from Glengarry-Prescott-Russell referred to a letter which was received by him from the Minister of Supply and Services (Mr. McInnes) dated January 20, 1986, which has been quoted in this House several times. I just want to read a couple of paragraphs from that letter because they are germane to the point I am trying to make. It reads:

Dear Don, further to my Legislative Assistant's discussion with you last week, I must once again advise you that I cannot provide you with a copy of the Arthur Andersen Report. However, I can confirm that the Arthur Andersen Company carried out a valuation study of C.A.L.—

That is, Canadian Arsenals Limited. It goes on to say:

—prior to commencement of the bidding and negotiation process and estimated that the value range for C.A.L. was $80 to $98 million.

We have been asking the Government for a copy of the Arthur Anderson Report. I dare say that every speaker, at least from the Official Opposition, has asked for a copy of the Anderson Report, but we have been continuously told, "No, we cannot give it to you". I can tell the Government now, and I think I can speak for my Party at least, that if it will table that document, if it will give us the undertaking that it will table this document in committee, we will at this time give our concurrence to this Bill being referred to committee for clause by clause study. Until that commitment is given to us I cannot assure anybody that we will not continue to press the Government for information, to press for the facts, to ask the Government to come clean on this issue, to come and tell us, and the Canadian people, why the privatization of CAL is of value to the Canadian public. We want to know why the Government is selling off a winner. It is a public company that has recently been profitable, making some $10 million. Indeed, the Government is transferring to the private sector a company which is solid and making a profit.

● (1510)

[*Translation*]

Mr. Speaker, I think that it would be useful for me to go over the background before speaking about the two or three major points which I want to raise this afternoon. The corporation being discussed this afternoon, Canadian Arsenals Limited produces medium and large caliber ammunition. We know that it has a plant at Le Gardeur, near Montreal, which employs 750 workers, and another in Saint-Augustin, near Quebec, with 50 workers. I repeat that 90 per cent of the production of Canadian Arsenals Limited is sold to the Department of National Defence and 10 per cent is exported.

During the sixties, the Government of the time decided to divest itself of part of the production aspect of Canadian Arsenals Limited and to keep only a smaller operation specialized in the production of medium and large caliber ammunition.

Mr. Speaker, it seems to us that the selling of Canadian Arsenals Limited to SNC is strangely similar to the de Havilland-Boeing deal, at least to the extent that the Government is once again refusing to provide information which would allow us to judge for ourselves whether this virtual monopoly that SNC will be given will benefit Canadians. You will recall, Mr. Speaker, that the selling of de Havilland to an American company had been the subject of an intense debate in the House last winter when the Government sold this Canadian company specialized in aeronautics for $90 million without giving Members of Parliament and the Canadian public access to the reports providing information on its value or the reasons of the Government for transfering it to the private sector.

Hon. Members will recall that, after exerting a lot of pressure on this Government, we succeeded in getting a committee of the House be established to review the transaction, the costs, the financial and social benefits and the costs in aeronautical and scientific research which would probably be involved in this transaction, and this committee had quite interesting meetings where the Government presented reports which helped us to understand better the selling of de Havilland to Boeing. However, Mr. Speaker, even before the committee presented its report, the Government had already signed and closed the deal with Boeing.

Mr. Speaker, the fact that this Government did not wait for the committee to conclude its examination before selling de Havilland gives an indication of the position of this Government as regards public transactions. This is why we are reluctant this time to give it a free hand and to say that we trust it to do the right thing. The Minister tells my colleague for Glengarry-Prescott-Russell (Mr. Boudria), in a little aside at the bottom of his letter:

[*English*]

I can show you a copy of the report in my office, if you so wish. Please call.

[*Translation*]

That is very generous of him. Mr. Speaker, we are asking for a copy of the report by Arthur Andersen and Company for all Canadians, not just for a select group of Members who would be allowed to see the documents at the Minister's discretion. Mr. Speaker, what about open Government? What about this new reform policy that is supposed to give Members access to documentation that will help them acquire a better understanding of the subject and make better decisions, so they can be better Members of Parliament and better politicians? Oh no, they tell us: This is a confidential document for the Minister's eyes only.

Mr. Speaker, once again, we insist on being given this document, we want the Minister to understand our reasons, to stop playing for time and refusing this perfectly normal

request, and to release the Andersen paper so that we can all understand and analyze with him the advantages and disadvantages of this transaction.

Mr. Speaker, I think it would be useful to go back and examine the whole issue of privatization. If we consider this Government's policy, which consists in divestiture of certain Crown corporations by selling them to the private sector, we can ask ourselves: Has this Government, before proceeding with privatization, conducted market studies and ordered a cost-benefit analysis and has it done what every employer and company owner ought to do, which is to ensure that the same will benefit taxpayers? Hon. Members will recall that I raised this matter in connection with public servants and the Government's habit of always trying to privatize certain services in order to cut the establishment of the Public Service.

In a question to the Minister responsible for the Treasury Board, I asked the Minister whether he was prepared to publish cost-benefit studies he had in his possession, so that we could understand what the Government's policy was on privatization. Mr. Speaker, in an answer I received on February 27 of this year from the Parliamentary Secretary during a debate here in the House, I learned something which I think should be interesting for anyone who wants to understand why the Government is going to privatize. I shall, if I may, read one paragraph from the Parliamentary Secretary's speech, which explains at page 11052, and I quote:

> With respect to privatization, the Government has established a ministerial task force to co-ordinate the possible sale of Crown corporations or other equity holdings.

I repeat: "the possible sale of Crown corporations or other equity holdings."

> A privatization secretariat has been set up in support of the task force. The ministerial task force has developed a systematic process for the review of each individual privatization initiative to ensure that all issues be fully identified in advance and that divestiture proceed in a business-like manner.

I think that is pretty clear. And that is why we are asking to have the systematic examination include the Arthur Andersen report which focuses on the economic consequences of this sale. Mr. Speaker, we want proof that this $92 million sale is backed by valid reasons, has definite merits and that it is certain beyond a shadow of a doubt that Canada will benefit by this transaction.

And I continue to quote from the reply the Parliamentary Secretary made on February 27, to a question which I had directed to him concerning privatization:

> In the initial stage, the Minister who is responsible for a particular corporation will present his or her recommendations to the task force on the whole range of issues concerning possible privatization, including the continued public policy role of the corporation, alternate means of delivering the same policy, potential impact on employees, service to the public and preliminary financial consideration. The task force will then decide whether or not to proceed with a further study of the corporation.

Mr. Speaker, nobody could have said it better. Those are exactly the points which we have been trying to make during the three days of this debate on Bill C-87. For instance, we have asked: What are the "potential impact on employees"? This is apparently one of the criteria of privatization. Could we not obtain this information from the Minister or his Parliamentary Secretary?

Second point: "service to the public and preliminary financial considerations". Well, I suppose that the Arthur Andersen Report deals with that, because this report was requested by the Minister even before he asked for bids.

An Hon. Member: What is in this report?

Mr. Gauthier: I wonder what is in this report. Why will they not provide us with a copy of it? The task force needs to know about these criteria.

I will keep on reading the Parliamentary Secretary's reply, because there is a lot of substance in it. It is not often that he provides us with a good reply, but he must have made a big effort that time because his reply was well written. I continue:

> The purpose of the next study phase would be the proposal, again by the responsible Minister—

In this case, the Minister of Supply and Services.

> —of resolutions to the outstanding policy issues, including impact on employees and more detailed financial and cost benefit analyses. I would stress that this work will be done by the line department in consultation with the privatization secretariat—

I could continue like this, Mr. Speaker, but you are signalling that my time is almost up. I therefore refer people who are interested to the *House of Commons Debates* of February 27, 1986, page 11052, where they can read the rest of the Parliamentary Secretary's reply concerning privatization.

Since you are indicating to me that my time has expired, Mr. Speaker, I should like to ask the Parliamentary Secretary to state publicly whether the Government is planning to make public the Arthur Andersen report and assure us that his report will be provided to the committee members. I think I can assure the House that my party will go ahead and refer this Bill to the committee for study and consideration.

• (1520)

[*English*]

Mr. Bradley: Mr. Speaker, my good friend, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), has raised numerous points in his presentation to which I paid very close attention and which I feel are very pertinent. Many points were raised as well by my good friend, the Hon. Member for Prince Albert (Mr. Hovdebo). In fact, many points were raised during the whole of the debate which I feel have been valuable to us.

We advised all bidders that the Government was concerned about the employees. SNC has assured us that it will honour the contracts until new contracts are struck and that it will,

with the Government, enter into reciprocal pension transfer agreements to ensure portability of pension rights. In spite of this, my hon. friends opposite have raised many matters. The Hon. Member for Ottawa-Vanier and the Hon. Member for Prince Albert have both stated that they would be prepared to let this Bill go to committee if we released the Andersen Report in committee, and we are very interested in getting this Bill into committee so we can go over the fine details and points.

The Minister made the offer to the spokesmen of the Opposition to read the Andersen Report in the Minister's office because the Andersen Report was still the property of Arthur Andersen and Associates and could not at that time be made public. The policy of the Government usually is for the committee to request the report and the Government to make it available at that time. However, because of some of the concerns expressed by the Opposition and because of the insistence on the public announcement of this report's availability, I am prepared to make an exception in this case and, rather than wait for the committee to request the report, if both opposition Parties are willing to let the Bill go to committee at this time, I am willing to give my word and the word of my Minister that the Arthur Andersen Report will be part of the briefing report for Members on that committee.

Mr. Gauthier: Mr. Speaker, I think that is a great initiative on the part of the Parliamentary Secretary. I want to congratulate him for the work he has done in trying to help us all come to grips with this situation. I also want to thank him for giving his word and the word of his Minister that this report will be tabled. I take it that he can tell me today that the entire report will be tabled, not just extracts from it. If that is so, I want to thank him and the Minister again and tell them that we will be active in committee in trying to make a good deal for Canadians on the sale of Canadian Arsenals Limited.

Mr. Angus: Mr. Speaker, I would also like to thank the Parliamentary Secretary for agreeing to provide the report which has been requested. I noticed that when my colleague was asking whether the report was to be tabled in its entirety, the Parliamentary Secretary nodded his head. I wonder if we could get a verbal comment for the record.

Mr. Bradley: Mr. Speaker, I will certainly do everything in my power in committee to provide committee members with whatever materials they request. I can assure the opposition at this time that the Arthur Andersen report in its entirety will be tabled.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is as follows: Mr. McInnes, seconded by Mr. Côté (Langelier), moves that Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

An Hon. Member: On division.

The Acting Speaker (Mr. Charest): Carried on division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed, from Friday, March 7, consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Given a chance to find my notes, Mr. Speaker, I certainly will take this opportunity to comment on this very important piece of legislation.

Bill C-99, an Act to provide borrowing authority, seeks parliamentary approval for the expenditure of some $22 billion. As I read here, I think that is what it is, twenty-two billion six hundred million dollars, as may be required for public works and general purposes.

Mr. Speaker, since we all know that the Government borrows money, perhaps it might be useful now and then to ask why the Government wants to borrow $22.6 billion. It is a rather impressive and astronomical amount, as my colleague would say. But what we have to understand is that $22.6 billion is the same as 22,600 million dollars. That is a lot of money!

● (1530)

I would like to comment on such borrowing authority in light of the credibility of the Government's projections pertaining to interest rates, oil prices, investments, and the interest costs of those loans, for I think it is imperative to discuss this in the House since it is a public question, a question of interests to be paid by all Canadians. I would like to talk about the debt structure and, finally, the interest rates.

Mr. Speaker, after tabling his Budget on February 26, 1986 the Minister of Finance (Mr. Wilson) introduced a Bill asking the House for authority to borrow, as I just said, an amount not exceeding $22.6 billion for the fiscal year 1986-87, namely the fiscal year beginning next April 1 and ending March 31, 1987. That is the fiscal year of the Government. This amount

represents the financial requirements of the Government, meaning that exchange operations are excluded, as provided in the 1986-87 fiscal plan. What we have to keep in mind is that it is based on the new accounting practices now in use. Indeed as of this year the Auditor General asked that the accounting methods be changed—and I acknowledge this may be beneficial—and in its Budget the Government has adopted such new accounting methods.

As it happens, Mr. Speaker, I think that the first question has to do with the credibility of the Government's premises because, in our judgment, the premises on which the Government estimates are based have no credibility.

The information now available makes it seem like a real possibility that the deficit will be much higher than forecast. We question for instance the projections related to interest rates, oil prices and investments.

Let us speak first about the interest rates. For 1986, the Government foresees an average interest rate of 9.5 per cent for 90-day bills. However, as we all know, the interest rate was 11.4 per cent as of yesterday, March 10. I do not have today's rate because it is impossible to be always up to date, but yesterday, the rate was at 11.4 per cent, and according to the figures of the Government, every 1 per cent of difference in the interest rate means a difference of about $1 billion in the deficit. I repeat that each upward or downward variation of 1 per cent has a $1 billion impact on the deficit. In other words, if the average interest rate for the entire year were 10.5 per cent, for instance, the deficit would be $1 billion over the deficit forecast by the Government. The Conference Board, which is not—

Mr. Lapierre: A two-bit organization?

Mr. Gauthier: It is not just a two-bit organization, but while it does not refuse to examine minor problems, it is concerned mostly with problems which affect the Canadian economy, and for 1986, this organization has forecast interest rates of 10.4 per cent, that is 1 per cent higher than what the Minister forecast. If we look at the projections of experts like those at the Conference Board, we immediately see that the Government will miss the mark in its projections and will probably take a bad fall as concerns the deficit by exceeding by $1 billion the amount forecast.

Let us now talk about the oil prices. The Government forecasts average oil prices of $22.50 U.S. a barrel until the end of 1986. The spot price, which is the price of oil on the European spot market where oil is sold, is about $12 U.S., or approximately $10.50 under the figure announced in the Budget.

Mr. Lapierre: Another mistake.

Mr. Gauthier: Mr. Speaker, the Economic Council of Canada—this is another serious organization, an economic advisory council to the Government—used an average price of $19 U.S. for its economic forecasts. The Conference Board, on the other hand, used a price of $18 U.S. for the second half of 1986, and $21 U.S. for the last part of 1987. Now, for each reduction of one dollar in the price of oil from the estimated price, there is a loss to the Federal Government of $110 million in corporate income tax and gasoline and oil taxes. We can therefore see here net losses, because the forecasts as stated by the Minister of Finance are not accurate. He is wrong in our view on interest rates, and he is wrong on the price of gas and oil.

He stated in his Budget speech that these were the best figures available when the Budget was sent to print.

An Hon. Member: They did not look very far.

Mr. Gauthier: We told him, Mr. Speaker: If that is true, it is up to you to give new figures, to feed new data into your computer and print out more accurate figures, rather than carrying on with that false theory based on a totally inaccurate assumption.

As far as investments are concerned, the Minister of Finance did forecast in his Budget a growth rate of about 7 per cent for investments in 1986. The most recent survey made by Statistics Canada concerning business investment intentions shows that Canadian business think they will be investing only 2.5 per cent more this year than last. And God knows how important business investment intentions are!

Furthermore, the Minister of Finance estimates that investments in new plants and equipment will be 6 per cent, while Statistics Canada forecasts a 1.9 per cent decline in actual figures, when price increases are taken into account. If Statistics Canada's forecasts were to prove right, the economic growth rate would be lower than the one predicted by the Minister of Finance. And for each reduction of one percentage point in actual economic growth, the deficit once more increases by $1 billion. An error of one per cent in investments expands into a $1 billion increase in the deficit. They were wrong in interest, so an extra $1 billion can be added easily. They were wrong on the price of oil, and there again it is $110 million for each dollar reduction in that price. And we also note, on investment projections, quite a serious error that is supported by agencies as important as Statistics Canada and the Conference Board. So we have here an extra $1 billion increase in the deficit.

Mr. Speaker, this means it is vital for us that the Government review its figures, that it put all the economics back into its computer in order to give Canadians the real answer and the hard facts, which is that those computations are wrong and the data are totally inaccurate.

Let us now look at interest charges, Mr. Speaker, because there is always a cost for money that is borrowed. Interest is like a rent on money, we pay money to someone when that person lends us funds, in the way of interest, or to make it

simpler as a price for money. It is rather difficult admittedly to figure out interest payments on Government borrowings. This is based of course on the rate of interest charged, on the term of the loan and on the currency in which that debt is designated. This is quite important. Those are the figures which the economists are constantly throwing at us and we are told with great fanfare every Thursday, I believe, what the Bank of Canada interest rate will be during the week. The banks look at it and say: "Well this is good or not so good. We will set the prime rate according to that rate". Then it is increased or reduced. I admit that it is difficult to judge. It is like the Canadian dollar, it depends on the mood of those who have the power to set the bank interest rate and the Canadian dollar rate the following morning.

● (1540)

Mr. Speaker, it is expected that on average the Government will pay 10 per cent. I feel that 10 per cent is a rather realistic average rate on a $22.6 billion loan so that we will only pay interest on that amount for 1986. It is a rather huge sum we have to pay for borrowing money.

Mr. Speaker, such an estimate seems to be rather accurate since the Government says that in 1984-85 on a net debt of $199 billion, they paid in interest alone something like $18 billion or 9.05 per cent.

Mr. Speaker, you will recall that for 1990-91, a paper tabled following, not the last budget but the previous one, included all kinds of projections on the impact of budget measures on national accounts. We had then learned that for 1990-91, the Government, according to an intermediate scenario, would pay $31 billion net in interest on a $360 billion debt, that being 8.61 per cent.

Unless such a scenario should become unfavourable, it is not $31 billion but $36 billion in interest that will have to be paid in 1990-91 on that debt which should amount to close to $400 billion, always on the basis of projections for the forthcoming five years.

Mr. Speaker, I should like to deal with another matter before I resume my seat and it is the structure of our debt, because it concerns many people and much has been written about the structure of our debt and deficit.

Mr. Speaker, the Canadian debt is made up of a large number of items with a great variety of maturities and other characteristics. However, it is possible to break down that debt into a Canadian dollar component and a foreign currency component.

Mr. Speaker, I have in front of me a table showing that on December 31, 1985, 5.2 per cent of the Canadian Government debt was in the form of foreign currencies.

Since the Government had to borrow heavily on foreign markets to support the Canadian dollar, that percentage will most likely increase throughout 1986.

We know that around Christmas time the demand for US dollars rose sharply, causing the Canadian dollar to catch a cold and drop to 69 cents. It recovered slightly in January, but with the presentation of the famous Budget on February 26 last, it caught another cold and has a bad case of influenza now, and we are left wondering if it will indeed recover. It was back to 71.5 cents, I think, yesterday, not quite back to its pre-budget level, but getting there gradually. Presumably, the Minister was not able to satisfy foreigners and currency speculators that the Government was serious about its Budget and really meant to strengthen the position of the Canadian dollar on the exchange markets.

Mr. Speaker, when the Government borrows money on foreign markets, interests has to be paid. Those interest payments mean that we have that much less to run our economy. Those funds leave Canada and help foreigners become richer. I am referring in particular, Mr. Speaker, to developing countries such as African countries, but I am also thinking of one country which depends heavily on its oil exports to be able to pay just the interest on its debt, Mexico.

Mr. Speaker, the national debt of Mexico is positively huge. It think it is in order of $100 billion. Interest on that debt is paid from the sale of Mexican oil to foreign countries. When the price of oil goes down, you can easily imagine what kind of problems arise... The problem of Mexico is that they are unable to meet their interest payment commitments and are therefore urged by their creditors to take some form of action.

In Canada, 5.2 per cent of our debt is with foreign countries. Compared to Mexico or other African or even European countries, our fiscal situation is good largely because the Canadian government has been able to finance its borrowings in Canada and that insurance companies, pension funds and Canadian people are buying Canada Savings Bonds, have confidence in the Canadian Government and say: Yes, we went through difficult times in the 80s; true, we had a world recession, oil prices have gone up and the Canadian dollar has taken a beating, interest rates have increased, but all that is not due to the federal Government. Some international concerns had an impact and we recognize it. But we trust you and we will lend you money. And therefore, today in Canada, most of the national debt is held by Canadian people, pension funds and public agencies.

Mr. Speaker, I wish to conclude by saying that the Government's strategy for this Budget was very simple. It was aimed at restoring confidence among world financial circles. They failed miserably. Their numbers were wrong, their datas on crucial matters such as interest rates and, as I said, oil prices as well as investment plans of Canadian companies, were wrong. They were totally wrong. We are simply asking them... and we do not blame them for being wrong, we recognize as well that it can happen under difficult international circumstances when the oil price decreases by $10, $12

and $13 within a few months, without Canada being responsible. We are aware of that fact.

In 1972, we have been through a similar situation with prices going up. I remember when I was first elected in 1972, Mr. Speaker, oil sold for $3 per barrel. And with the OPEC crisis, as it is called, the price of a barrel jumped to $36 within a few years. We had to adjust, we had to give a new direction to our economy. Of course, the deficit increased substantially and the Canadian people will have to pay for it. I am aware of it as well. But that problem, essentially, was not due to Canadians but to external forces.

Mr. Speaker, you are indicating to me that my time has expired, which I regret because I wanted to deal with other matters. However, I will come back eventually to this topic whenever I have the opportunity to do so.

The Acting Speaker (Mr. Charest): The Hon. Member for Lévis (Mr. Fontaine) for questions or comments.

Mr. Fontaine: Mr. Speaker, I listed with interest to the representations of the Hon. Member for Ottawa-Vanier (Mr. Gauthier). He referred to the Economic Council of Canada in support of his representations. He has great faith in that body. He describes it as quite trustworthy, and I agree with him one hundred per cent.

Today he is basing his arguments on the Economic Council of Canada which he calls reliable. I would like to ask him why, when his party was in office, he did not rise in the House to recommend that his Government cut tax expenditures which were then and still are considered as not productive by the Economic Council of Canada. Why did he not stand up and recommend a reduction in tax expenditures?

● (1550)

Mr. Gauthier: Mr. Speaker, I want to thank the Hon. Member for his question, and if he has time,—I don't know whether he will bother to take the time,—he should look at *Hansard* for the years 1972, 1973, 1974, 1975, and I could go on. I think I am one of those people who are somewhat critically inclined, and who on occasion are not afraid to say what they think. I was often accused of being a rebel, which I was not. I thought it was perfectly normal to fulfil one's role as a Member of the House. I know that the Hon. Member for Lévis (Mr. Fontaine) does his job as he thinks right, and I feel he is certainly interested in his work because we often see him speaking in the House, and he is interested in debate. I have been doing this for nearly thirteen years, and I think that if he speaks again in this debate and has a specific question about pensions or budgets, I have some experience in those areas, and perhaps I could give him a more specific answer. If the Hon. Member does consult *Hansard*, I think he will realize that I was often even critical of my own Government.

Mr. Lanthier: Mr. Speaker, I have a few comments and several questions for the Hon. Member who just spoke to the Bill before the House today, the borrowing authority legislation. I believe he gave us his critique in three parts. First, he discussed the Estimates. Second, he questioned interest rates. Third, he commented on the actual structure of the debt.

First of all, I may remind the House that an article appeared recently in the press, quoting another journalist from the *Globe and Mail*, and I shall quote, Mr. Speaker, to avoid being called to order and accused of using unparliamentary language. The journalist, Marcel Adam, was repeating comments made by Jeffrey Simpson of the *Globe and Mail*. He said—and showed in his criticism of the Wilson Budget—that again the Liberal Opposition has proven in a depressing way that intellectual inconsistency, hypocrisy and political expediency are the hallmark of Members on the Opposition benches.

Mr. Speaker, I think that is an accurate summary of the gist of the Opposition criticisms, as we can see in a brief retrospective of the three points made by the Hon. Member who criticized this Bill. With respect to forecasts, remember not so long ago when the new Progressive Conservative Government tabled its first Budget. Mr. Wilson had made various forecasts based on advice and his own competent judgment. As far as I know, this is the first time we have a Minister of Finance who happens to be an economist and who can indeed understand the feedback he gets from his department officials and tell them about the policy of the Party.

That is why you may have noticed in the course of the debates that he is always quite prepared to defend his own policies, not those of a rearguard of public servants who used to tell previous governments which way to jump.

Speaking of forecasts, Mr. Speaker, I can recall that some newspapermen shouted "wrong facts, Turner". I can recall the New Democratic party predicting that the first Wilson Budget would cost 200,000 jobs in the first year. Some 585,000 jobs have been created in Canada since then, so they were way off the mark by about 800,000 jobs. And I can recall that a former bank president, now Member for Laval (Mr. Garneau), had bragged about his own competence and predicted that interest rates would skyrocket as a result of that Budget. Well, down they went.

Remember the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) who had stated at the time that inflation would soar the following year as a result of that Budget. We all know that his theories fizzled right out, for inflation remained quite stable. Yet at the time, the Minister of Finance, ably supported by his Minister of State (Finance), had admitted that perhaps there just might be the odd fluctuation in interest rates, inflation and unemployment, but that such fluctuations would be minimal as compared with major changes in those rates. And Heaven knows that they have been right ever since that their figures were true within a cent or a tenth of a percentage point. So when Members opposite, whether "libé-

reux" or "nouveaux PD" as I call them, suggested today that we are making a mistake, I wondered whether it is not some kind of endorsement which Canadians appreciate. I think that the *Globe and Mail* has just provided us with these data. If only Members opposite would open their eyes and consider both the estimates and interest rates, they would realize that long-term interest rates are down presently on the money market. All financial interests, banking institutions, trust and insurance companies know that rates on long-term annuities are low. That is exactly the option the Minister of Finance has chosen.

As to the debt structure, they stumbled again over accidents; they tried to base their argument on one-twentieth of the debt with impact on foreign markets with which we must trade. Mr. Speaker, this is fighting over trifles. I should like Hon. Members opposite to try again in a more responsible way and taking into account that the Canadian people no longer believe in the Opposition's fantasies.

Mr. Gauthier: Mr. Speaker, I thought that the Hon. Member for LaSalle (Mr. Lanthier) was going to make a speech, because he seemed on his way to talk all afternoon.

However, I should like to point out to him two things: first of all, he will find in *Hansard* for Friday, March 7, on page 11310, the reply to Mr. Jeffrey Simpson who was kind enough to tell us about Mr. Adam's report. At that time, I was directing a question on this to the Minister of Justice (Mr. Crosbie) who had dealt with the Budget. And I was saying to the Minister that he had probably lunched recently with Mr. Simpson, because it is the Conservative Government's policy to have lunch with newspapermen in order to provide them with the Government's propaganda and convince them to spread the good word. I was asking the Minister whether Mr. Jeffrey Simpson had lunch or dinner with him since he was now propagating the policy of the Government even though the Conservatives always used to say that the journalists kept spreading false ?. However, when a few articles are favourable to the Government Members, they take very good care of them and quote them in the House. It is not the first, but rather the second or third time that a Government Member mentions this article. It is an article by a public relations specialist. For Heaven's sake, do not start to suggest that this attitude is general and that all the reporters are on your side!

Second, as concerns the difference between the Canadian and American interest rates, I think that the Hon. Member for LaSalle is an honest man and that he will recognize that such a difference is excessive. There is a difference of 4 points between the Canadian and the American rates. I think that the Hon. Member will agree that it is not really to the advantage of Canada to have such a wide gap, even a gap of 5 points as of March 6, 1986, according to my figures. I believe that it is to the disadvantage of the Canadian economy to have such an inflated interest rate, and I use the word "inflated" intentionally, because there is no justification for the discount rate of the Federal Reserve Bank of New York, which has always been 1 or perhaps 3 points lower than the Canadian rate, being 5 or 6 points higher as it is now. I deplore this abnormality, and in my opinion, the Hon. Member for LaSalle is intelligent enough to recognize that actual interest rates in Canada are now unjustifiably high from an economic point of view.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—shipbuilding—Placement of CN marine ferry order. (*b*) Lauzon Shipyard; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—The Budget—Family income standards. (*b*) Request for clarification of tax credit; the Hon. Member for York (Mr. Redway)—The economy—Exchange value of dollar.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when we discuss this borrowing authority Bill, we cannot discuss it in isolation. We have to think about it and assess it in conjunction with the Budget and in conjunction with the task force report on program review tabled today by the Deputy Prime Minister (Mr. Nielsen).

• (1600)

The borrowing Bill asks Parliament to approve the borrowing of some billions of dollars. I say that the amount asked for by the Government is not sufficient. It is not sufficient because the revenue projections in the Budget were all wrong.

In case Members feel that I am saying this for purely political, partisan reasons, let me put on the record the views of Don Braid, *The Edmonton Journal*'s political columnist, in a column he wrote and which appeared in *The Gazette* in Montreal on Thursday, March 6, 1986. Let me remind Members that Don Braid is no flaming radical. He was a very vigorous critic of the former Liberal Government and of its National Energy Program. Let me quote a couple of paragraphs from what Mr. Braid said about the Budget presented by the Minister of Finance (Mr. Wilson). He said:

> By estimating the price of oil at $22.50 U.S. per barrel for the rest of 1986, and projecting revenue from that figure, Wilson has underestimated his deficit by about $2 billion.

He goes on to indicate why that is, and his estimate of what this meant reads:

> The federal Tories seemed stunned by hostile reaction to their Budget in the West, and especially Alberta, but there's no mystery about it.
>
> Most westerners had expected realism in this Budget. Instead, they were handed a grade-school blunder that suggests Finance Minister Michael Wilson can't count. And he made his mistake in an area where westerners tend to be very discerning, oil prices.

He concludes his article with the following:

> Wilson made the worst kind of budget mistake: He ignored economic reality in order to make his document look good. The whole budget is now suspect not just to everyone familiar with the oil industry, but to the world financial community.
>
> Wilson may be forced to revise it within months, with yet more devastating results for Canada's image in foreign markets. The mistake is so serious that this minister should find a new line of work.

That is from a very conservative columnist.

The Budget and the borrowing Bill are wrong because if we need to borrow, we should only do so after we have established a tax system that is fair.

Some of my colleagues have talked about the unfairness of the corporate tax system. I want to talk about the unfairness of the personal income tax system which is permitted and encouraged by the Conservative Government.

Let me quote to illustrate what I mean from *The Financial Post*, March 8, 1986. This is the current issue. Nobody could accuse *The Financial Post* of being hostile to the business community or to middle and upper-income Canadians. In the March 8 issue of *The Financial Post* there is a box headed "The Tax Hit". It gives illustrations of how the new income tax proposals will affect three Canadians, one with a $40,000 income, one with a $60,000 income and a third with a $150,000 income. The table shows what these people paid in income tax in 1984 and 1985 and what they will pay in 1986 and 1987.

Let me summarize the facts. A Canadian with a wife and two children with a gross income of $40,000 would have paid $9,145 in income tax in 1984. In 1987, he will pay $9,957, an increase in income tax of $800 in round figures. A person with a $60,000 income would have paid $14,909 in income tax in 1984. In 1987, he or she would pay $13,708, a reduction in income tax of $1,200. A person with a $150,000 income would have paid $53,448 in income tax in 1984, and in 1987 he will pay, thanks to the Conservative Minister of Finance, $47,978, a reduction of $5,470.

Mr. Blackburn (Brant): That is Tory fairness.

Mr. Orlikow: That is the Tory idea of fairness and it is one which Members of my Party simply cannot accept.

Mr. MacDougall: What about the Grits in the 1980s?

Mr. Orlikow: The Hon. Member on the government side is interjecting. I will be very happy to take his questions when I have completed my remarks.

This Budget breaks with the Conservative promise, the promise of the Prime Minister (Mr. Mulroney) when he was Leader of the Official Opposition that he would create jobs, jobs, jobs.

The Conservatives talk about the jobs they have created. If you look at the *Budget Papers*, Mr. Speaker, you will see that they themselves say that the target for the end of 1987, 18 or more months from now, is for 9 per cent unemployment, a reduction in 3 years of just 2.5 per cent. Is that good enough when regions like Newfoundland, parts of eastern Quebec and parts of British Columbia, hard hit by the recession, have an unemployment rate of not 9 per cent but twice that or 2.5 times that? I say that this is simply not acceptable.

We have 400,000 young people without jobs. They are becoming a lost generation. We have older workers and discouraged workers who have very few prospects for work. They now find that any benefits, to which they were entitled by the way of unemployment insurance, will not be there because of the new regulations concerning severance pay and pensions et cetera.

That is why the Government's economic policy as outlined in the Budget and in the borrowing Bill is so dangerous. It is terribly complacent. This is a Government that has been in office for less than two years. I cannot remember when I heard remarks in this Chamber as mean, as cruel and as unthinking as the remarks made by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) on February 27 when he said:

> In Canada today, there are more than ever job openings and opportunities right across the country, except for a few pockets. There are "help wanted" signs all over the place. Newspapers carry special supplements for "help wanted" ads.

Where does that Member live? He lives in the city, part of which he represents and part of which I represent. A few days ago an announcement was made by a company that it was going to hire people. One hundred and fifty people lined up the night before and stayed in line all night because they had not been able to find jobs. That situation is happening all over the country. In my own City of Winnipeg, which has one of the lowest unemployment rates in the country and which has had low unemployment rates for the last couple of years—

Mr. Blackburn (Brant): Thanks to the NDP Government.

Mr. Orlikow: —we have several dozen voluntary agencies which are handing out food baskets. We have an agency feeding people.

Mr. Gustafson: Thanks to the NDP Government.

Mr. Orlikow: That is a disgrace, Mr. Speaker. I put it on the record because I want to be honest. What is happening in my province, and I am ashamed of it, is happening in every other province in this country, and much worse as well, and I will come to that in a minute.

But where has this Member from Winnipeg-Assiniboine been? I know he represents the most affluent part of the City of Winnipeg. Surely he cannot be so blind as to imply, as he did in those remarks, that anybody who wants a job can find a job. That is just not true and he should have known that. I think it was the same day he made those remarks that the CBC's *The Journal* devoted 35 minutes or more of its program to what is happening in British Columbia. There you see the new reality: a Social Credit Government which is concerned only about restraint and keeping the deficit down. *The Journal* told us that in addition to the fact that one in six people in British Columbia are living below the poverty line, there is a new class which includes 4,000 unemployed teachers and 16,000 persons with university degrees who cannot find jobs. I ask Members on the Government side to do some simple arithmetic. How much money did it cost the people of Canada to educate those people? Surely we and they would be much better off if they were working and paying taxes and not drawing unemployment insurance or welfare. Surely it is a tragic failure for this country when these trained people cannot find jobs and use their skills. Some of these people have used up their unemployment insurance benefits and their savings and are now drawing welfare. Some of these people were interviewed while getting food baskets from food banks established by charitable organizations. What a commentary on this country! That is the reality in British Columbia. That province was the first to implement a program of restraint, but the situation is now much worse there than it was in 1981. The unemployment rate then in B.C. was 6.7 per cent and now it is almost twice that level.

● (1610)

Five or six weeks ago I was in Saint John, New Brunswick and Halifax, Nova Scotia. I visited one of those agencies in each city which has been established to help those in need by people who care. I urge all Members of Parliament, regardless of Party, to visit these places. There is one in almost every city in Canada. I visited Romero House in Saint John, New Brunswick. When it started four years ago it was serving 20 to 30 people a day. Now it is serving a hot meal to 200 people a day, seven days a week. It hands out food baskets and is making plans to establish three other places in other parts of the city who will be doing the same thing. Romero House was organized by a very concerned and caring woman, namely, Mrs. Carol McNulty. She is supported by individuals, service clubs and church groups. Some farmers give produce and some stores give the goods they have been unable to sell. It costs about $3,000 a month to operate. The group gets no money from government sources. What interested me was that they do not want money from government sources. They are doing what they are doing because the need is there. They believe it is a disgrace that in a country as wealthy as Canada hundreds and thousands of people have to depend on charity.

The next day I went to Halifax and visited Hope Cottage. It was started in 1970 by a Catholic priest. It is now feeding 300 people a day. I was told that in the beginning it served older people, 55 and over, and street people. Now, 60 per cent of the people who come there are under 35. A large number are in the age bracket of 16 to 19. Many come from small towns. They have little education, they sleep and eat wherever they can. We have had news reports about people in many cities who have no place to sleep except in an alley or under bridges. We all know what that means in Canada in the winter. Hope Cottage provides meals, a place to stay, and clothing. They counsel people and are trying to make the public and Government aware of the seriousness of the problem.

I also visited Adsum House, which is very close to Hope Cottage, where they try to help homeless women, and the North End Community Clinic which is trying to organize improvements in the health services for poor people. These are the realities which this Budget and this borrowing Bill completely ignore.

I talked about British Columbia and the three years during which that province followed the kind of restraint program which this Government is imposing on the people of Canada. Surely we can learn a lesson from British Columbia. The idea of restraint which the Conservative Members of this Parliament are proposing is exactly the same kind of idea which was proposed and implemented in British Columbia. It did not work there and it is not going to succeed here. This is why it did not work.

Public sector lay-offs, and that is what we are getting here, and wage restraints, did not give the consumer in British Columbia any confidence in the Government so as to spend money and increase demand. Those Government employees who lost their jobs were not absorbed into the private sector labour force. This obviously did not reflect investor confidence in these measures. The Government did not save money by laying people off. In fact, it had to pay out money in the form of welfare and other benefits. The British Columbia Government's ideological agenda blocked any significant recovery of the economy at a time when the rest of Canada was starting to emerge from the recession of 1981-83. Wages were capped, cutting demand, massive unemployment was accepted by that Government, and it is going to be accepted by this Government. Low paid and unorganized labour was encouraged to grow at the expense of higher paid workers, and education and social services were cut back. That is precisely what this Conservative Government is proposing. This Government is proposing to bring the B.C. model to Canada as a whole. It was wrong in British Columbia and it is going to be just as wrong in the rest of the country. It is for those reasons that we oppose this borrowing Bill.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have here in my hand Bill C-99, an Act to provide borrowing authority, which we are debating at this time. It is

interesting that in three short paragraphs, on one single page, this Government is asking for permission to borrow $22.6 billion. Why? To carry out, we are told, the policies of this Government which have been put forward over the last year and a half. As I consider this Bill, I have to ask: Do these policies, clearly laid out by two Tory Budgets, two sets of Estimates and an Economic Statement, meet the needs of the people of my riding or, for that matter, the people of Canada as a whole? Do these policies really fulfil the aspirations of our people? I do not think I need to refer to opinion polls to come to my own conclusion and that my answer on behalf of the constituents to whom I speak, is an emphatic no. I am inclined to tell the Government that I do not really wish to see it borrow this money until it shows that it cares more about people and less about statistics, until it is prepared to care more about the average man and less about the wealthy.

• (1620)

The names I am using now are fictitious, of course, but the people and the stories they have are not. Ruth Jones in my riding is a single mother with two children. She is working as a secretary. She wants to take her BA at night school. She applied, but she cannot get in. Apparently we are finding that the universities are not able to take a person like her into evening courses because the seats are taken.

Joe Smith wants to help his son Jim to fulfil his dream to become a computer science graduate. Jim applies, he cannot get in. There are only 40 students who get in while the department receives 700 applications. Ruth Jones, the single mother secretary who wanted to improve her education, finds that her income is stuck, stuck forever with no hope for advancement, she feels. Joe Smith will never become a computer scientist. The university he applied to has no room for him because it does not have the money to fund any more seats in this course. Government cut-backs for post-secondary education have caused the university to be unable to serve people like Joe Smith.

These are real people. This is what the future of post-secondary education in this country is like. These people are illustrative of the impact of the cut-backs by the Tories to post-secondary education. They want to borrow money to fulfil their policies, but their policies are to cut back on post-secondary education. This is the reality of the full cut as a result of Tory incompetence and shortsightedness.

The federal Government has announced and now has brought in Bill C-96, which will change the formula by which transfers of support by this Government for post-secondary education will take place. It is reducing the formula for these transfers by 2 per cent per year. This will result in a cumulative cut to post-secondary education by 1990-1991 of aproximately $2 billion, $2 billion out of an education system that has been trying to fight a war on behalf of the youth of our country who cannot find jobs and have been returning to the post-secondary educational system in droves in the hopes that they can advance their education sufficiently to qualify themselves to get those jobs which they need to have to carve out for themselves a future. This avenue is now being closed to them as well, no jobs and now no studying.

Faced with increased costs, the unviersities have also faced declining budgets. As David L. Johnson, President of the 79-member Association of Universities and Colleges of Canada, the AUCC, stated, "No government can make the claim of fiscal responsibility if it puts at risk the very institutions on which Canadians depend for their future.

Post-secondary education is but one example of how this Government's latest Budget is one of doom and despair for the youth of this country. At a time when youth unemployment is running at 15.9 per cent, where are the opportunities for jobs for young people? How can they train adequately for the future when budgets to colleges, CEGEPs and universities are cut; when federally paid for seats for university training programs and colleges are by 40 per cent; when colleges and university employment offices are cut back and closed down; when job-training programs in 1987-1988 will be cut by another $100 million on top of the $200 million cut for 1986-87 unveiled in last May's Budget?

The Senate committee report on youth released just this month urged the Government to act to prevent some 700,000 young people from becoming a lost generation. It was a study made by the Members of the Senate of both Parties, and it was agreed upon unanimously. So after this recommendation from the Senate committee on youth, what does this Government do? It cuts funds to post-secondary education contrary to the recommendations. It cuts funds for retraining programs, funds for job-creation, it cuts out the First Chance program, it cuts out Katimavik, a youth program whose obvious success is evident in that there have been some 20,000 graduates, a program which at the time it was cut was receiving some 500 applications a week. It was a program which provided services by youth at a salary of $1 a day to the elderly, to the handicapped and to such worth-while projects as reforestation and environmental and community improvement. It is amazing. This is a United Nations prize-winning program. This is program which has been endorsed by the municipalities of Canada. A resolution has been passed by the organization of the municipalities across Canada pleading for its reinstitution.

A 20-year-old, for example, on his own and jobless costs Canadian taxpayers from $3,000 to $9,000 for nine months. The person contributes nothing to society. Katimavik, on the other hand, costs $9,450 for the same period and gives the young person dignity, self-worth and a unique and toughening learning experience in real life classrooms.

Katimavik is cut because the Secretary of State says he wants new programs to create "permanent jobs for young people". Where are these programs? Today we have had the admission that there is no program at the present time to replace Katimavik. Katimavik is a program that develops citizenship, a community spirit, resourcefulness and the ability to solve problems and to learn. Also it gives young people the chance to go across the country, to learn the other official language, and in fact to have an experience in jobs, in working with others. It is a program that is famous internationally.

The Government has said it has changed priorities. It claims it wants permanent jobs for our youth. So of all things it cuts Katimavik, promises a new program, and barely three weeks later the Minister of Finance (Mr. Wilson) brings down a Budget that kills the hope of training and retraining by 40 per cent and job-creation programs by $100 million. It kills the hopes of our young people by blasting and stunting all responsible expectations that our youth might have had for some conscience from this Government and concern and caring for our youth. No, this Tory Government has dumped all over our youth. The corporations get tax cuts. The millionaires get bailed out in their bank investments. There is money for that in the Tory Budgets. The rich get capital gains as presents to the tune of $500 million, which ends up as a cash bonanza of $125,000, but the youth are sacrificed on the battlefield to fight the deficit in the Tory war supposedly against the deficit. I find it absolutely tragic that these are the values of this Government. Where is its concern for young people? Where is its program for young people?

• (1630)

The Government is borrowing money for a bankrupt policy that does not invest in the future, the basis of which is the youth of our country.

Today I asked the Prime Minister (Mr. Mulroney) a question which he referred to the Minister of National Health and Welfare (Mr. Epp). The purpose of my question was to point out that university presidents are unamimous in their opposition to the policy of the Government and are united in saying that under-funding for universities will seriously undermine the future of post-secondary education.

I pointed out that the President of the University of Waterloo, Douglas Wright, is participating in a strike on the campus to demonstrate this concern. I asked the Prime Minister how he could allow this under-funding to take place on the back of post-secondary educational institutions which are so fundamental to Canada's future and the future of young people.

I did not receive an answer from the Prime Minister so I asked, as a supplementary question, if he was prepared to face the fact that universities are sinking into oblivion as buildings and equipment deteriorate, students are being stacked in the classrooms by the hundreds, and staff are being demoralized to the point where some are leaving the country. I asked him if he did not hear the cries from the universities and acknowledge that there was a crisis. He did not answer my question. Again, the Minister of National Health and Welfare was left to tell me that perhaps the Province of Ontario should do something. He does not say that to all of the provinces because the Ministers of Finance, except for the Province of British Columbia perhaps, and all of the Ministers of Education have told the Minister that the Government's policy is short-sighted in this respect.

What happens to the youth of our country who manage to get an education and find a job? Those who wish to get married, buy a house and raise a family face grave obstacles. Let us consider our youth and family life in this country. First, many of our youth do not get full-time jobs and, if they do, many of them are low-paying jobs that have been created by corporations by laying off older employees in order to take advantage of Government programs. Why, in a country like ours, should we have youth filled with doom and despair? They may not have much hope because they are finding it difficult to save money in their junior jobs with junior salaries.

The fact is that the Government's latest Budget is eroding their pocket-books even further. Last year, the Conservative Budget removed 3 per cent of inflation protection from the tax tables during a year of 4 per cent inflation. The average Canadian has not seen the impact of this reduction. Canadians do not yet realize what has hit them because they have not received the message that their tax tables have been manipulated with a 3 per cent cut in inflation protection. There is another 3 per cent cut in this year's Budget, and that 3 per cent inflation protection will be removed by the Government every year thereafter. Such a cut affects the young and the old.

The Government also imposed a 3 per cent surcharge. When the Government came to office it renewed the 1 per cent sales tax, imposed another 1 per cent sales tax in its Budget the following year and has slapped on another 1 per cent this year. The sales tax has risen from 9 per cent to 12 per cent and has reduced the purchasing power of young people by 3 per cent.

The Government has also slapped an 11 per cent tax on health care items that were not previously taxed. These include health care items and some medicines used particularly by elderly people. The Government is imposing a wide range of new taxes on Canadians.

We have read that gas prices will decrease as a result of falling world oil prices. We see that these prices have fallen in other countries, but not in Canada. In fact, the Tories have added to the price of gasoline with this sales tax increase of 3 per cent.

During the world-wide recession, the Liberal Government recognized that young people needed help in purchasing a home. We introduced the RHOSP plan which allowed young people to put up to $10,000 in a special bank account that could be spent, tax free, on housing and furnishings. The purpose of this program was to give young people an incentive to build their own home and start a family.

Of course, the Conservatives immediately cancelled the RHOSP program. The successive 1 per cent federal tax increases introduced by the Government jack up the price of houses by 3 per cent. Furthermore, they raise the price of all other goods Canadians require for their home and families. It is tragic that the Government is sapping the ability of Canada to compete in the world. It is crushing our young people and their ability to contribute to the economic, cultural and moral growth of Canada. The state of our universities and colleges leaves young people without hope.

I want to deal with the voluntary sector, including the charitable organizations and community organizations. This sector has proven to be one of the largest and most intensive job creation sectors in Canada. It is an intensive labour market

which provides services to Canadians cheaply, which no Government can duplicate. Yet this voluntary sector in which our young people may find jobs has been ignored by the Government in terms of the fifty-fifty plan for organizations. While the Government may have had reason not to address this sector in its first Budget, due to time constraints, nothing has been done in the latest Budget for the volunteer sector or the charitable sector in this country. That is reprehensible.

[*Translation*]

Mr. Hamelin: Mr. Speaker, I probably agree with the objectives and the concerns of the previous speaker, but obviously, I cannot support the means he is suggesting.

● (1640)

During this debate on our borrowing authority, many speakers this afternoon have criticized the statistics and forecasts used by the Minister of Finance (Mr. Wilson) in his Budget to establish our borrowing requirements and the projections for the coming year.

However, I would like to say that, since I am a newcomer in this House and must therefore read a lot, I have made a few quick checks this afternoon to see what have been the forecasts, the ideas and the projections on the occasion of past budgets. On November 12, 1981, for instance, the then Minister of Finance, the Hon. Mr. MacEachen, stated: "This Budget has three themes: restraint, equity and economic renewal" And he stated, on page 12721 of Hansard: "The first is the need for restraint on the part of the Government and on the part of all Canadians. For our part, I believe we must reduce our deficit and our borrowing requirements substantially". This is what he was saying at the time. And that Hon. Minister came forth with a deficit projection of $10.5 billion for 1982-83. This was based of course on indicators, on his own perceptions, on the advice of his advisors around him, on his own vision of Canada, on his confidence in the economy. And by pure coincidence, a totally, absolutely pure coincidence, at the end of the year concerned, Mr. Speaker, we found ourselves with a $24.7 billion deficit. With that kind of instrument, with that kind of margin, with that range of variation, excuse me, Mr. Speaker, but almost any moron can be Minister of Finance.

Mr. Malépart: This is why they took on Wilson.

Mr. Hamelin: Listen, with that range of variation, 10.5 to 24.7, anybody can be Minister of Finance and make all kinds of predictions.

We have Mr. Lalonde in 1984-85 who predicted a $29.6 billion deficit and we found ourselves with $36.9 billion. That was an improvement. Yes, things are improving with a $10 billion margin. How horrendous! Billions of dollars!

Well, I think we had forecasts last year, my dear colleague, from the Minister of Finance (Mr. Wilson), and they were borne out. For the first time in 20 years, we had a Minister of Finance whose predictions—

Mr. Malépart: Mr. Speaker, may I ask our colleague whether he knows the difference between a question and a comment, and to please tell us where he is leading to.

Mr. Hamelin: I feel I have no lesson to learn, especially from the Hon. Member from Montreal-Sainte-Marie, as to the difference between a question and a comment.

Mr. Malépart: Just prove it.

Mr. Hamelin: In the first place, most often questions by the Hon. Member from Montreal-Sainte-Marie are controversial comments dealing with almost every subject and having little to do with the facts.

Therefore, before asking my question, and it is coming . . .

An Hon. Member: Spit it out!

Mr. Hamelin: I will spit it out when I feel like it, my friend!

And rest assured, my dear colleagues—I am speaking to both of you—you are lucky our Parliamentary system does not allow having more frequent exchanges between the two of us in this House, because we would enjoy ourselves, I am sure.

As I said, Mr. Speaker, and this is why I want to ask a question, they criticize our estimates which for the first time in 20 years have proved to be real, realistic and valid. I am sharing the more humane concerns of the previous speaker who referred to his concerns with respect to youth, etc. Do you not believe, my dear colleague, that because of those estimates which proved to be accurate in the past, probably in the months and years to come there will be much more funds available for the objectives which we would both like to attain in the matter of education and employment for young people?

[*English*]

Mr. de Corneille: Mr. Speaker, first, I must admit that I had not commented on the accuracy of the budget predictions. I would like to suggest to the Hon. Member that he has recalled a period—at which time the Budget was brought down by the Hon. Allan MacEachen—which immediately preceded a world-wide recession. I would suggest that not only the Government of the day, but every Government in the world, had miscalculated in their budgets because of the world-wide recession. What I think would be tragic is if the Minister of Finance (Mr. Wilson) were a good predictor and prognosticator. We would then be in a horrifying situation because it would mean that the level of unemployment for youth will continue to be unacceptably high, if that is his prediction. It would mean that the universities are going to be starved to an unacceptable level in terms of education. It would mean, according to the presidents of the Research Councils, that grants which will be given for research will no more than cover inflation. It would mean that the Canadian

university system is literally going to go down the drain, if this Government's predictions are right.

[*Translation*]

Mr. Malépart: Mr. Speaker, I should like to make a brief comment on the Hon. Member's speech and ask him a question.

In the first place, I would like to remind my colleague and this House that some of the Quebec Members have been quoting from favourable reports in newspapers, but they forget to quote from well-known and qualified reporters such as Mr. Alain Dubuc of *La Presse* who stated on February 27: "Wilson has missed the mark." I think that some of the Tory Members should also read the comments of an editor of *La Presse*, Frederic Wagnière, who said on February 27: "A too severe budget." And also Jean Pelletier in the *Journal de Montréal* who wrote: "The taxpayers will foot the bill." They are all columnists writing on economic issues and it is worth noting that Alain Dubuc clearly shows how Mr. Wilson's Budget will cost at least $500 per Canadian family in new taxes and that the Canadian taxpayers will be losing 3 per cent of their purchasing power. However what is still more shocking and this is the question which I would like to ask the Hon. Member. Does he remember that to save their income some of our senior citizens, our parents, mothers, grandparents, had to come on the Hill and Mrs. Denis dared to jeer at the Prime Minister? Does he remember that sick people had to make representations in our ridings and to the Prime Minister's Office so that he would remove the 10 per cent tax? Does he remember that mothers came on the Hill to make their views known to the Prime Minister and the Tory Members? I would like to know from the Hon. Member what he thinks of all these means that the public has to resort to in order to be heard. Now it is the young people, and a Senator has to go on a hunger strike to make the Government aware of their plight. What is the point of view of the Hon. Member on the activities that the public must initiate to be heard by the Government?

[*English*]

The Acting Speaker (Mr. Malone): The time for questions and comments is now over. Debate.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am glad to have the opportunity to make a few comments on Bill C-99, which would give the Government authority to borrow some $22.6 billion so that it can carry out its program. Our problem with this Bill is that we do not like the Government's program because it fails completely to address the real needs of Canada at the present time. As presented in the Budget two weeks ago what we have is a program which increases taxes, cuts government programs and does absolutely nothing with respect to jobs. It has an emphasis on the deficit, which is misplaced because by its actions in throttling the economy the deficit will not go down as hoped.

• (1650)

I wish to emphasize in the few minutes I have this afternoon the absolute need for jobs and the absolute need for the Government to address this situation. I wish to focus my remarks on British Columbia, and Vancouver Island in particular, because I think the situation there stands out in very stark contrast to the situation in the rest of the country.

The situation in British Columbia makes me ask where the 19 Progressive Conservative Members of Parliament were when the Budget was being drawn up. I must also ask where the three members of Cabinet from British Columbia were when it was being prepared. Why is there not something in the Budget which would help to deal with the problems in British Columbia? There is nothing. Since the Conservative Government was elected in 1984 the City of Victoria has lost 10,000 jobs. Some 16,000 jobs have been lost on Vancouver Island. In February, our youth unemployment stood at 22.1 per cent. When we look at the figures for long-term unemployment in British Columbia we see a very desperate situation. Some 65,000 of the unemployed in British Columbia have been unemployed for six months or more. This represents 31.4 per cent of all the unemployed in British Columiba. That is the highest percentage in all of Canada. When we look at the unemployment who have been unemployed for over one year we see the same story. Some 29,000 British Columbians have been unemployed for a year or more. This represents 14.2 per cent of all unemployed British Columbians. Again, this is the highest average in all of Canada, some 40 per cent higher than the national average with respect to people who have been unemployed for longer than one year.

We must combine these statistics, which have to be looked at in terms of real human beings and the suffering which they are experiencing, with the lack of programs introduced by the federal Government. Last year the Government trumpetted a great deal about the federal-provincial forestry agreement. This agreement was to see some $300 million of federal-provincial funds for British Columbia forests over the next five years. However, foresters in that province say that in order to address adequately the situation in British Columbia, which is at a crisis point, there should be at least twice that amount of money. Certainly in terms of employment needs it should be twice that amount of money. However, there is nothing in the Budget to help our forests.

With respect to fisheries, the Minister promised in February that if the users could ante-up with one-third of the money, about $100 million, the federal Government would put in $200 million to establish a $300 million salmonoid enhancement program for the next five years. The fact is that user groups, particularly commercial fishermen, are completely unable to meet the request for $100 million at the present time. Anyone who has followed the situation on the West Coast, and certainly all Members from British Columbia should have done so, knows that British Columbians have gone through a number of very difficult years. There have been poor catches and not great prices, high interest rates and high gas and oil prices. Last year was a good year and British Columbians were just

beginning to catch their breath. The Government is now trying to blackmail them with the idea that there will be a salmonoid enhancement program only if they come up with this $100 million user fee. As one British Columbian said, it is like throwing an anchor to a drowning man. Instead of putting money into British Columbia to help it recover from the recession, what we have seen from the Government in its November, 1984 Economic Statement, last May's Budget and the present Budget, has been a series of unfair taxes loaded on low and middle-income people.

These taxes total some $1,300 for the average family. This money is being taken not only from individuals but from every family. It is being taken away from their communities such as the communities of Duncan, Sooke, Colwood, Chemainus and Ladysmith. This is money which comes to Ottawa for whatever purposes the Government wishes to put it to.

This money is being removed from local communities where it could circulate and do some good toward helping sustain a large and fragile economy. It is being removed from local communities which will have an even more depressing effect on the province. One of the most unsettling facts about this situation is the unfairness of it all. The fact is that wealthy income earners will be paying lower taxes because of the reduction of the surtax at the end of this year while all other Canadians will be hit with a 3 per cent surtax on their income tax.

Since the Conservatives came to power we have seen three increases in the federal sales tax of one percentage point apiece. This directly hits low-income people. In the Budget we saw some help for Atlantic Canada, which I know is not enough. I know that Atlantic Canada has very serious long-term problems. However, Atlantic Canada received more help than did British Columbia. British Columbia received nothing. At least Atlantic Canadians received the $1 billion Atlantic Enterprise Program and the tax credit program. However, there is nothing such as that for British Columbia.

In considering the situation of women and children we see nothing. The last word the Government had for women and children came when it cut the indexing with respect to family allowances. That was this Government's response to the needs of women and children. Instead of moving quickly to address what the Prime Minister (Mr. Mulroney) recognized as a serious situation in the election campaign, that is, the need for adequate and affordable day care for all Canadians coast to coast, the Government has chosen to appoint a parliamentary committee which will tour Canada and hear submissions. We do not need more submissions. What we need is a system of affordable and quality day care for our children. In this respect the Cooke Report was recently tabled. The Government could act on this report instead of waiting to receive another which will be tabled some time in the future. When this report is tabled I am sure the Government will take its time to consider it. In fact, it will stall even further. When will we receive some action on day care?

In looking at the cut-backs to the Established Programs Financing we see that it has led responsible medical people to say that this could result in a second class system of medicare for some of Canada's poorer provinces. The Government cut the Katimavik program. This was a program which allowed some young people to participate in helping to get to know their country and to get to know one another. It provided some opportunity for service and training for our young people.

I am particularly concerned about the cuts in our goals for development assistance. Here I am speaking of commitments which Canadians made to the needy people of the world. In 1984, shortly after the Secretary of State for External Affairs (Mr. Clark) was appointed, he stood up in the United Nations and promised that we would reach the goal of 0.7 per cent of our Gross National Product for official development assistance by 1990. The Economic Statement of November, 1984 postponed that goal to the year 1995. It was outlined in the statement that we would reach 0.6 per cent of GNP for development assistance by 1990. Then, last month's Budget put the goal back yet again. We will not reach 0.7 per cent until the 21st century. The needy people of the world look to Canada for assistance. We have turned our backs on them.

I see that my time has expired, Mr. Speaker. I look forward to finishing my remarks on another day.

• (1700)

The Acting Speaker (Mr. Charest): Order! It being five o'clock, the House will now proceed to the consideration of Private Member's Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

MONTREAL EAST GULF REFINERY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie) moved:

That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the Gulf refinery of Montreal East in order to save the hundreds of jobs which are threatened and to protect Quebec consumers, thus respecting the unanimous resolution of the National Assembly of Quebec.

Mr. Speaker, now that you have read the motion, which I will read again, we will have a chance to measure the intellectual honesty of our Conservative colleagues and this Government, and to get to the truth of a matter that has caused so much ink to flow.

Mr. Speaker, the motion is as follows:

That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the Gulf refinery of Montreal East in order to save the hundreds of jobs which are threatened and to protect Quebec consumers, thus respecting the unanimous resolution of the National Assembly of Quebec.

Mr. Speaker, this matter goes back to the summer of 1984, and we are still discussing it today. The Hon. Member for Champlain (Mr. Champagne) is wrong when he says it started under the Liberals. He is wrong, Mr. Speaker, and I hope he will listen carefully, because his credibility is at stake.

Mr. Speaker, during the summer of Olympia & York, Petro Canada and the federal Government proceeded with the purchase of the assets of Gulf. Early in September, thanks to the efforts of a number of Conservative members, Olympia & York was persuaded to postpone closing the refinery for two months. I take my hat off to those Members, and they are the Hon. Member for Mercier (Ms. Jacques) first of all, and then to some extent the Hon. Member for Duvernay (Mr. Della Noce) and the Hon. Member for Terrebonne (Mr. Toupin)!

Mr. Speaker, matters got worse, and today, we have reached the point where the refinery is closed down, 450 employees have lost their jobs, and a Conservative Minister has resigned. A number of Conservative Members have lost all credibility with the public on this matter.

To me, the credibility of Conservative Members is not the main thing. That is their problem, not mine and not that of the people of Canada. What is still at stake today is the credibility of the Prime Minister, and also the interests of Quebec consumers and 450 employees of the Gulf refinery in Montreal East.

I know that those people are watching us, and I hasten to commend the representatives of the Gulf refinery workers for all their work and efforts to save jobs in Montreal East and soften the blow against Quebec consumers.

Mr. Speaker, those workers had confidence in all Members of all political persuasions, at both federal and provincial levels, but they wake up today and they are out of a job. Still, they know who is telling the truth in this matter.

What happened? How is it that we in the Liberal Party, the Official Opposition, are involved in this case which took place in the riding of a Conservative Member, the Member for Mercier?

For starters, it all began after the announced closing of four Montreal East companies, and those people called on us to support them on the picket line. I knew full well that as a plant worker I would never have accepted a politician showing up at the plant gate just to have his picture taken, shake a few hands and drive back home. So I agreed, along with my colleagues—the Hon. Member for Saint-Denis (Mr. Prud'homme), the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) and the Hon. Member for Shefford (Mr. Lapierre)—on the condition that we would regroup as the Eastern Townships residents had done, set up a survival committee made up of people from all political parties, and make an honest effort to save as many jobs as possible.

So it was to deal with the Gulf issue, the Canadian Steel Wheel issue, the Vickers issue, the Daoust issue, the Parisette and Bombardier issues that all employee representatives, all elected representatives at the three levels of government, no matter their political stripes, got together under one blanket organization, the Comité de survie de l'est de Montréal. And even the Hon. Member for Duvernay (Mr. Della Noce) who is not directly connected with this area attended the first meeting.

Mr. Speaker, I must congratulate all provincial candidates, men and women, who took part during their election campaign without ever trying to make political gains.

But newspaper reports will indicate that the three or four Conservative Members included were the only committee members who were in disagreement. It was not a Liberal candidate haggling with the PQ candidate, but the Hon. Member for Montreal-Mercier (Ms. Jacques) who quarrelled with the Hon. Member for Terrebonne (Mr. Toupin) and the Hon. Member for Duvernay (Mr. Della Noce). The only people who made nuisances of themselves during the Montreal East battle were the three Conservative Members who constantly argued and tried to destroy one another. What happened here in the House? They are the same Conservative Members who brought in Gaz Métropolitain. The Quebec caucus of the Progressive Conservative Party, as its chairperson can bear witness here, supported this initiative. But what happened is that everybody let down the Hon. Member for Terrebonne in this issue.

How did we learn about the sale on December 3, the day after the provincial election? How did we learn about the transaction? What happened at the consumer level? Let us forget for a while about jobs and let us think about the interests of consumers.

On January 18, Mr. Speaker, the Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté), a Quebec Minister of the Crown, a Conservative Minister . . . Ottawa could repudiate the sale of Gulf to Ultramar. This goes against the interests of Quebec consumers. The Minister made the following statement on the 17th, at a press conference which I was attending. After questions asked by the journalists on the other side, the Minister promises seven or eight times to make the report public the next Friday. What happens that Friday, Mr. Speaker? The Minister remained silent. The Minister of Energy, Mines and Resources (Miss Carney) has shut him up. Another little Quebecer has just been told to keep quiet.

At the same time, Mr. Speaker, Ultramar is threatening to close its refinery. Shell Canada is threatening to close its refinery in Montreal East and the Quebec National Assembly agrees unanimously to a motion on December 18, if you recall, immediately after the election. To my knowledge, the Liberals and PQ Members are not that friendly. These people unanimously asked that the Canadian Government and the Prime Minister, who prides himself on being the little guy from Baie

Comeau and who has been named citizen for life of Westmount, wait 90 days before agreeing to the transaction.

• (1710)

It is quite unusual to have a motion passed unanimously in the National Assembly after an election campaign. What happened then, Mr. Speaker? During the Christmas adjournment, on December 19 our own adjournment was around December 21—Minister Côté made a statement which clearly showed that the consumers would be penalized in Quebec. We have to remember that it is following the signature of six or seven Liberal Members that the Minister was forced to intervene. What happened then, Mr. Speaker? On December 27, in Montreal, while everyone was enjoying the holidays, the Minister of Regional Industrial Expansion, believing that no one would notice, that the Opposition Members would be gone, that the Conservative Members would all be away, that the Gulf Refinery employees would be unable to do anything, the Minister, who is unilingual, went alone to Quebec to announce that he had accepted the deal between Olympia & York and the British company Ultramar.

Mr. Speaker, it is important to remember that Olympia & York had obtained tax shelters of nearly $1 billion to purchase this refinery and protect the assets of Western Canada when refineries and service stations were sold to Petro-Canada. However, the Gulf Company had been left out.

Mr. Speaker, the reason given by the Minister, if market conditions so required, he had the gall, although his colleague in a press conference had suggested that this went against the interests of Quebec consumers, but the Minister of Consumer Affairs did not attend that press conference. In his press release, the Minister said that.

What do we have now after having looked at all that? There are Conservative Members who joined in good faith. They even said that the Hon. Member for Duvernay (Mr. Della Noce) has the feeling he has been manipulated. Mr. Speaker, I am convinced the Hon. Members for Duvernay, for Montreal-Mercier (Mrs. Jacques), for Terrebonne (Mr. Toupin), were involved in good faith like all other Members, but unfortunately they have been misled. Just like the Minister of Consumer and Corporate Affairs. I attended the press conference; he looked very happy. After that he winked at me, it was almost in the bag. But after that there was no more of him to be seen.

But we do have the O'Farrell Report, Mr. Speaker. The O'Farrell Report was made public, and it is in there in black and white that Quebec consumers are penalized by the Gulf Refinery shutdown in east-end Montreal. It is here, we managed to lay our hands on it because, as you remember, in this House, when the Opposition Members directed the question to the Minister of Energy, Mines and Resources (Mrs. Carney), she openly gave the not so important Minister of Consumer and Corporate Affairs a good dressing down. She made it quite clear in the House that she was the Minister of Energy, Mines and Resources and that her figures were right, meaning: "Listen kid, you sit down and keep quiet there".

Here, Mr. Speaker, we managed to lay our hands on that famous Energy, Mines and Resources report from the Minister, not to name her, that Minister who hails from Western Canada and who knows very little about east-end Montreal. Quebec, what is that? She does not know yet. And I have conclusions. In her view, Quebec never will be short of gas, not to worry, there is plenty of it in Ontario. Such are her own findings, Mr. Speaker, or rather the findings in her report. And to realize that Quebec Conservative Members will be conned again!

When we read the famous report from the Department of Energy, Mines and Resources, we notice that the figures are the same as those in the telegram which Mr. Woodroffe, the Ultramar representative, had sent to the Minister of Regional Economic Expansion (Mr. Stevens) on September 25. As it happens, the Ultramar figures are the same as those quoted by the Minister of Energy, Mines and Resources (Miss Carney). Isn't that funny? It is quite a coincidence. As I said a moment ago, I made a check on Ultramar and Gaz Métropolitain, and I find out that Ultramar had given $3,000 in Baie-Comeau, a mere $3,000, and Gaz Métropolitain gave nothing.

I have some other interesting figures here, Mr. Speaker. Coincidentally, Ultramar had contributed another $2,100 to the riding represented by the Minister of Finance. It is always useful. One has to admit that the Ultramar people were right on. Olympia & York, in the riding represented by the Minister of Indian Affairs and Northern Development (Mr. Crombie). They know the right people.

I wish a Conservative Member could tell me why, on December 20, following the motion adopted unanimously by the Quebec National Assembly and calling for a 90-day moratorium, the Government acted secretly and without advising anybody, as it had done from the start? Why?

I remember that the Minister of Regional Economic Expansion, accompanied by a few petty Hon. Members, a few groupies, announced on the 27th that, as Judas, he had sold Gulf to Ultramar for the purpose of closing it. The Minister thought that it was over. But three days later, the people had banded together and formed a common front. A common front made up of employee representatives, Members, both Liberal and Conservative, of the House of Commons—the Hon. Member for Terrebonne (Mr. Toupin) was there—as well as Liberal Members of the provincial assembly, and various representatives from the petro-chemical industry.

At one point, Mr. Speaker, a Minister came in because there was a Member present in the hall who was against the common front. To tell the truth, the Hon. Member for Duvernay (Mr. Della Noce) was sitting on the other side of the fence. The Hon. Member for Rosemont (Mrs. Blais-Grenier), who was a Minister at the time, came into the hall and signed

the petition to indicate her support. That's when the Hon. Member for Duvernay signed the petition too, in front of the cameras.

Mr. Speaker, I see that my time is about to expire. I think there is an ultimate chance, and the Gulf employees, I am sure, are listening to us at this moment. The motion is clear. As Conservative Members, you have the chance... The Quebec Government is still taking steps to possibly save the whole or part of the refinery. You made a mistake when you gave the preference to a British firm over a Quebec firm; therefore you should find a solution to this problem. You must exert pressure on the Ultramar owners to compel them to sell to the Lavalin company, the SNC Group or anybody else, but in co-operation with the Quebec Government, to start the whole refinery going again, or at least to save the petro-chemical facilities, in order to keep these jobs in Montreal East and protect Quebec consumers.

• (1720)

To conclude, Mr. Speaker, let me say that this is the last chance for Members of the Conservative Party. I hope that no one will accept to do the arm twisting job.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I second the motion by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), and I want to say that a few weeks ago I was in Montreal East with the Hon. Member, and I know it is perhaps unusual in the House to say anything good about a Member of another party, but I want to say that we have here a good Member who has worked hard for his constituents in Montreal East. He has worked very hard. Of course he worked hard because he is an active Member of this House, and although he is a Liberal, I want to say he is a good Member of this House.

There were also many members from the provincial legislature. One was Louise Harel, a member of the Parti québecois whom I know very well. She is the provincial member for the riding of Maisonneuve, and she is also very actively involved in the problems of Montreal East.

Mr. Speaker, the issue involving Gulf and Ultramar is a very important one, and it is perhaps one of the reasons why the Conservative party has lost so many points in the polls. I think everybody knows the Conservative Party experienced a free fall in Quebec. According to the SORECOM polls, taken two or three weeks ago, the Liberal Party got 47 per cent of the vote, the Conservative Party 27 per cent and the New Democratic Party, 26 per cent. The Conservative party has nearly become the third party in Quebec.

The poll organizer in Winnipeg said exactly the same thing three or four days ago. He said the NDP now had 25 per cent of the vote in Quebec, the Conservative Party 27 per cent and the Liberal Party, 44 per cent.

One of the reasons for the swift free fall in Quebec, even with 58 Conservative Members from that province in the House, is the fact that the Conservative Party closed down the refinery in Montreal East. This is no joke. This is not a laughing matter. Maybe the Hon. Member from Quebec should go to Montreal East and talk to the workers and talk to the people. Everybody down there knows perfectly well it was the Conservative Party with its decision regarding Investment Canada that closed down the Gulf refinery in Montreal.

Mr. Speaker, Ultramar bought the Gulf refinery in Montreal to close it down and get more customers for its refinery in Quebec city. That is the only reason Ultramar purchased the refinery in Montreal East. Otherwise it would not have turned down offers to purchase the Montreal East refinery, by parties such as Gaz Métropolitain, which would have increased competition on the Quebec market.

I know it was a Conservative Member from Montreal East, the Member for Montreal-Mercier (Ms Jacques) who said just before Christmas that Gaz Métropolitain might be a prospective buyer.

However, Mr. Speaker, when the sale of Gulf by Ultramar was examined by Investment Canada, Ultramar threatened to close down its refinery in Quebec City if the Government tried to keep the Gulf refinery open.

Mr. Speaker, it was the pressure of the big multinationals, and unfortunately, the Government listened to the multinationals and not to the people of Quebec.

The same threats were made publicly by Shell Canada which also has a refinery in Montreal. Shell Canada was doing exactly the same thing as Ultramar, the British Corporation, had done.

Mr. Speaker, there is also the matter of undercapacity in Quebec. Now that Gulf has shut down, the Province of Quebec has only three refineries left—Ultramar, Gulf and Petro-Canada. Those companies will now be in a position to boost their refining capacity from 75 to 100 per cent, and their profits will increase accordingly. The companies will also be able to sell all their products to their own retailers, which might signal the demise of independent retailers. That is an important issue because in Quebec as elsewhere in Canada there are quite a few independent retailers whose main problem is to remain competitive, Mr. Speaker.

Everybody, including the Minister of Consumer and Corporate Affairs (Mr. Côté), the Minister of Energy of Quebec and independent retailers, they all agree that Quebec refining capacity will no longer be able to meet the needs of Quebecers.

At long last the O'Farrell report was finally made public, and it states that Quebec's refining undercapacity will lead to price controls by those three companies—Petro-Canada, Gulf and Ultramar—as well as excessive prices for Quebec consumers. Mr. Speaker, the current situation is such that crude oil prices are tumbling throughout the world. As I recall, a barrel

of oil cost $38 three months ago, but according to this morning's *Globe and Mail* a barrel of oil is selling for only $14 or $15, a drop of $23 or $24 a barrel.

But the main question is this, Mr. Speaker: Why did the Conservative Government give in to the oil industry and ask for the Gulf shutdown? Why did the Government wait for the major company, Ultramar? Secondly, Mr. Speaker, why did the Government not take action to protect the interests of Gulf workers and Quebec consumers? And thirdly, Mr. Speaker, why did the Government imitate the Liberal Party which, a few years ago, closed down three refineries in Montreal? Indeed, Mr. Speaker, the Conservative Party and this Government are not the only ones who closed a refinery in Montreal. When Mr. Trudeau was Prime Minister, the Liberal Party closed not one or two but three refineries in that great Canadian city.

Mr. Speaker, the Combine Investigation Bureau should carry out a new inquiry in order to determine whether or not the oil industry is responsible for the Gulf refinery shutdown. Shell and Ultramar together threatened the Government which gave in to pressure.

Mr. Speaker, it is a question of great importance for the Quebec people. It is a question of employment, of "jobs" for many people in Montreal East. It is also an important question on the national level, due to the fact that we now have in the country many, in fact too many foreign businesses, and a lot of foreign control in our economy. This Montreal refinery could be sold to Canadian interests, to a Quebec buyer, such as Gaz Métropolitain. Yet, in spite of the situation, the government and the Minister for Industry have decided to sell this large corporation to a British firm. Mr. Speaker, I know that Quebec people do not agree at all with this decision. I know that because, three or four months ago, I met with many Quebecers, as I said before when I was in the East end of Montreal, with Mrs. Louise Harel, the Member for Montreal-Sainte-Marie, and 50 other people.

An Hon. Member: Federal Liberals!

Mr. Nystrom: Yes, federal Liberal Members and also provincial Liberal MNAs. I know there are also, Mr. Speaker, federal Conservative Members who do not agree with their Minister, or with their Prime Minister with regard to this refinery.

There is the Minister who resigned on that issue, the Hon. Member for Rosemont (Mrs. Blais-Grenier). We know, Mr. Speaker, that she has principles and she followed her conscience. I hope that more Conservative Members from Quebec will do the same, because a recent poll is giving only a 25, 26 or 27 per cent support to the Parti québécois, the Conservative Party, and after the next elections there won't be any Conservative Member left in Quebec, because the Party broke its electoral promises. They broke the promises they made to the Quebec people.

Gulf Refinery

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker—

• (1730)

Mr. Malépart: On a point of order, Mr. Speaker. From a procedural point of view, I would like to know whether the fact that Conservative Members will speak up to 6 o'clock, means that they are against the Motion and that they are abandoning the Gulf refinery.

[*English*]

The Acting Speaker (Mr. Kempling): That is not a point of order.

[*Translation*]

Mrs. B. Tardif: I am greateful for this opportunity to speak about a subject which we consider very important. As all the Hon. Members are aware, the Federal Government is committed to the creation of a new economic environment in Canada in which, and this is the crucial point, industry and commerce will be able to develop in every region in Canada. One of the troubling facts about a competitive market is that, sometimes, decisions have to be made which will mean plants closing and jobs lost. In such cases, we call upon the Governments to use all available resources to solve the problems.

The Government of Canada has stopped governing the country with *ad hoc* short term policies. The Progressive Conservative Government is governing the country in a much longer term perspective.

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) gave us a history lesson a while ago. I would like to do the same. If we look at what happened in December 1985, Ultramar and Gulf Canada announced that, on January 8, 1986, Ultramar would acquire the capital assets of the refinery and the marketing operations of Gulf Canada located in Quebec and the Atlantic region. It was then decided to close the Gulf refinery in Montreal. Ultramar took over the facilities with the intentions of using them as a terminal for oil products.

The decision to close the Montreal refinery was taken following an evaluation of the refining capacity in Quebec. Closing the Gulf refinery will allow the Ultramar refinery in Quebec City to remain viable.

Mr. Speaker, such are the facts which led to this transaction during 14 months between February 1983 and May 1984. Under the former Liberal Government, nine refineries were closed in Canada, including three in Montreal. This brought about the lay-off of 1,870 employees, including 1,080 in Montreal. As the President of the Treasury Board (Mr. de Cotret) pointed out last January 13 when he replied to the Hon. Member for Montreal-Sainte-Marie and asked him what he did when Esso, BP and Texaco were closed and 1,080 jobs were lost in Montreal East, he should explain his own behaviour then. He did nothing. Where was he when the then

Government announced that it was all over for the petrochemical industry and Pétromont?

As for us, within a few weeks, we injected $15 million in Pétromont and we have just injected $55.8 million in this company to guarantee a viable petrochemical industry in Montreal. That is progress. That is building on solid bases. For about 10 years, oil demand has gone down considerably in Quebec. The market share of natural gas has nearly doubled since 1980, when it was about 8 per cent, as it has now reached 15 per cent. The share of electricity has also increased substantially, from 27 per cent in 1980 to 38 per cent in 1985. I do not know whether the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) recalls the target set by the Quebec Government in its 1978 energy policy, which was a 41 per cent share of the market for electricity and a 15 to 20 per cent share for gas by 1990. The Government has therefore nearly succeeded in meeting its objective, and it has done so five years before the original target date. That increase in the market share of competing energies resulted in a similar decrease in oil sales, which used to account for more than 70 per cent of energy consumption in Quebec in the early 70's. In 1980, that proportion was reduced to a little over 60 per cent, and, finally, in 1985, oil only accounted for about 45 per cent of energy consumption in Quebec. The unavoidable result of that lower consumption was a refining over-capacity for oil products. Selling the Gulf Corporation facilities is one of the steps in the industry redeployment required because of those structural market changes. The selling of the Gulf assets in Quebec and in the Atlantic area remains a private transaction between buyer and seller, over which the Government has no control. The significant decrease experienced in oil consumption is the major factor in the decision to shut down refineries. The market shift from heavier products to lighter ones and the capital investments required to update plant and equipment also have been contributing factors to the shut-downs which affect all regions in Canada. The reduction in the Quebec production, which at times may seem disproportionate, was caused by the relatively fast decline in demand for oil products. I noted that my hon. colleague is concerned about the possibly negative impact of that shut-down on Quebec consumers. I want to reassure this House that Quebec's security with respect to supplies of oil products is not predicated upon its self-sufficiency in the area of refining capacities. I would like to give the House an example. Some provinces like Newfoundland, Prince Edward Island and Manitoba, have no refineries. The State of New York, with 15 million people, has no capacity in that area other than a small asphalt plant. The security of supplies is no major concern in those areas, and this is because they do not feel they need to have refining facilities of their own capable of coping with their internal needs. Quebec market forces in 1985 have been boosted by deregulation, which gave Quebec easier access to products from international sources, at competitive prices. The Hon. Member also referred earlier to the O'Farrell Report, about which he made a great fuss. As is often the case in his comments, he was looking at only part of the question. And indeed he does that very often in this House. If we had a look at what the report states, and especially what the author wrote, and I quote: This document is not the report of an inquiry under the Act. It was rather a brief of a consultative nature which had been submitted to the Minister.

Such is the O'Farrell Report. It contains not recommendations but assumptions, scenarios based on a market that includes Quebec, Eastern Ontario and the Northwestern United States. The under-capacity to which it referred must be viewed from that angle, as a market that covers part of the North American continent rather than a market limited to the Province of Quebec.

● (1740)

We should certainly not be mixing apples and oranges. I think that is quite clear in fact for anyone who has appraised himself of the contents of that document.

As far as safe supply is concerned, as I said earlier, Mr. Speaker, this is what Mr. O'Farrell has to say: "It is an irrelevant question in the context of a competition oriented policy".

I wish Hon. Members would use this report as it was intended to be, and not for the kind of partisan debate that never allows us to take a good look at what is in the files.

Turning to the Department of Energy, Mines and Resources, Mr. Speaker, there was a recent survey of the refining capacity and the internal demand in Quebec. That survey concluded that there was an over-capacity in 1985, when Gulf was still operating. Although the Gulf refinery was closed in January 1986, there is still an over-capacity.

That survey was completed, Mr. Speaker, and is presently being studied along with four other studies by the Restrictive Trade Practices Commission.

Let us now turn to the investments made by those refineries specifically in Quebec. Some $500 million were invested in the last five years in refining and marketing projects. Other investments amounting now to $215 million will be made in the years to come by Shell and Ultramar. The purpose of such investments is to enlarge the capacity in Quebec and therefore the operating range of the refineries.

Mr. Speaker, I would like to remind Hon. Members in this House that last fall we asked the Minister of Energy, Mines and Resources (Mrs. Carney) to postpone by two months the closing of the Gulf refinery in order to encourage possible buyers to come forward. That request was accepted and officials from the Department of Energy, Mines and Resources and the Departmental of Regional Industrial Expansion gathered the information and analysed the economic projections of offer and demand in order to assist potential bidders needing that information.

Earlier on, my colleague for Montreal-Saint-Marie (Mr. Malépart) mentioned the figures given by some companies. Of course it was in the interest of the Government that potential bidders have access to the basic information in order to be able to bid for Gulf, and to try and co-operate with every effort made by Members of Parliament and Departmental staff to make such bids possible.

Throughout the negotiating process and until the final date, interested parties discussed a possible purchase of the Montreal refinery without reaching a conclusion. However, there is still an interest in buying the petro-chemical facilities within the refinery, and Ultramar will study any commercially feasible proposal. The final date for the submission of bids was even postponed to June 1 1986.

I am sure that if my Hon. colleague had read today's papers, he would at least have learned that that final date for bids was postponed until June 1986.

However, Mr. Speaker, the oil industry in Quebec remains extremely active and the Government spares no effort to support it.

For instance, Petromont received a grant of $55 million from the federal Government in order to upgrade its facilities, and this grant is to be matched by the Quebec government.

Among the other investments made over the last two years in the petrochemical industry in Quebec, Petro-Canada built in Montreal a cracking unit using the new CANMET process. The total cost of this project is $135 million, and it created 30 jobs. I would also like to say that much of the equipment needed for this plant was manufactured by the Vickers Company in Montreal; this is obviously of interest to the workers of Montreal . . . Petro-Canada is also building a catalytic cracking unit for a total cost of $60 million which will make it possible to keep the present jobs in the Montreal facilities of the company. This unit, just like the CANMET plant, was opened in November 1985.

Shell also announced last December an investment of $80 million in its Montreal facilities in order to replace the catalytic cracking unit and maintain the number of jobs at the present level. Perhaps it is also worth mentioning that the Ultramar Company completed in 1983 its new facilities in Saint-Romuald, near Quebec City, at a cost of $310 million. This investment created some 80 new jobs.

Mr. Speaker, any job loss certainly worries this Government. We are particularly concerned about the future economic situation of the Montreal area. This is why we have formed a Cabinet committee to find ways for this area to continue leading the economic development of Canada, and particularly that of the Province of Quebec.

To conclude, Mr. Speaker, I wish to quote Mr. Claude Piché, Executive Commissioner of the *Commission d'initiative et des développements économiques de Montréal* who said: "According to the press, the East end of Montreal is an area of desolation. In fact, the City of Montreal has also successfully contributed to industrial development projects between June 1984 and December 1985. More than 4,000 jobs have been created or maintained in East end Montreal, over a period of just 18 months." And I am still quoting: "Go and ask the 900 employees of MacDonald Tobacco if they are pleased with the $50 million investment at the corner of Iberville and Ontario Streets. Go and ask the employees of Johnson and Johnson if they are pleased with the $32 million investment on Pie IX Boulevard."

Mr. Speaker, through DRIE alone, since September 1, 1984, we have helped create some 17,000 direct jobs in Quebec. Contributions for the Montreal area were close to $279 million. These figures reflect the creation of 8,000 jobs, most of which are in the small business sector.

Mr. Speaker, I wish Opposition Members were not so negative in their comments. They should ask some companies like Balcan Plastics, Cari-All Inc., Industries Genetic and Tye-Sil, what they think of the assistance they received from our Government in East end Montreal. We are going to inject some $10 million to create even more jobs.

Finally, Mr. Speaker . . . instead of shouting, my hon. colleague might help our Government to create even more jobs for the Montreal area.

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I would like as well to comment briefly on—

[*English*]

Mr. Prud'homme: This is not a Government notice or motion. I understand clearly that the Government has a powerful majority. That is the decision of Canadians. However, it is customary to let someone on this side speak on a motion that is presented by a Member of this side, to the best of my knowledge. I would hope that the Chair would be advised accordingly. I do not want to push further, except that I think I should be recognized.

• (1750)

The Acting Speaker (Mr. Kempling): I recognize the hon. gentleman's intervention. If I recognize him, there will have been three Opposition Members speaking on the motion. I say, if I recognize the Hon. Member I will have recognized three Opposition Members on the motion. Therefore, I will recognize the Hon. Member for Duvernay.

Mr. Della Noce: Thank you, Mr. Speaker. Your discretion is right. I want to speak on this motion because my name was mentioned often and I think it is only proper that I be allowed to speak.

[*Translation*]

Mr. Speaker, we have often heard about the Gulf transaction and my colleague for Montreal-Sainte-Marie (Mr. Malépart) made a lot of noise about it in Montreal and in all the surrounding areas. When I took over the Gulf file, it was

simply to request from my Minister a two month extension which was granted immediately. Things were going well. Suddenly, the Hon. Member for Montreal-Sainte-Marie appeared in the picture and all Opposition Members tried to get some publicity for themselves out of this issue.

An Hon. Member: A lot of publicity.

Mr. Della Noce: A lot of publicity and maybe even too much at times.

An Hon. Member: On the back of workers.

Mr. Della Noce: Now were those particular workers not the victims? Yes, Mr. Speaker, workers found themselvess in a dead end just like me. Recently, I wrote an article on the Gulf deal for my fellow citizens and in particular for the residents of Montreal, which was entitled: The Gulf transaction brought to an end, hoping that someday someone would understand the truth. I also wrote an article on the Gulf issue of which I have a copy here, where I asked: Who speaks the truth? I can bet my salary that few people know the truth about the Gulf transaction and I have no time to explain it today in ten minutes.

But let us start, like my colleague from Montreal-Sainte-Marie did earlier, by some background on this case. Two groups were interested in the purchase of the Gulf refinery. One was Ultramar and the other, Gaz Metropolitain with which, we, as Members from Quebec, have made many deals. After a meeting in early January, officials of that company had told us they wanted to put an offer on the refinery. The first question I asked was whether they had the money for it. They said yes. I then asked whether they needed some Government support. They said no. I thought: it's in the bag. But later on, what happened was that that Chairman had forgotten a minor detail, to ask the executive the authorization for that purchase, which I think was never granted.

With regard to that Gulf deal, I believe that we have been manipulated by some supposed buyers because in my opinion, Conservative Members have worked a lot harder than those supposed buyers who did not exist. Ultramar was a potential buyer from the start with 120 nice million Canadian dollars. But there was no other buyer. Later on, we had offers for $80 million. Another one put an offer on December 26, but bids were supposed to arrive before December 2nd. As a former businessman, I understood one thing. When you want to buy something, put an offer on it, then put the money. Since there was no money, there was no offer.

But I can tell you that we, the Quebec Conservative Members of Parliament and caucus, at the request of Gulf workers and Gaz Métropolitain, succeeded in obtaining a short extension of two months to allow the possible buyer, which was supposed to be Gaz Métropolitain, to file a serious bid before December 2, 1985. However, the president of Gaz Métropolitain, Mr. Martin, who had promised before a Conservative caucus that he would file a $120 million bid without any Government assistance, did admit in a press conference on last February 20 that it was because his bid was lower than the Ultramar one, $80 million instead of $120 million, that he had lost the battle. Yes, he lost the battle because he did not put enough money. When he was assessing his bid, he thought it would be more or less equal to the Ultramar one. This was not so. What did Mr. Martin say afterwards? Let me quote the story: "Recognizing the industry is a select club, Mr. Martin eventually indicated, in another press conference, that Gaz Métropolitain would own a refinery if it had filed a $120 million bid." That is what I have always claimed. The Hon. Member for Duvernay had claimed that all along. That is why he was not exactly sitting on the same side as my Hon. colleague for Montreal-Sainte-Marie who has a talent for gathering opposition people. Imagine, even the NDP was involved in that. That was good for public opinion polls. Imagine what happens when the NDP gets involved in that! A union leader—

Mr. Malépart: On a point of order, Mr. Speaker. The Hon. Member is accusing me of gathering people together but it seems to me that a Member of Parliament has a right to work with all Canadians in a non-partisan way, without looking at political stripes. We are here to defend the interests of people. I do not see why my colleague blames me for speaking to people who are New Democrats, Péquistes, Liberals or Tories.

[*English*]

The Acting Speaker (Mr. Kempling): This is not a point of order.

[*Translation*]

Mr. Della Noce: Quite the opposite. I commend him. But the Hon. Member is making a serious mistake. He only calls on unions. There are interesting people, people from the city who said: Why do you look at only one side of the coin? Because it served your purpose. You were looking at only one side of the coin. We never had Gaz Métropolitain! He forgot to invite the owner, who was supposed to be the buyer. He forgot to invite Ultramar. That is disgusting! It is awful what he did! He had everybody worked up. My friend and colleague for Saint-Denis (Mr. Prud'homme) enjoyed coming to see that fight. He even took my colleague's coat.

Mr. Prud'homme: On a point of order, Mr. Speaker. This time, Mr. Speaker, you certainly have followed the debate very closely. I very much enjoy debates, but my colleague has dragged me into one in which I had no opportunity to speak in the first place. And I think it is against the rules for the Hon. Member to impute intentions I do not have. You very well known that I have a point of order on that he referred to my enjoying being there. I went because it was my duty as a Quebecer, I went because it was my duty as a citizen supporting the wish of the National Assembly.

[*English*]

The Acting Speaker (Mr. Kempling): Order, please. The Hon. Member is engaging in debate. That is not a point of order.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I have no doubt the Hon. Member was there to answer the call of duty, but he also came in at the last minute. He came to put out the fire that perhaps some of his colleagues had lit and thrown gas on, but never did the man from Gaz Métropolitain come to say: True, I wanted to buy, true, I offered $120 million. Tell the truth, you never tell the truth!

Mr. Malépart: Mr. Speaker, on a point of order. If we all stop speaking, the motion will be accepted. If my colleague goes on speaking, it is because he wants to talk the motion out. He is against the Gulf company. Truth hurts!

Mr. Prud'homme: It is not six o'clock yet.

[*English*]

The Acting Speaker (Mr. Kempling): From where I stand, the hour provided—

Mr. Prud'homme: It is not six o'clock.

The Acting Speaker (Mr. Kempling): —for consideration of Private Members' Business has now expired.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I respectfully submit to you that there is at least two minutes left on that clock and two minutes left on that clock. Let them kill the Bill and we will know what to do afterward. You cannot cut the debate because the other Member wants to speak.

[*Translation*]

Mr. Cadieux: Mr. Speaker, I rise on a point of order. My colleague from Duvernay (Mr. Della Noce) has still some time left and he should be entitled to continue and I hope that he will no longer be interrupted needlessly.

[*English*]

The Acting Speaker (Mr. Kempling): The Chair will be indulgent and allow the debate to continue for one minute. The Hon. Member for Duvernay.

[*Translation*]

Mr. Della Noce: Mr. Speaker, if they keep interrupting me, and I know they like to do so, I will not have enough time to complete my comments and I will probably be accused of talking out the motion.

Mr. Malépart: It is true!

Mr. Della Noce: This is not the reason why I am speaking. I want to tell the truth, because Liberals do not.

Mr. Malépart: No, it is to talk out the motion!

Mr. Della Noce: This is why I will tell you the truth. Three refineries have been closed within two years. It did not only happened yesterday. It happened with the O'Farrell Report which is the worst lie ever told anywhere.

Mr. Prud'homme: You must be happy now, you talked out the motion!

• (1800)

[*English*]

The Acting Speaker (Mr. Kempling): The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SHIPBUILDING—PLACEMENT OF CN MARINE FERRY ORDER. (B) LAUZON SHIPYARD

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity to say something more about the state of the shipbuilding industry and specifically about the contract from CN Marine for the construction of a second passenger and vehicle ferry to be constructed at a Canadian yard, which subject has been before the House on a number of occasions over the past months. Last Thursday there was a demonstration on this Hill in Ottawa by more than 600 workers from the Versatile Davie Shipyard in Lauzon, Quebec. These workers came to Ottawa in 16 buses and were greeted here by some of the more foul weather this city has produced during the winter. The weather all too sadly reflected the kinds of economic circumstances in which their industry finds itself.

Hundreds of these workers had been at work not many months ago on the construction of the motor vessel *Caribou*. It is a vessel which represents a most important addition to the fleet of CN Marine. With the vessel now very near completion, and with most of the workers on unemployment insurance, the yard which normally employs 1,600 workers has presently something over 100 employees at work. The workers from Versatile Davie in Lauzon wait in a desperate anxiety for a decision to be made by CN Marine on the purchase of another vessel like the *Caribou* which they would dearly love to build at their yard on the St. Lawrence.

The nature of my question can be focused if we look at a statement made by the Minister of Transport (Mr. Mazankowski) in November of 1984. In response to a question

regarding ferry service on the Atlantic coast he said, and I quote from *Hansard* at page 217:

> There will be a rationalization of the Gulf ferry services and the coastal ferry services. As a matter of fact, there will be an additional three new vessels on the Gulf service and one new vessel on the Newfoundland-Labrador coastal service. These vessels will be of the latest state of the art; they will be faster, they will be larger, and they will provide more flexibility and more reliable service. Not only that, this will have a tremendous impact upon the shipbuilding industry and, therefore, will create jobs.

Clearly, the Minister of Transport, who was described by my colleague from Regina this afternoon as an honest and honourable Member of Parliament and Minister, promised something about which so many of us who are concerned about the industry—and pre-eminently, the workers at Versatile Davie in Lauzon—have been looking for, a decision by the Government.

The question has been raised in the House a number of times. I put it to the Minister of Transport on October 29, 1985. At that time I decried the delay which was occurring. The Minister at that time asked: "Should we be dictating to the board?" Well, I think there is reason to dictate to the board. The Hon. Member for Lévis (Mr. Fontaine) spoke to this matter a couple of days later last October. The Minister again suggested that they were respecting the board's concerns.

On November 5, I spoke on this very same Adjournment Debate and expressed the necessity for the Government to make a decision on this matter. The months passed. I think ruefully of the fact that last June, I pressed the Minister of Regional Industrial Expansion (Mr. Stevens) on the matter of policy for the shipbuilding industry. I asked him if we were going to have to wait months and months for a decision about an industry which finds itself in circumstances more depressed than those in the 1930s.

• (1805)

The Minister served up: "No, Mr. Speaker". It is going on eight-and-a-half months since then and the Government has done absolutely nothing of a new sort. There have been no new initiatives taken. There may be matters in the wind such as the matter of the *Polar 8* ice-breaker, which is still under consideration by the Government in spite of the promise given last September. Yet we continue to wait.

It seems to me that there is a very good case to be made for instructing CN Marine to get on with it and to place the contract. If we have to spend the money on the purchase of a vessel abroad, which appears to be the alternative, that will cost us in terms of foreign exchange. It will bring in some duty to the Government, if they duty is not remitted. However, it will cost us in terms of foreign exchange and place an additional pressure on the dollar. What we have in Canada at Lauzon are workers who are surely costing the better part of $20 million in terms of unemployment insurance on an annual basis. When we consider paying that type of money in unemployment insurance and consider the construction of a vessel which will cost us no more than $120 million or so, it seems to me that we have every reason to get on with it, make a decision, place the order and put the workers back to the jobs they like so well—construction of vessels on the St. Lawrence.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I understand the concerns of my colleague from Thunder Bay-Nipigon (Mr. Epp) regarding a situation that currently prevails in Canadian shipyards. In fact, my hon. colleague has stressed those concerns on several occasions in this House.

I would like to remind him that in a reply he was given by the Minister of Regional Industrial Expansion (Mr. Stevens) on March 6 of this year, the Minister indicated that the Canadian Government was the main purchasing agent for work at shipyards. To help the Hon. Member appreciate what this means, I would like to point out that today, 90 per cent of shipbuilding contracts in our yards are Government contracts. Furthermore, 60 per cent of the work in repair shops is carried out on Government ships. The Canadian Coast Guard's current construction program includes 18 ships, while the total contract is worth over $465.2 million.

Contracts from Ports Canada and CN Marine for the construction of new ships total $143 million.

Transport Canada and a number of Crown corporations may allocate further amounts for other contracts.

As for the new ferry, I think it was said several times in the House that the matter will be submitted to Cabinet within the next few weeks, and so that an answer to the Hon. Member's question may be forthcoming.

THE BUDGET—FAMILY INCOME STANDARDS. (B) REQUEST FOR CLARIFICATION OF TAX CREDIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I wish the previous debate could have finished on a more positive note, but I have the impression that on the Gulf issue, all Conservative Members including the Hon. Member for Duvernay (Mr. Della Noce) were determined to talk the motion out and let all those jobs be lost.

Mr. Speaker, my question concerns an announcement made by the Minister of Finance (Mr. Wilson) regarding prepayment of the child tax credit. In light of a question I had asked the Minister of Finance, I must say in all honesty that perhaps he did not quite hear me, or he misunderstood my question, or again perhaps I did not express myself clearly, but the answer was not good enough.

Mr. Speaker, so as to be sure to get a clear and specific answer, I will repeat my question. It has to do with the prepayment of the child tax credit. The Minister of Finance is patting himself on the back and trying to make us believe that he has helped poor families in that respect. In Canada there are 538,000 people or families who receive the child tax credit. The upper limit set by the Minister of Finance, by the

Conservative Government, is $23,500. Unfortunately, Mr. Speaker—and this is the question I asked the Minister—he has decided that only those families with a maximum income of $15,000 will be eligible for the $300 child tax credit prepayment, a highly commendable measure which the Liberals and community groups had suggested to the Minister last year. This is not a Conservative invention, they simply cannot come up with constructive measures. But here again, as in the case of the spouse's allowance for the elderly, this Government is wont to discriminate.

• (1810)

What I was asking the Minister, and I did not get an answer then, but I trust that someone will give me one now, was why 538,000 Canadian families will not be entitled to the prepayment of the child tax credit according to the statement published by the Minister. There will be a prepayment to prevent people from going to the loan sharks and tax discounters, but in the case of a family with four or five children and an income of $16,000, since it often happens that both spouses work, why did the Government decide that such families will be at the mercy of the tax discounters? If it has a social philosophy, why did the Government not say: Last year, we decided that the maximum family income for the child tax credit would be $23,500. Why is the $300 prepayment not being sent to all these families? It would have been quite simple. Why discriminate on the basis of income?

We must also remember that this same Government lowered the ceiling for the child tax credit last year.

Mr. Speaker, the Government has done the same for the sales tax refund. However, as concerns the child tax credit, this would not cost the Government anything as it is already earmarked.

I trust that the one who replies will give me an answer this time. Let him tell us that, for the Conservatives, someone with a family income of $15,500 is now a wealthy person in Canada and that such a person will have to go to the tax discounters, the loan sharks, the friends of the Conservative Party.

Mr. Speaker, I wonder whether the Hon. Member, as Parliamentary Secretary to the Minister of Finance or the Minister of National Health and Welfare... We haven't heard from him in a long time. Normally, it would be the Minister of National Health and Welfare (Mr. Epp), better known now in Canada as the Minister of social injustice, who should have made sure that no one in Canada is penalized and that all taxpayers who receive the full child-tax credit get an early payment of $300 to ensure that these needy families... Also, this cheque should have been mailed in September and not in November, because it is when children are returning to school that their parents need the money.

Mr. Speaker, I dare hope I will get a favourable reply to this question.

[*English*]

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, in answer to the Hon. Member for Montréal-Sainte-Marie (Mr. Malépart), the child tax credit and the sales tax credit are two separate programs with different purposes. The child tax credit threshold of $23,500 in 1986 approximates the low-income cutoff point of a couple with three children in an intermediate size city. The average child tax credit family has 1.8 children, so the threshold is really quite generous. For exemple, for a couple with two children in an intermediate size city, the threshold is approximately $3,000 above the low-income cutoff point in 1986.

In the May 25, 1985, Budget, the threshold was reduced from $26,300 to $23,500 for the 1986 tax year and the credit value was substantially increased to $454 per child. The threshold will be indexed to the extent that inflation exceeds 3 per cent in order to help preserve its real value.

About 2.5 million families benefit from the child tax credit. The refundable sales tax credit will benefit over four million families and individuals, or about 40 per cent of all Canadian households. The federal sales tax credit is intended to protect the lowest income Canadians from the effect of the 1 per cent increase in the federal sales tax. It will benefit many child tax credit families as well.

• (1815)

For example, the couple with two children and a net income of up to $18,000 will receive benefits. Obviously the Government cannot afford to give such a broad-based credit to every Canadian. Given limited resources, it was decided that a substantial credit to lower income families was a better use of public resources than a lower credit for a larger number of families. The credit will cost $330 million in 1986, which demonstrates the Government's real concern for low-income Canadians.

THE ECONOMY—EXCHANGE VALUE OF DOLLAR

Mr. Alan Redway (York East): Mr. Speaker, you will remember as well as I do the frightening and astronomical interest rates of 1981. At that time mortgage rates were in excess of 20 per cent. It was those frightening and astronomical interest rates which brought on what has now been called the great recession of the 1980s. It was those interest rates which brought on record personal, corporate and farm bankruptcies. It was those interest rates which brought on unemployment that reached almost to 13 per cent of our entire workforce.

Despite the devastation which those interest rates wrought on our economy, and despite the havoc which they wreaked on the lives of individual ordinary Canadians, the Government of the day told us that it was impossible to bring down those interest rates because American interest rates were high. We were told that we could not bring down our interest rates below the American interest rates. Also, the Government of the day told us that if we did, we would have capital fleeing

the country. We would have the dollar falling, we would have inflation rising, and we would have runaway inflation. In fact, the then Government said that our economy would be wrecked. Well, the economy was wrecked, not because of the falling dollar and the inflation situation, but because of those very high interest rates about which you, Mr. Speaker, and I and every Canadian was most concerned and crying for relief from.

Fortunately when the Conservative Government took office, we followed what I consider to be a low interest rate policy, either by good luck or good management. I choose to think that it has been through deliberate good management that interest rates have continued to fall with one or two modest exceptions. Sometimes, I must admit, when I hear comments from the Governor of the Bank of Canada, I shudder and think perhaps it is good luck rather than good management. However, by and large, I am sure that it is because of good management that interest rates have been falling.

As I indicated, there have been one or two exceptions. One of those exceptions occurred just last month when suddenly, as a result of our falling exchange rate, the Bank of Canada raised its lending rate, raised interest rates in Canada in order to do what was described as "burn the speculators" and to try to steady our Canadian dollar.

The result of our general over-all policy of falling interest rates had been good for the Canadian economy. We have seen unemployment fall. We have seen bankruptcies fall. We have seen the Gross National Product go up. We have seen housing starts go up. We have seen all economic indicators go up. Be that as it may, however, Canadian interest rates have continued to be above American interest rates. In spite of the rising economy and all other good indicators, we have seen the Canadian dollar continue to fall. However, with that falling dollar we have not seen the cost of living go up, we have not seen runaway inflation, and we have not seen the economy in a state of complete collapse, the way the former Government predicted. In fact, we have seen just the opposite. Be all that as it may, we still have an interest rate which is substantially above American interest rates. At the moment our prime rates are some 4 per cent above the American prime rate. Do we need an interest rate that high to keep our dollar steady and to support it? I do not think so, Mr. Speaker, and neither does the former adviser to the Minister of Finance (Mr. Wilson), Mr. William Mackness, who has recently been quoted inthe press as saying:

● (1820)

—the Government made a "major policy error" by going into the Budget with Canadian interest rates substantially higher than those in the United States.

Such a wide variation in interest rates is a source of instability in the Canadian dollar itself.

When interest rates are so far apart, you have to know something is seriously wrong. It's a little like someone trying to sell you a bond with a 25 per cent interest rate—you become suspicious of the product.

Mr. Mackness said that just a few days ago.

High interest rates obviously have not until recently been doing anything for the Canadian dollar. In fact, it continued to fall, which as been hurting our economy. The spread between the American interest rates and our own has had a serious effect on our economy. We must have low interest rates if we are to have a growing Gross National Product and if we are to have falling unemployment so that we can protect our social safety network.

Other countries have been dropping their interest rates lately. I hope that tonight the Parliamentary Secretary will tell us that at long last the Minister of Finance recognizes that our interest rates are too high in comparison with the American's and that they will start to come down. I trust the Parliamentary Secretary will tell us that this very Thursday.

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, the Hon. Member for York East (Mr. Redway) raises a very important and interesting issue.

I would like to begin by suggesting that it is possible to have both lower interest rates and a stronger dollar. Indeed, the two go hand in hand.

Some Hon. Members: Hear, hear!

Mr. Fretz: I believe that the policies which best promote this result, on a sustainable basis, are those designed to encourage non-inflationary growth. I think that is important. On the fiscal side, this involves the policy of sound financial management, including progressive reductions in the budget deficit, as emphasized in last month's Budget.

I am sure the Hon. Member is aware that there cannot be misgivings in financial markets about our commitment to a sound currency if we are to achieve lower interest rates and the foundation for the dollar is to be a firm one. That is why the authorities had to move in a forceful way recently to stem speculative excesses in the foreign exchange market. If these had been allowed to gather additional momentum, they could have spilled over into even stronger pressures on interest rates. I am sure the Hon. Member would agree with me on that.

While it is unfortunate, the route to sustainably lower interest rates inevitably involves some temporary reversals. I am convinced that to have attempted to avoid increases in interest rates through monetary means when the dollar was under strong downward pressure would have been self-defeating. The confidence of Canadian and foreign investors alike would have been undermined, in my estimation. The downward pressure on the dollar would have intensified, a strong risk of reversing the progress that has been made against inflation would have been run, and, ultimately, higher rather than lower Canadian interest rates would have resulted.

By acting as they did, Mr. Speaker, the authorities have paved the way for eventual interest rate declines, and I am sure you are going to see that happen.

The Canadian economy has performed, and I think the Hon. Member will agree with me, extremely well over the past 18 months. I can see the Hon. Member nodding his head. In 1985 our growth rate exceeded those of the United States and

Europe. That is important. Our prospects for this year continue to be favourable. The economic policies of this Government are providing the framework to ensure the recovery is not only sustained, but supported by low interest rates and a sound currency.

Adjournment Debate

The Acting Speaker (Mr. Kempling): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Wednesday, March 12, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

GOVERNMENT EXPENDITURES

NIELSEN TASK FORCE REPORT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Yesterday, Mr. Speaker, the Deputy Prime Minister (Mr. Nielsen) tabled a series of documents which make up the report of the Task Force on Program Review.

Mr. Speaker, the Deputy Prime Minister tried to make us believe that the Canadian people would have an opportunity to study the recommendations contained in this report before their implementation, but in fact a closer look at these documents reveals that half of those recommendations are already in force.

Mr. Speaker, the shameful aspect of all this is that the Government has chosen to attack people while completely ignoring the industrial sector.

A glance at page 55 indicates that last year the committee urged the Minister of Finance (Mr. Wilson) to levy a 10 per cent tax on sick people and to increase it this year so as to obtain additional revenues.

Mr. Speaker, that same committee recommended the abolition of Katimavik and various job creation programs—

Mr. Speaker: Order. The 60 seconds allotted to the Hon. Member have now expired. The Hon. Member for Winnipeg North (Mr. Orlikow).

* * *

[*English*]

EDUCATION

FUNDING OF POST-SECONDARY INSTITUTIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to draw the attention of the House to the continuing decline of post-secondary education in Canada as a result of under-funding. The international reputation of the University of Toronto has been shown to be in severe decline following independent reviews of the University's 52 graduate programs. These reviews show seven programs in serious academic difficulty, and another 17 that will be in trouble unless the quality of research and faculty strength are improved over the next few years.

This decline has been the product of 15 years of under-funding by the former Ontario Conservative Government, and the fiscal noose has now been tightened by the federal Conservative Government's cut-backs to post-secondary education. This is just one example of what is happening to all universities.

The short-sightedness of these cuts has been pointed out by none other than David Vice, the president of Northern Telecom, who stated that federal and provincial funding increases for higher education increased by only 2.5 per cent in the seven years prior to 1984-85, while student enrolment increased—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

HOUSE OF COMMONS

TRIBUTE TO THE LATE JOSEPH DESLIÈRES

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish to advise my colleagues of the death of Mr. Joseph Deslières who was Liberal Member for the federal riding of Brome-Missisquoi from 1952 to 1958.

Since I knew Mr. Deslières at that time, I should like to pay homage to him by saying that he was a devoted and dedicated Member who stayed in close contact with his constituents. It is with emotion that I recall his warm welcome at his home during the September 1984 election campaign, even though we did not belong to the same political Party.

Mr. Speaker, in the name of my Party and on my own behalf I wish to extend our most sincere condolences to the Deslières family.

* * *

• (1405)

YOUTH

FORUM 86 PROGRAM—TRAINEES VISIT TO PARLIAMENT HILL

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I know that all the Members of this House will wish to join me

in welcoming the 130 young trainees, students from all over Canada, who are taking part in the Forum 86 Program.

These young people have come to Parliament Hill this week to become more familiar with how the Government and the Parliament work.

Mr. Speaker, I had the opportunity to meet them at a workshop on the role of the Member of Parliament and I know that you met them this morning yourself. We can both attest that these young people are very attentive and interested and that, like their Members of Parliament, they are worthy representatives of their regions.

Mr. Speaker, some of them are certainly future leaders of tomorrow's society, and perhaps future members of this House, and I therefore invite my colleagues to make themselves available to meet them.

Let me conclude by wishing them a very pleasant stay among us and success in their studies. Canada needs their contribution.

* * *

[*English*]

YOUTH

CANCELLATION OF KATIMAVIK PROGRAM—SENATOR'S HUNGER STRIKE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, a Senator is risking his health and life for the cause of Katimavik, which really means the cause of youth in search of a meaningful role in life, as young people undertake when growing into adulthood.

Jacques Hébert is the Senator now in his third day of a hunger strike. Senator Hébert's message is catching the attention of the media and, through the media, of the public.

The Government is saying no to Senator Hébert's request that Katimavik be reinstated. The Government hopes that the public will not respond to Senator Hébert's call for action. The Government, of course, will be proven wrong as Canadians rally to the defence of Katimavik and put pressure on the Prime Minister (Mr. Mulroney) to do the honourable and decent thing—reinstate Katimavik now.

* * *

INDIAN AFFAIRS

STUDY TEAM'S REPORT

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the study team report on Indian and native programs shows at best a limp grasp and, at worst, a profound misunderstanding of the aspirations, needs, and living situations of Canada's First Nations citizens.

The good ideas in it are, almost without exception, repetitions of issues raised by First Nations' organizations, the Auditor General, and even the Department of Indian Affairs and Northern Development. The misconceptions are profound, even appalling. For example, they state at page 13 that 70 per cent of status Indians will be incarcerated by age 25, and, at page 23, that existing Government programs are "recreating modern suburbs in the northern bush". My riding includes one in every eleven Indian bands in Canada and there is perhaps one community that even faintly resembles that ludicrous description.

On page 69 we find the statement: "There would probably be better results if more of the investments were for the purpose of taking over established successful operations". I wish the Deputy Prime Minister (Mr. Nielsen) had considered that before he sabotaged the Native Economic Development Program application of the Yukon Indian Development Corporation.

Mr. Speaker: Order, please. Sixty seconds.

* * *

● (1410)

TASK FORCE ON PROGRAM REVIEW

COMPLETION OF STUDIES

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, for the first time all Canadians can get a comprehensive review of how the federal Government spends billions of dollars of taxpayers' money on myriad programs, many of which were designed only to buy votes for 22 years of Liberal reign. The identification of waste, government mismanagement, and ineffectiveness, has all been documented by the task force review.

Had the NDP ever come to govern, or had the Liberals continued, it would have taken the same task force twice as long to complete the twice as many programs they would have had with, of course, the federal debt being twice as big as it is now.

The reason being that the opposition Liberals' and NDPs' hidden agenda is to spend more money.

While the Leader of the Official Opposition (Mr. Turner) had no comment on such a major review, the NDP condemned the entire report without reading one paragraph of the 21-volume report. I am sure a leadership review by the Liberal and New Democratic Parties is imminent.

* * *

YOUTH

TRIBUTE TO YOUNG PEOPLE VOLUNTARILY PERFORMING COMMUNITY WORK

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I rise today to pay tribute to the tens of thousands of young people who, every day, every week, every month, volunteer to do good work in their communities. They work in hospitals. They work in youth camps, clubs, and senior citi-

zens' homes. They volunteer to do work wherever it needs to be done. The difference is that they do it in their own communities. Because they do it there they are seldom noticed, and seldom is there ever any tribute paid to them.

I rise today because they deserve this tribute. There is no one starving himself to give tribute to these people. There is no one recognizing their work. They did not travel across Canada to do their work. They did not engage in a government operation. They worked in their own communities, and I rise to pay tribute to them.

Some Hon. Members: Hear, hear!

* * *

TASK FORCE ON PROGRAM REVIEW

TRANSPORTATION IN ATLANTIC CANADA

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise in my place today, and as I do so to make my point regarding the task force report I am assisted by the Hon. Member to my right who just stood up and held up the document as it were the bible of the Conservative Party, and its agenda.

The attempt to try to separate the Cabinet from this task force report will not succeed. The fact of the matter is, and Canadians should know, that this task force report was released after a committee of Cabinet, consisting of the Minister of Finance (Mr. Wilson), the President of the Treasury Board (Mr. de Cotret), the Minister of Justice (Mr. Crosbie), who is a former Minister of Finance, and one other Minister, scrutinized it and allowed it to be released. That is the fact of the matter.

On the transportation side, this task force report makes a series of recommendations, approximately 40 per cent of which have already been implemented since the report was given to Cabinet in September of 1985. The Government of Canada has committed itself over the week in Atlantic Canada to use transportation as a tool of regional development. It has made that commitment to the Premiers of the Atlantic provinces. At the same time—

Mr. Speaker: Order, please. Sixty seconds.

* * *

POLITICAL PARTIES

TASK FORCE ON PROGRAM REVIEW—REACTION OF LIBERAL AND NEW DEMOCRATIC PARTIES

Mr. Arnold Malone (Crowfoot): Mr. Speaker, Liberals and New Democrats are an amazing species. Why they have not become extinct remains a political mystery. On one hand they argue that Canadians ought to receive more social programs. On the other hand they defend a ballooning debt that requires one out of every three tax dollars to pay interest charges, which diminishes our capacity to provide social programs.

While these social-conscious symbols advocate more social-support systems, they are willing to let the debt grow until 1990 when it will take two out of every three tax dollars to pay interest charges, therefore destroying our opportunity to be a caring country. Yet they pretend to be caring.

When the report of the Neilsen task force was tabled, and the contents revealed that social programs were not being abused or inefficiently operated, but that many tax exemptions and business breaks were to be reconsidered, the Liberals and the New Democrats claimed that it was an attack on social programs. Their motto is: "Down with up". They remain consistent—

Mr. Speaker: Order, please. Sixty seconds.

* * *

TASK FORCE ON PROGRAM REVIEW

EXAMINATION OF OPTIONS ADVOCATED

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, the report of the Task force on Program Review has opened the door to an opportunity for Canadians. This report and its options should be carefully examined.

In national policy-making, an unswerving adherence to the *status quo* is often a self-defeating exercise which prevents growth, development, and progress. I encourage all Canadians to participate in a constructive national questioning of the *status quo.*

Thoughtful people should agree that it is healthy for a nation to assess, challenge, and test its long-held approaches and policies. It would be regrettable if some political Parties would prefer grandstanding instead of a positive national dialogue. Here exists an opportunity for all of us, opposing as our viewpoints might be, to discuss options in a conciliatory and rational debate and then decide which proposals we should accept and which we should reject.

● (1415)

ORAL QUESTION PERIOD

[*English*]

TASK FORCE ON PROGRAM REVIEW

FUNDING OF SKILLS TRAINING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question, which is directed to the Deputy Prime Minister, is in respect to the report which bears his name. I think we on this side of the House can say that a search for more efficient and less costly Government is a search worth making, and, of course, we will study the report very carefully.

I want to say to the Deputy Prime Minister, before putting the question, that efficiency in Government cannot be achieved

on the backs of the poor, the aged, the weaker regions of the country, the unemployed, or at the expense of our young people. Will the Deputy Prime Minister give an undertaking to this House, and to the country, that the 25 per cent further cuts in skills training recommended by the task force, which will affect our young people, will not form the policy of the Government and will be rejected?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, essentially that is the same question as those which were put yesterday. The answer is still the same. The personnel on those study teams—over 200 of them laboured long and hard, and in the case of 102 of them from the private sector, without any remuneration—have come forward with options which have been referred to the standing committees so that the full light of day can be focused on the totality of the problem which we inherited in September of 1984.

Mr. Turner (Vancouver Quadra): May I suggest to the Deputy Prime Minister, Mr. Speaker, that he cannot have it both ways. This report bears his name, and he and the Government have to take responsibility for the report and its conclusions.

TRAINING AND JOB OPPORTUNITIES FOR YOUNG PEOPLE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in light of the fact that there are 700,000 young Canadians between the ages of 15 and 24 years out of work, will the Deputy Prime Minister give a firm commitment that the Government will shelve those recommendations which further restrict training and job opportunities for young people, and that they will not be part of Government policy?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the House has already referred to all of the options, hundreds of them, which were identified by the study teams on program review, to the standing committees of the House where parliamentarians are invited to examine those options and, indeed, to come forward with others, if there are others, and in due course to follow the parliamentary practice, presumably, of giving the House the benefit of their advice.

[*Translation*]

REQUEST FOR NEW YOUTH PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would have preferred to put this question to the Prime Minister, but I will direct it to the Deputy Prime Minister.

In his reply to Senator Hébert, the Prime Minister implied that the Government had new programs to help the youth of this country. Could the Deputy Prime Minister advise the Prime Minister forthwith to announce these new programs as soon as possible in order to deal with the situation and meet the needs of young people across this country?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not know how many times it has to be said before it sinks in, but the Right Hon. Leader of the Opposition has heard the Minister of Employment and Immigration say that $700 million has been devoted specifically to the youth programs. That is a major percentage of the budget of her single Department.

The Right Hon. Leader knows that in the period 1980 to 1984 youth unemployment rose from 12.9 per cent to over 19 per cent, and that there has been a net drop in youth unemployment of two percentage points since September of 1984.

That is progress—not enough, and more needs to be made—and this Government will ensure that that progress continues and grows.

[*Translation*]

CONSULTATION WITH CITIZENS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister. Since yesterday he has been saying, and he has just said it again to the Leader of the Official Opposition, that the recommendations in his report will be examined in committee and that the people of Canada will be consulted. Could the Deputy Prime Minister explain why half the recommendations in this report have already been adopted by this Government, without consulting the people of Canada?

• (1420)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is a serious misstatement of fact. I am sure it was unintended by the hon. gentleman, but when he says that half of the options that appear in the reports of the study teams have been adopted, that is not correct. But there have been some very positive options identified in the reports which have been accomplished by the Government, including the setting up of a real property unit to bring under control some $60-billion worth of real property—we do not yet know how much there is—and that move is a first. We have centralized regulatory management in the Ministry of the Hon. Government House Leader, and we have folded in the two sub-groups that were doing that job—

Mr. Speaker: Order, please.

[*Translation*]

IMPOSITION OF CERTAIN TAXES—SOCIAL JUSTICE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, if the Deputy Prime Minister could read the report in French: Services and subsidies to enterprises, pages 53 and 54,

and that is my question: Could the Deputy Prime Minister explain why the Minister of Finance slapped a 10 per cent tax on illness in this country before consulting the people? And even if it is one of the report's recommendations, it would be immoral to do so.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what the hon. gentleman is talking about. Having regard to the accuracy of his first preamble, I very much doubt the implications of his second.

FUTURE OF NEWFOUNDLAND RAILWAY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister. It is one thing to refer a set of general propositions to committees for consideration. It is quite another, I would suggest, to refer to committees resolutions or propositions that completely contradict what the Government promised when it was campaigning for election about a year and a half ago. Considering that in his Halifax statement of August 2, 1984, the Prime Minister said the following:

> A Progressive Conservative government will... support and continue to operate the Newfoundland railway—

Will the Deputy Prime Minister assure us that since his task force recommends the abolition of this railway, the Government will live up to its election promise to the people of Newfoundland and keep that railway?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, what the Leader of the New Democratic Party is exposing is his ignorance of the Terms of Union between the Government of Canada and Newfoundland. Clearly all that the Prime Minister was saying in the speech that was quoted by the hon. gentleman was a reaffirmation that this Government intends to honour the Terms of Union between Canada and Newfoundland, and that is one of them.

FARM FUEL TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, given the slippery history of the Government and its promises, I will take the words of the Deputy Prime Minister to mean that the Government's commitment to the people of Newfoundland for the maintenance of this specific railway will be kept.

I would like to ask the Deputy Prime Minister about another part of Canada. Since the Prime Minister and all Conservative candidates in rural communities promised in the summer of 1984 that a Conservative Government would make sure that no farmer paid federal tax on farm fuel, and considering that the Nielsen task force recommends just the opposite, will the Deputy Prime Minister assure the farmers of Canada that that election promise will be kept?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman continues to ignore the fact that a more accurate description of what was tabled yesterday was study team reports rather than government policy. He also overlooked a glaring fact, which is his wont when putting loaded questions like that, since that measure has just recently been extended.

• (1425)

COMMITTEE REFERRALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are glad that the Deputy Prime Minister knows that. What we are looking for is the assurance that the promise will be maintained in the future and that the Government does not backtrack on this as it backtracked on so many things, as the people of Canada well understand.

Mr. Clark (Yellowhead): Remember your image, Ed; smile.

Mr. Broadbent: I want to ask the Deputy Prime Minister a general question. Considering that the Conservatives promised many things during the election campaign of 1984 which are contradicted flatly by the recommendations of the task force—

Mr. Speaker: Order, please. The Hon. Member was very long on the first one. Could this just be a question, please?

Mr. Broadbent: Will the Deputy Prime Minister assure us that any recommendation from the task force which contradicts what was promised by the Conservatives in the election campaign of 1984 will not be referred to the committee for study?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the reference is a matter of history; it was done yesterday. What really astonishes me about the Leader of the New Democratic Party and those in the House of Commons in his Party—

Mr. Broadbent: What is it, Erik? Tell me that.

Mr. Nielsen: —who ask questions is that, here they are, the representatives of a once dynamic Party, the Party of change, the Party of new direction—

Some Hon. Members: Right on!

Mr. Nielsen: —and all of a sudden it is the Party of the *status quo*.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

INDIAN AFFAIRS—DESCRIPTION OF RESERVES AS MODERN SUBURBS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. The Task Force Report on Indians and Natives

indicates that the Government of Canada has created modern suburbs on Indian reserves in the northern bush. In all of the Minister's travels across the country, where has he seen modern suburbs in the northern bush? Where do they exist?

Mr. Blackburn (Brant): In northern Rosedale.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think anyone who has had the opportunity, as I have, to go across the country visiting scores and scores, indeed hundreds of reserves, would not be able to write those words.

Some Hon. Members: Right on!

INDIAN INFANT MORTALITY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary question is directed to the same Minister. Is he aware that in the same report it is indicated that infant mortality among Indians is 60 per cent higher than the national average, due to bad housing and a lack of sewage disposal and of safe, clean drinking water? How does that square with modern suburbs in the northern bush? Does that not invalidate this *Buffalo Jump* report?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I responded to the first question truthfully, and I want to respond to the second question the same way. First, the report has many ideas. Some are good, some are bad, and the Standing Committee of which the Hon. Member is a member may want to consider some; it may want to reject some. I say to the Hon. Member, and to anyone who is actually interested in the issue, that the ideas in the report which are not suitable to Indian people ought to be rejected; the ideas which are suitable ought to be supported. I hope the Hon. Member does not simply reject all those ideas but indeed will go to the Standing Committee, since he is a member, and pay attention to it.

Some Hon. Members: Hear, hear!

AGRICULTURE—CASH ADVANCE PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Deputy Prime Minister. He will recognize that the report which he tabled the other day recommends the elimination of structures which have been built up to assist in the survival of the family farm, maybe even the survival of agriculture under present economic conditions. Will the Deputy Prime Minister honour the memory of John Diefenbaker who brought in the Western Grain Advance Payments Plan, and assure us that the Advance Payments Plan will not be savaged by the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as that hon. gentleman knows, coming from where he does, no other Government in the history of our country going back to John Diefenbaker has ever done as much for agriculture and farmers as this Government.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Now answer the question.

Mr. Hovdebo: Mr. Speaker, I hope we can believe him.

• (1430)

FARM FUEL TAX REBATES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Deputy Prime Minister now also reject the recommendation of the Nielsen Task Force that farm fuel rebates be terminated, and move to fulfil the Government's promise that farmers would have to pay no taxes on farm fuel?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I have already answered that in response to the Member's Leader. Here we have another example. Here is a Government that is throwing open the windows to let the light shine in, and the Members over there are even afraid to look through a crack in the door.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: Try that on the Prairies.

[*Translation*]

SOCIAL HOUSING—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Deputy Prime Minister should realize that the light does not shine bright on the poor in Canada.

I would like to ask him whether he is aware that according to the subsidized housing policy announced in his report, 1.5 million Canadian men and women now living in poverty will no longer be entitled to subsidized housing in Canada.

Is that Conservative justice?

Mr. Malépart: And the Minister made his cuts before the report was tabled—

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not a policy. It is not a recommendation. It is an option that was identified by the study team. The Hon. Member will no doubt participate with interest in the standing committee to examine those options. When she is doing that in her work on the committee, she might consider that 1,840,000 low-cost housing units are being planned for Metro now.

The Government continues to progress, regardless of the examination of committees. Does the Hon. Member expect us to stand still?

Ms. Copps: Mr. Speaker, I wish the Deputy Prime Minister would get his facts right. He has obviously cut Katimavik, and the recommendations of the report have already been implemented. He likes to have it both ways, and he cannot have it both ways.

POVERTY LEVEL

Ms. Sheila Copps (Hamilton East): I would like to ask the Deputy Prime Minister a supplementary question, Mr. Speaker. If he really feels, and if his Party feels, that those 1.5 million Canadians living below the poverty line, living on $11,000 to $22,000 a year—

Mr. Speaker: Order, please. I am sorry this is a long preamble. Is there a question?

Ms. Copps: I am asking a question, Mr. Speaker.

Mr. Speaker: I have not heard a question begin yet. Just a question.

Mr. Clark (Yellowhead): Show some respect to the House.

Ms. Copps: My question is whether the Deputy Prime Minister believes, and whether his Party believes, that the new level of poverty in Canada is $11,000 or less, leaving 1.5 million Canadians in poverty, ignored by this report, by this Government, and by the new standard of poverty in Canada.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I made a mistake, I believe, when I said 1,840,000. The figure is 1,840.

Ms. Copps: A million boob.

Mr. Nielsen: The quick answer to the Hon. Member is of course not. She does not have a corner on compassion for those who exist in poverty in Canada. The Party of which she is a member, when it was in Government, did precious little to alleviate the plight of those in poverty.

We are making solid progress in that connection, and we are going to continue to do so.

Mr. Blackburn (Brant): Insulting the poor on that one.

PRAIRIE FARM REHABILITATION ADMINISTRATION

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Deputy Prime Minister, Mr. Speaker. This morning I had calls from some farmers in my riding who are concerned that the federal Government might be abolishing the Prairie Farm Rehabilitation Administration, the PFRA, and also privatizing the Farm Credit Corporation.

Will the Deputy Prime Minister give a farmer in my riding, Ron Harper from Danbury, the assurance this afternoon that the Government will not abolish the PFRA which, in part, manages the Diefenbaker Lake and the Gardiner Dam.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that if the hon. gentleman does nudge open that door a bit more, does step in and examine the options put forward by the study teams when they come before the standing committees of the House of Commons, he will be able to make that kind of suggestion and perhaps, just perhaps, other constructive suggestions.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, what Ron Harper in my riding wants to know—

Mr. Clark (Yellowhead): Let's elect Ron Harper.

Mr. Nystrom: —is whether or not the Deputy Prime Minister will make the same argument when the PFRA goes before the committee. Will he make that argument on behalf of Canada's farmers?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would urge the hon. gentleman himself to go before the committee—

Mr. Broadbent: Will you? He will go.

Mr. Nielsen: —and make that representation for his constituent—

An Hon. Member: Where will you be at that time?

Mr. Nielsen: —and perhaps other constructive suggestions, as has been the objective of this whole process of program review. But why do the Member and members of his Party not open that door a bit, stop being dinosaurs, and stop being defenders of the *status quo*.

Some Hon. Members: Hear, hear!

DATE OF REPORT ON JOB CREATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Deputy Prime Minister.

In examining the Task Force Report on Job Creation, we note that the report was completed in March, 1985, one year ago, and most of the programs referred to have already been changed.

In the circumstances, what is the purpose of referring the report to the standing committee? Does this mean the Government is ready to reverse those changes if the committee recommends that that be done?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can understand the inability of that hon. gentleman to understand the open process, the consultative process, that is going on here.

Some Hon. Members: Oh, oh!

Ms. Copps: Yes, bugsy.

Mr. Nielsen: I am glad, however, that the Member has observed that there have been some changes.

An Hon. Member: Oh?

Mr. Nielsen: Certainly there have, and all for the better. Those changes and the better results are reflected in the job creation numbers, 577,000 I think, since September, 1984.

Mr. Blackburn (Brant): It was 580,000 last week.

TIME SPENT REVIEWING PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, is the Minister aware that this task force with a majority of businessmen tried to evaluate 65 employment programs in 10 Departments in two months, with very little outside consultation? Is this what the Minister means by a serious review of Government departments?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is wrong. He obviously has not read the report.

Mr. Allmand: I have read it.

Mr. Nielsen: And the Right Hon. Leader of the Opposition has not even read the front of the introductory volume which sets forth the authors of the report. They have signed their names to it, and mine is not among them.

Mr. Turner (Vancouver Quadra): You take responsibility for it.

Mr. Nielsen: Nonetheless, we are committed to opening the books.

Mr. Turner (Vancouver Quadra): He has read it cover to cover.

Mr. Nielsen: Those chaps over there, Mr. Speaker, would like to have the door closed shut and to hunker down in the storm cellar, but that is not the way this Government operates.

PUBLIC SERVICE LAY-OFFS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also for the Deputy Prime Minister. He told Parliament yesterday that recommendations in his task force report were only options that would be examined by parliamentary committees prior to action being taken.

I have a memorandum from the Chairman of the Public Service Staff Relations Board which states:

> Following recommendations made by the Nielsen Task Force on Program Review, the Cabinet has made the following decisions which impact on the Public Service Staff Relations Board.

One of those decisions is to lay off 18—

Mr. Speaker: Order, please. This is the third statement. Just a question, please.

Mr. Cassidy: Can the Deputy Prime Minister explain how it is that yesterday's options are decisions which were made last week without reference to parliamentary committees?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the task force was set up in September, 1984. That is a year and a half ago.

Mr. Broadbent: Very good.

Mr. Nielsen: The implication of what the hon. gentleman is suggesting here is that we should have stood still from that time until now. The business of the country has to go on, and certainly decisions have been made in the interim.

Mr. Speaker: A short supplementary.

[*Translation*]

KATIMAVIK PROGRAM—REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Mr. Mike Cassidy (Ottawa Centre): My supplementary, Mr. Speaker, is this: Why was Katimavik wound up without a referral to a parliamentary committee? Why were eighteen employees of this research office laid off without prior referral? How many other decisions have you made without referral, behind Parliament's back?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Because, Sir, we were elected to make decisions and not to hunker down in the cellar of the dinosaurs like the New Democrats in their new-found attitude to change.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Coming from Erik, that is delightful.

Mr. Speaker: Order, please.

* * *

● (1440)

ENERGY

PRICE OF GASOLINE

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Canadian public is becoming increasingly impatient with the slow reaction of the oil companies in lowering the retail price of gasoline.

Some Hon. Members: Hear, hear!

Mr. Belsher: Will the Minister consider sending another telex, this time not being so polite?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad to be able to tell the Hon. Member that politeness pays off. Today Esso and Petro-Canada have announced that they have dropped the price of gasoline by 2 cents a litre.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Only 8 cents to go.

Miss Carney: You will recall, Mr. Speaker, that I asked the industry to ensure that the price decreases were passed along to consumers so that everyone could take advantage of our deregulated oil and gas industry.

Some Hon. Members: Hear, hear!

* * *

PUBLISHING INDUSTRY

PRENTICE-HALL AND GINN CANADA TAKEOVER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Minister has succumbed to the scorched earth policy threats of the American entertainment interests by announcing the acceptance of the American Gulf and Western giant takeover of the book publishers Prentice-Hall and Ginn Canada.

Will the Minister now assure the Canadian book publishing industry that this is in its best interest, and advise the House what written undertakings he has from Gulf and Western that it will respect the principle of Canadian ownership and control through practice, if not through the policy of majority Canadian ownership? Will he table those agreements, please?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, of course that assurance can be given to the Canadian book publishing industry. The Member will find that the information which she has requested has already been delivered to her office.

Mrs. Finestone: Mr. Speaker, it was not delivered to my office and I suggest that the Minister's office check that out.

Some Hon. Members: Oh, oh!

CANADIAN-CONTROLLED BOOK DISTRIBUTORS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister announced that Simon and Schuster will rely on Canadian controlled distributors to distribute—

Mr. Speaker: Order. I am sorry. Order, please! Just a question, please.

Mrs. Finestone: Is this an assurance of the elimination of the problems created by the present buy-around practices which have caused so many problems for book publishers and distributors?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member is familiar with the relationship between Simon and Schuster and General Publishing. That is the Canadian company which has been distributing the works put out by Simon and Schuster in Canada. Their contract runs for another year and one half. Our agreement with Gulf and Western is that such distribution will remain in Canadian hands, which I am sure all Members of the House are pleased to hear.

EFFECT OF TAKEOVER ON BOOK PUBLISHING INDUSTRY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the same Minister and is on the same subject. Why did the Government not use the powers it had under the provisions of FIRA to protect the industry which was of significant benefit and importance to Canadian culture, as he was urged to do by all the groups associated with the publishing industry?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member has obviously not had time to comprehend fully the nature of the deal we made with Gulf and Western. When he has an opportunity to study it, he will find that for the first time in Canadian history with respect to a book publishing company, we have secured an assurance that 51 per cent of the equity of Ginn Canada will be turned over the Canadians. That has never been done before in Canadian history.

ROLE OF PRENTICE-HALL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, precisely on that point, unless the Minister has assurances that 51 per cent of Ginn will be owned by one Canadian institution or individual, is it not true that with Prentice-Hall controlling 49 per cent it will in fact run the company rather than the Canadian owners?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member has obviously not read the agreement. The fact is it is anticipated that there will be one Canadian buyer for the 51 per cent.

* * *

VISIBLE MINORITIES

WARTIME JAPANESE-CANADIAN INTERNEES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. In dealing with the issue of Japanese-Canadian redress, he has completely and irresponsibly disregarded his Government's commitment to a fair compensation package to be negotiated with the National Association of Japanese Canadians.

Why does the Minister still refuse to honour his Government's two central promises of compensation and negotiation? Does the Prime Minister concur with the reversal of his own promise during the last election campaign?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I do not know how often I must say that this is the first Government in 43 years which has made a commitment to a fair package of redress for Japanese Canadians. That commitment will be kept.

I would like to advise Hon. Members that after full and extensive discussions with Japanese Canadians, organizations, and associations, as well as with other interested Canadian groups and individuals, the matter is now before Cabinet. It would be inappropriate for me to make any further comments until Cabinet makes a final decision on the matter. However, the commitment which the Prime Minister made when he was Leader of the Opposition is going to be kept.

MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same Minister, who continues to act more like Rambo than an advocate for human rights and justice. Will the Minister stop railroading his Leader and his Government's own promises? Will he assure the House that his Government will not move unilaterally on such a sensitive national issue?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, as I told Mr. Art Miki, the president of the National Association of Japanese Canadians, in Winnipeg, last Friday, we discussed this matter as openly and in as much detail as possible with him, his association, and all other interested parties in Canada. The matter is now before Cabinet and we will have to wait for a cabinet decision.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

TEXTILES—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. A number of Canadian colleges and universities offer programs on textiles, which include courses in industrial engineering, textile chemistry, dyeing and dressing processes. Could the Minister advise the House whether he intends to promote research and development in this area in an effort towards greater innovation and increased productivity in this industry?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am pleased to say that the Government is developing a number of new measures, the thrust of which is designed for technology diffusion and application to permit our traditional industries, such as the textile industry, to make the necessary adjustments and rationalizations to move into the computer and technology age without too much disruption.

* * *

TASK FORCE ON PROGRAM REVIEW

SEARCH AND RESCUE FACILITIES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister and Minister of National Defence. When the Conservative Party was seeking office it made the following promise in Halifax on August 2, 1984: "A Progressive Conservative Government will increase marine search and rescue capabilities with a particular emphasis on a ready response force".

I would like to give the Deputy Prime Minister an opportunity to deal with that. Is he now prepared to repudiate the Nielsen task force recommendation of a 10 per cent cut over a two-year period, and a move toward a voluntary rescue agency? Does a promise not mean anything to the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I thought I might move members of that Party into some area of reason, but that is very difficult to achieve. The simple answer to the Member's question is that the Government is well advanced in the implementation of a plan to meet the recommendations of the commission which the Member for St. John's East has so often raised in the House. That planning is very quickly coming to a point which should meet all the pressing problems of search and rescue in country.

SALMON ENHANCEMENT PROGRAM

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is also for the Deputy Prime Minister. Will he give a commitment to keep his Government's promise to establish a salmon enhancement program and repudiate the Nielsen task force report recommendation not to expand the salmon enhancement program on the East Coast?

● (1450)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, where has the Hon. Member been? I have referred to them as dinosours. NDP does not stand for New Democratic Party, it stands for New Dinosaur Party.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The decision on salmon enhancement occurred when I was still Acting Minister of Fisheries. It was announced shortly after the new Minister was appointed. Where has the hon. gentleman been?

* * *

STATISTICS CANADA

CENSUS COMMISSIONER—ALLEGED OFFER OF JOBS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns blatant political patronage once again in the awarding of jobs for the 1986 census. Why does the Government allow this situation to go on? Last Monday night the Tory census commissioner for the riding of Ottawa-Vanier attended a meeting of the University of Ottawa Progressive Conservative Youth Club to offer jobs as census takers. Why is he using the census to give jobs to young Tories? Why is he trying to destroy StatsCan in doing so?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the Hon. Member was here last Monday when the Minister addressed a similar question asked by him. The Minister assured the House that StatsCan is following the same procedure it has followed in previous census-taking activities.

Mr. Gauthier: That is not true.

Mr. Bradley: As reported at page 11354 of *Hansard* the Minister said:

> Mr. Speaker, I have been given assurances by Statistics Canada that it is absolutely confident that the results will be *bona fide* and that the competency of the people who have been hired is appropriate to the job that has been imposed upon them.

Mr. Speaker: Order, please.

[*Translation*]

IMPACT OF LETTER FROM MINISTER OF STATE (YOUTH)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary question. As you know, this reply had nothing to do with the question. My question to the Deputy Prime Minister is this: Is he satisfied with the impact which the letter from the Minister of State (Youth) has had on the Minister of Supply and Services? Could he say whether the latter is providing enough patronage assistance to young Conservatives to satisfy his colleague the Minister of State (Youth)?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question reminds me of my youth, when I used to spend my summers on a farm, and of farmers ploughing swamp land, because that is all it is.

YOUTH

ROLE OF MINISTRY OF STATE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, a number of events in recent weeks have dramatized the need for an effective voice for youth, one which will be heard.

Some Hon. Members: Question!

Mr. McCurdy: My question is directed to the Deputy Prime Minister. The Government claims a variety of Departments have been more directly involved in providing jobs and training opportunities for youth. Is it the intention of the Government nevertheless to enhance the role of the Ministry of State for Youth and provide an advocate for and a symbol of the needs and concerns of youth?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is an exact description of the Ministry. The hon. gentleman should go back and examine the procedures in place prior to 1972 when the Government Organization Act was passed. He should look at the position of Ministers without portfolio as it was then. All of that changed in name with the 1972 Government Organization Act and we now have Ministers of State. Those Ministers are there to assist. They are not line Ministers and departmental Ministers in the sense that the hon. gentleman might mistakenly believe.

MINISTER'S CONDUCT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, does the Deputy Prime Minister believe that a Minister who abused her office, who was less than forthcoming with this House, and who provided a prevaricating apology—

Mr. Clark (Yellowhead): A what?

Mr. McCurdy: —is an appropriate model for the youth of the country to emulate?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): We have been all over that ground *ad nauseam.*

Some Hon. Members: No!

Mr. Nielsen: The Minister answered, I have answered, the Prime Minister has answered. It is totally unproductive to repeat answers which have already been given, let alone the questions, Mr. Speaker.

[*Translation*]

ENERGY

ANNOUNCEMENT OF GASOLINE PRICE REDUCTION IN QUEBEC—FUTURE PROSPECTS

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have a question for the Hon. Minister of Energy, Mines and Resources.

Today, the Esso and Petro-Canada corporations have announced that they were reducing the price of gas in Quebec by 2 cents a litre. Could the Minister tell us whether we can expect more of the same good news in the future?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

* * *

YOUTH

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a question for the Deputy Prime Minister.

Three days ago the Deputy Prime Minister, in his answer to me, said the Government was quite satisfied with what it was doing for the young.

Yesterday, the Prime Minister wrote in a letter to Senator Jacques Hébert that he agreed with him that much more should be done for the young, and today the Prime Minister made another move and is now saying he is ready to announce a new program for the young before the end of the month.

In the name of human and Christian charity, I ask the Deputy Prime Minister: will he now be able to take speedy action, since they admit the mistake they made a few weeks ago?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, indeed I can give the Hon. Member that assurance. If he had been observant he would have seen how quickly this Government has acted to turn a very undesirable situation into one which is far more favourable to youth today than it was in September, 1984. There is still a considerable way to go, but a good deal more progress is being made now than ever was made before under the Liberal Government.

[*Translation*]

REQUEST THAT MEASURES BE UNDERTAKEN IMMEDIATELY

Hon. Jean Lapierre (Shefford): Mr. Speaker, I think the Deputy Prime Minister did not grasp the meaning of my question.

In view of the dramatic turn of events in the Senate, where a senator has decided to put his health on the line, a 62-year old man, I am asking the Deputy Prime Minister, in the name of human and Christian charity—because as we know he will do it any way—if they could not proceed immediately instead of waiting till the cows come home.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is the same question again. We have heard myself, the Prime Minister, and the Minister of Employment and Immigration try several times to get through to Hon. Members opposite that $700 millions—

Miss MacDonald: Far more than when they were the Government.

Mr. Nielsen: —is specifically targeted to youth employment.

Mr. Tobin: That is not true.

Mr. Nielsen: It is true.

Mr. Tobin: No, it is not.

Mr. Nielsen: It is a fact. The statistics are there. Youth unemployment has dropped two full percentage points, whereas it went up almost five percentage points under the previous Liberal Government.

* * *

TASK FORCE ON PROGRAM REVIEW

HUMAN RIGHTS COMMISSION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Justice. The report of the Task Force on Program Review recommends that the Government consider abolishing the Human Rights Commission in favour of court action brought by individuals, as is now necessary in British Columbia where the Social Credit Government abolished the provincial Human Rights Commission. Can the Minister tell us whether he is in agreement with this recommendation?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very much in support of human rights.

Mr. Orlikow: Get the violin out.

Mr. Crosbie: The best way of enforcing human rights, of course, can be a matter of debate. The report has been referred to committee. Some recommendations may be accepted by the committee and recommended to the House; others may not. They will be dealt with in due course. In the meantime the matter is open for discussion in the committee.

REDUCTION OF STAFF

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, could the Minister tell us whether the Government anticipated this privatizing of human rights when it accepted a decision to reduce the Human Rights staff in the Department of the Secretary of State from 15 persons in 1984-85 to 11 persons this and next year?

• (1500)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is mixed up as usual. This is not my Department but I am attempting to elucidate the matter for the hon. gentleman. The only change would have been in connection with the Court Challenges Program which has now been taken over by the Canadian Council on Social Development.

Never fear, this Government has spent more money than has ever been spent by its predecessor on the enforcement of human rights.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT AND REFERENCE TO STANDING COMMITTEE

Mr. Speaker: It is my duty pursuant to Section 19, as amended, of the Electoral Boundaries Readjustment Act, Chapter 82, Revised Statutes of Canada 1970, to lay upon the Table a certified copy of the 1983 Report of the Electoral Boundaries Commission for the Northwest Territories.

Pursuant to Section 12 of the Representation Act 1985, Chapter 8, Statutes of Canada 1986, this report stands referred to the Standing Committee on Privileges and Elections.

* * *

PRIVILEGE

MINISTER'S STATEMENT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, during the Question Period the Minister of Regional Industrial Expansion (Mr. Stevens) misinformed the House and therefore, I believe, violated both my privileges and those of the House. He stated that he had sent me a copy of his press release including all the details about which I asked him during Question Period. I had not received it prior to Question Period and I still have not received it. I just checked with my office.

I believe the House should know what agreements the Minister made in the interest of the country and book publishers.

Mr. Speaker: The Hon. Member has made a representation. She will know that it is neither a point of order nor a question of privilege. It is, nevertheless, her opinion.

Mr. Stevens: Mr. Speaker, I rise on a point of order. It is simply that, as is the usual practice, the kit was sent to the office of the Leader of the Opposition for referral to the critic and this was done at eleven o'clock today.

Mr. Speaker: Order. This is clearly a dispute as to facts. It is neither a question of privilege nor a point of order.

* * *

HOUSE OF COMMONS

DISTRIBUTION OF STANDING ORDERS

Mr. Speaker: I would like to draw to the attention of the House the fact that the printed Standing Orders are being distributed to all Members today. It is my understanding that the Page staff have inserted them in the folders which Hon. Members usually keep in their desks. Members will recall that advance copies were made available to all of us on Thursday, February 20, only a week after their adoption.

[*Translation*]

Work continues on the many changes required by these new Standing Orders. The Index Branches are engaged in producing new indexes which will be available in a few weeks.

I wish also to acknowledge the same diligence shown by the distribution staff in ensuring that all Hon. Members received without delay the many documents which were tabled following the budget statement and the presentation of the estimates.

[*English*]

I am sure that all my colleagues will wish to join me in expressing appreciation to all the staff involved for their exceptional efforts. I thank, in particular, the staff of the Journals Branch and those associated with them, including the Translation Bureau and the House Computer Operations Branch, for the long hours of hard work they put in to meet the stringent deadlines we set for them.

We know that our staff accepts these pressures regularly as part of their normal duties, but it seems to me that when special dedication has occurred we should make note of it.

Some Hon. Members: Hear, hear!

Petitions

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am pleased to table in both official languages copies of two recent Orders in Council which, pursuant to the provisions of Standing Order 103(1), are deemed referred to the appropriate Standing Committee.

* * *

[*Translation*]

PETITIONS

TEXTILE AND CLOTHING INDUSTRY—PROTECTION OF JOBS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have the honour and the privilege to present a petition from over 250,000 citizens of all regions in Quebec. This petition is supported by Canadian unions and by the *Comité de survie du textile et du vêtement*. The petitioners humbly pray that the Government of Canada take action to save their jobs and reduce the insecurity about the future felt by the men and women working in the Canadian textile industry.

Mr. Speaker: May I ask the Hon. Member whether this petition has been certified? I must have the assurance from the Hon. Member from Drummond that this petition has already been certified. Can the Hon. Member assure me that it has in fact been certified? Has the Hon. Member presented his petition to the Clerk? Has it been certified?

Mr. Guilbault (Drummond): I have presented it and it has been certified, Mr. Speaker. It contains 250,000 signatures and they are certified, Mr. Speaker.

Mr. Prud'homme: Are they certified?

[*English*]

ABORTION LAWS—REQUEST FOR CHANGE

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, as a Member who is dedicated to protecting the lives of unborn Canadians, it is both my duty and honour today to present a petition signed by citizens from across Canada calling upon Parliament to acknowledge representations made by citizens concerned about permissive abortion laws and to act on these concerns. The attached petition is in conformance with Standing Order 106.

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition from many residents of my constituency of Burnaby. They point out that the telephone is essential for communication and that rental costs must always be affordable. They state that the telephone pricing scheme known as local measured service, charging for each local call, means having a telephone will cost much more per month for most people.

My constituents call upon the Government to direct the CRTC to deny telephone companies such as B.C. Tel the right to charge for each call and order the retention of monthly rental for telephones.

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my duty and privilege to present to the House several petitions which have been certified by the Clerk of Petitions and contain over 700 signatures. These petitioners want to protest the continued operation of the Morgentaler clinic in Metropolitan Toronto and ask that Section 251 of the Criminal Code be enforced so that the Province of Ontario will remove restrictions placed on the Metropolitan Police Force and appropriate charges be laid.

Mr. Speaker: Is the Hon. Member for Burnaby (Mr. Robinson) rising a second time to present a petition?

Mr. Robinson: Mr. Speaker, I believe I have the right to present another petition.

Mr. Speaker: Normally, when a Member has more than one petition, we attempt to have him present those petitions once he is on his feet.

EQUALITY RIGHTS—IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition on behalf of a number of residents of Winnipeg, Manitoba, who call upon Parliament to implement recommendation nos. 10, 11, 12, 13 and 14 of the Report of the Parliamentary Committee on Equality Rights with respect to sexual orientation, amending the Human Rights Act and requiring that the Canadian Armed Forces and RCMP bring their employment practices into conformity, and amending the Criminal Code and federal Government security clearance guidelines.

CROP INSURANCE—DESIGNATION OF UNIT—VULCAN COUNTY

Mr. Gordon Taylor (Bow River): Mr. Speaker, I beg leave to present a petition on behalf of more than 90 farmers in the County of Vulcan. The entire county, comprising some 493,000 acres, was wrongly designated as a unit and the pay-out was consequently reduced considerably for those who had no crop during the last three years. By drawing the lines which had no relation to weather, crop production, grasshoppers or cutworms, and choosing large areas, much of the money went to the wrong producers.

My petitioners humbly pray and call upon Parliament to rearrange the boundaries either on a township basis or by

reprogramming the Alberta Hail and Crop Records of each farm in order to provide a fairer and more equitable distribution of the money provided by the federal Government. A certificate is attached, Mr. Speaker.

Mr. Speaker: Hon. Members might be reminded of the obligation to be as brief as possible when presenting petitions.

* * *

RAILWAY ACT

MEASURE TO AMEND

Mr. Neil Young (Beaches) moved for leave to introduce Bill C-282, An Act to amend the Railway Act (Fences).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Young: Mr. Speaker, the purpose of this Bill is to empower the Canadian Transport Commission to order the construction of six-foot high chain-link fences along railway rights-of-way to prevent children from entering on to rail lines.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

● (1510)

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-283, an Act to amend the Criminal Code (gun control).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Robinson: The purpose of this Bill is to extend the present law relating to Firearms Acquisition Certificates to the ownership, possession and use of firearms, and to change the name "Firearms Acquisition Certificate" to "Firearms Possession Certificate".

The Bill would apply all the criteria presently stipulated for a Firearms Acquisition Certificate to firearms ownership, possession and use. This was contained in the original gun control legislation which was presented to Parliament before it was watered down.

Motion agreed to, Bill read the first time and ordered to be printed.

Order Paper Questions

ARMY BENEVOLENT FUND ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. George Hees (Minister of Veterans Affairs) moved for leave to introduce Bill C-100, an Act to amend the Army Benevolent Fund Act, the Children of War Dead Education Assistance Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 524 will be answered today.

[*Text*]

IRAP—GRAND CANAL COMPANY

Question No. 524—**Mr. Caccia:**

1. Was funding given to the Grand Canal Company of Newfoundland under the Industrial Research Assistance Program and, if so, what were the specific terms and conditions?

2. For what did the company apply to use the funds?

3. Did any other Government department or agency approve funding for the company and, if so, in each case (*a*) which ones (*b*) in what amounts (*c*) on what dates were applications submitted and approved?

Mr. Claude Lanthier (Parliamentary Secretary to Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows:

1. Funding was provided to the Grand Canal Company of Newfoundland for work under the Industrial Research Assistance Program (IRAP). The terms and conditions were the usual ones for the program which include:

(*a*) The project initiated by the company must be technically challenging for the company and relate to an opportunity for it to achieve economically beneficial results for itself as well as benefits for Canada.

(*b*) The work must be carried out competently, but not necessarily by members of the company. (In the actual case, much of the work has been done by students from Memorial University in St. John's, Newfoundland working under direction of the company, during the non-academic segment of what is generally referred to as a "co-op" program).

(*c*) The intellectual property resulting from the work is the property of the company, but NRC has full rights of access to the ongoing work and the final results. The company is not free to transfer ownership of the intellectual property without NRC's approval.

(*d*) The work is to be carried out on a cost shared basis.

(*e*) The cost sharing arrangement is structured as a contribution, not as a grant.

2. The company applied to use the funds for very preliminary work associated with defining more accurately than had previously been possible a number of the major technical and related cost (economic) problems that might confront the Grand Canal concept. Typical of such problems are: (*a*) stabilizing of Great Lakes water levels, (*b*) complexities of water courses from Lake Superior basin to drought areas of southern Prairies.

In addition, the work allowed for making contact with agencies of the federal Government which might have technical contributions to make to the work.

3. Not applicable.

[*Translation*]

Mr. Lewis: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question indicated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers may be allowed to stand.

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—ALLEGED LACK OF GOVERNMENT CONSIDERATION FOR YOUTH

Hon. Jean Lapierre (Shefford) moved:

That this House condemns the Government for its lack of consideration for Canada's youth, for its inaction in the face of the crisis an entire generation of Canadian men and women are faced with, and for neglecting to take immediate action in order to allow them to participate fully in Canadian society.

He said: Mr. Speaker, I welcome this opportunity to speak to the House today, at a time when the youth question has captured the attention of many Canadians but, unfortunately, has not sufficiently captured that of the Government. That is why we, the Official Opposition, want to dedicate this Opposition Day to making the Government and all Members of this House aware of the very serious situation we have in Canada today.

Mr. Speaker, at this very moment, there are 700,000 young Canadian men and women who, although they want to participate fully in society, unfortunately have no opportunity to do so. We have 700,000 young people who are asking society for a small place in the sun, who really want to work, and they are being told outright: Sorry, no room.

We have these 700,000 individuals who are losing all their illusions and who, in many cases, have already lost hope, because after the sacrifices they made to get an education, their hopes and dreams have now been dashed by the current situation and by the state of the economy. Today, I thought it was essential for the Government, and in this respect, I do deplore the absence of the Minister of State (Youth) (Mrs. Champagne). She seldom has an opportunity to take part in the proceedings, and she is probably waiting for someone to write her speech so she can rehearse it, like a script. Meanwhile, I am sorry she is not here in the House to discuss with us the problems of Canada's youth.

Mr. Speaker, I think all Canadian men and women will realize that we, as parliamentarians and with our responsibility for the well-being of Canadians, should ask ourselves a number of questions and do some soul-searching.

We should ask ourselves whether as elected representatives, we have done enough to make equal opportunity a reality for young Canadians. And if during the recession, we merely did what we could to save what we already had, we must remember that those who had nothing were unable to enter the system.

We should also ask ourselves whether we are parliamentarians and especially you as the Government have fulfilled the mandate you were given by Canadians. After looking at the statistics and reading various papers published by the Government, we realized that since September 4, 1984, when this

Government received a majority of support from young Canadians, they were the first group this Government decided to drop. And it did so for a very simple reason. This group does not have a powerful lobby. It is not one of Frank Moore's customers. It is not . . . in fact, it is isolated in so many ways, Mr. Speaker. And of course this Government is ignoring the isolated members of this group, each of whom is going through some particularly dramatic situation.

The Minister of State (Youth) has buried her head in the sand ever since her appointment. She would not face reality. She thought that she had been appointed to speak on behalf of all those who had succeeded, to strut about, to try and convince everybody that everything was fine and dandy in the best possible world, and to avoid at all cost to address the needy. As you know, Mr. Speaker, she has defended so weakly her constituency that she has been divested entirely of her own department and budget.

The Minister of State (Youth) is here today before us with the only support of her chauffeur and limousine. Under these circumstances, I do not think that she can do much for her constituency who need help so very much.

When we look at the situation straight in the face, Mr. Speaker, we realize that it is a tragedy. The unemployment level is very high and, as usual, the Prime Minister will provide us with a whole series of figures which the Minister of State (Youth) will repeat. But the whole situation is much more serious than these figures would indicate.

They say the unemployment level is lower than it was in September 1984, but youth unemployment increased last month, something nobody mentioned in the House. And the tendency is not downwards. I dare hope that the Minister of State (Youth) will realize for instance that in Nova Scotia, the unemployment level among young Canadians is .9 per cent higher than it was when she assumed her portfolio. It has also increased in New Brunswick since then.

● (1520)

It is all very nice to generalize, but there are particular situations. When we read the Nielsen report and realize that businessmen are now controlling this Government, we can imagine what is happening to the poor devils who are 16, 17 or 18 years of age. They cannot influence the Government. They are represented by a Minister who was supposed to defend them and, now that she is on her way out, can hardly defend herself. They have a Minister who wanted to manipulate them. Her own correspondance bears witness to that, Mr. Speaker. She is more interested in the future of the Federation of Young Conservatives than in the lot of young Canadians generally.

Mr. Speaker, I feel that it is scandalous for her to want to spend $7.5 million of taxpayers' money to get young people to join the Progressive Conservative Party—the Minister confessed that much herself—while fully ignoring the dramatic situation of young Canadians generally.

Mr. Speaker, the Minister of State (Youth) confessed her helplessness in her letter dated January 6, 1986. She recognized having wasted $100 million in the Youth programs since her election. If this is being concerned about the situation of young Canadians and being part of a Government eager to meet their needs, Mr. Speaker, I cannot understand how the Minister of State (Youth) can claim today having done a good job over the past year and a half.

Mr. Speaker, looking back at what has been going on these last few days, there was, of course, that famous letter from the Minister, but there was also the spectacular, sad and dramatic gesture by our colleague from the Upper House, Senator Jacques Hébert. And that gesture, Mr. Speaker, is a symbol of how serious the situation is. This does not happen every day, and indeed I think it is the first time in history that a Member of this Parliament has decided to offer himself, his health in fact to try and wake up the bunch of sleepyheads in the Government.

Mr. Speaker, I see some of the Members shaking their heads. But I do not expect one single Member in that party to have the courage to defend a constituency with that much faith and devotion. And to that extent, Mr. Speaker, I feel the situation will force the Government to start thinking, because they have been laughing these last three days.

I venture to predict that their laugh will turn sour as days go by because they will have the whole situation on their conscience. And then, I think that over the coming days, the media will keep focusing the general public's attention on the situation of our young. All of us in our constituencies are aware of instances of neighbours, of people we know who have not found jobs, whatever the statistics may say. We know that the Manpower Centres are filled with young people waiting in line for opportunities.

It is therefore not good enough to be satisfied with the situation and refer to statistics. I do not understand why the Government does not admit its error now. They slashed through programs, in an arbitrary, hasty and somewhat vengeful way. But actually, it is not senator Hébert who is being hurt, but the thousands of young people who had pinned their hopes on that program. And the thousands of young people who are also waiting for the Government to respond to the Senate report.

In the Senate report, Mr. Speaker, there are 26 recommendations. It is not a Liberal report, it is a unanimous Senate report, about which Conservatives senators have agreed with Liberal senators to say this: The situation is far past the stage of partisan considerations. And although that report was made public, we did not even hear a whistle from the Minister of State (Youth), as usual. However, the other Members of the Governement should take the time to read it, and act on it

because what is in that report is a call from the heart, and it is my hope that this Government will have the courage to act within the shortest possible time. I suspect there is a move, I think that in the last few days they have been thinking. It started three days ago when the Deputy Prime Minister said: "We will do nothing, all we have been doing is very well done, hurrah for the statistics, and those who do not appear in the statistics, let them manage by themselves".

Yesterday, the Prime Minister sent this reply to Senator Hébert, and in his letter the Prime Minister admitted: I would be the first to recognize that much more should be done for the young. That having been said, I think there is a move. Today the Prime Minister, probably on the way out of his caucus, said that probably, by the end of the month, the Government would be announcing new programs for the young. It would therefore seem that he is beginning to see the light. The Minister of State said she was not aware of anything. This is no news to us, she has never been aware of anything since she has been there, Mr. Speaker. I think she should inquire from the Prime Minister because it could help her in her speech today and she would look better if she did not contradict the Prime Minister before the end of the debate. I think it is important to know that at 12:23 p.m., according to a Canadian Press report, the Prime Minister has said he will announce new programs before the end of the month. However, she may no longer be there and this is why he did not ask her advice. However, Mr. Speaker, I think we should go beyond the personal case of the Minister of State, because the Government will deal with it, but we should look after the young people. As a result of the situation in the Senate which no doubt will become embarrassing for the Government, I know of no Government who would face such a situation without doing a self-examination and taking action.

In that case, why should we wait? Indeed, we know that a mistake was made when programs were swiftly cut. They admit that they have not done enough, that new measures will be taken before the end of the month but why are they not acting now? I think it would be in the interests of young Canadians. When the Government killed Katimavik, they promised that the $20 million would be transferred to another program and, of course, the Minister of State did not know what kind of program it would be.

It would perhaps be proper now for the Minister of State to rise, to show some leadership and announce a new program which would end the human drama of certain young people throughout the country and would hopefully satisfy our colleague, senator Hébert. Since certain Members are making light of the situation in the Senate, I would like to ask them to reflect on an editorial in today's *Le Droit*:

> The most sinister sniggering in the history of the House of Commons in Ottawa may have been heard on Monday. The whole venerable assembly of the representatives of the Canadian people once burst out laughing about the problem of battered women. When advised Monday about the fast of Senator Jacques Hébert, who is asking for the Katimavik Program to be reestablished, the Conservative Members of Parliament did something even more ugly.

The editorial goes on to say that, by laughing at Jacques Hébert and his hunger strike to save Katimavik, which represents the only ray of hope for many young people, the sniggering Conservatives showed their simplemindedness, their absence of morality, or even their pleasure at a situation which is in fact quite disastrous. There is no other reason to react as they did. I dare hope that the Minister of State (Youth) and all her colleagues will reflect upon these words written by editorialist Johannes Martin Godbout. Today the House is wondering what we as parliamentarians might do for that important segment of our population. It is a starting point.

● (1530)

We will be told there is no money, think of the funds required and the deficit. How far can we go on hiding behind deficits and sacrificing an important part of a generation? How wrong can our priorities be when we can find $1 billion to bail out wealthy bank depositors and pretend there is nothing left to help the most dynamic forces in our society? As suggested in the editorial, I think it is a lack of ethics.

I know that this Conservative Government is not overly sensitive to the plight of young Canadians, except perhaps to offer them minor census jobs. My colleague from Glengarry-Prescott-Russell (Mr. Boudria) gave us a good example today when he told us that, at the request of the Minister of State (Youth), the Minister of Supply and Services (Mr. McInnes) followed her advice and offered census jobs to young people, particularly those who belong to the Ottawa University Conservative club. I think measures of this nature are not worthy of a proud Government or of parliamentarians like our colleague from Valleyfield who, I know, has a lot more class than that and is aware that the future of youth is a matter of honour and that we should not belittle the problems experienced by the new generation.

I think that the Government is not offering them opportunities because it feels that those who are lucky enough will make out all right, but too bad about the others. The fact is that solutions are there, they have been proposed by various organizations.

We have had studies galore. The one example I would give is the First Chance program which could have met urgent needs. The Minister of State (Youth) may laugh her head off! What to expect? I think she has no sense of responsibility, because young people urgently need ready access to the labour market, they need practical experience. I would suggest that the First Chance program could have been one of many avenues open to them. Call it whatever you like, but do something!

I think that it is important for young Canadians to feel that not only big business lobbies can influence this Government, that not only large companies, such as the oil multinationals,

which have so much attention already, can catch the attention of the Government, but that ordinary people can do the same, that is those who cannot afford to attend weekend conventions or come to Ottawa to protest. I have been told: There are not that many youth organizations because there are no demonstrations on the Hill. Even coming here from Montreal or Toronto is too much to ask people who might have to live on $145 a month in welfare benefits. Would we want them to live on even less? I think that you only have to look at the facts to realize that there is a major problem.

I therefore hope that the events of the last few days and the daily problems facing many young people will convince our friends opposite to stop being concerned only by those who make large contributions to the Party and to take care of real people. I hope that they will show—and we already know that this is a big business Government—that this Government also has a heart, that it has courage and that it can admit that, because the Members opposite tried to go too fast in reducing the deficit, they forgot to take into account the human factor and to examine the type of situation in which 700,000 young people find themselves, they forgot to consider that these young people need at least the same opportunities as the other elements in our society.

There is now a difference of 6 per cent in the unemployment rate for young people and the rate for older Canadians. Some positive action must therefore be taken to help these people.

I do not see why this Government refuses to accept its responsibilities and I am convinced that the discussions that many Members opposite will have next weekend in their own constituency will give them pause and convince them to ask their caucus, their Leader and their Ministers to take more positive action in the coming weeks.

I trust that this will happen sooner than later and that the signs shown by the Prime Minister these last few days will lead to the implementation of a major program, not only knick-knacks, but something substantial, not just a political gesture to try not to lose face and show that something has been done, but a real program, a bold program, geared to the needs of young Canadians.

I am convinced that, should you take a poll—and you do that often enough—you would find that Canadians would be willing to make some sacrifices for the upcoming generation. I can say, right now, that all Canadians want to give young people a chance.

Ask your own conscience, look at your own children. Don't you want them to have the same opportunities you had? I am not asking for more than that. Give our young people the same opportunities you had when you were their age. Then, you will have a clear conscience, you will know you have done your best by giving them the programs they need to have the same opportunities you had.

Mr. Deputy Speaker: Order! Questions and comments. The Hon. Member for Beauharnois-Salaberry (Mr. Hudon).

Mr. Hudon: Mr. Speaker, the Hon. Member for Shefford (Mr. Lapierre), because of his experience, has his speeches oozing with both honey and gall.

Mr. Speaker, it is very easy to take the young as hostages. It is very easy, for instance, and especially when the galleries are packed full, to say to those young people: "You know, boys and girls, they would rather help the banks than you". This is very simple, especially when reference is made to banks, and the Hon. Member opposite knows very well that the bank situation is not a situation we had been looking for, but we had an obligation to act.

Mr. Speaker, the Hon. Member also said earlier that the young were "a multitude of solitudes". I am repeating his exact words. I do not believe that at all. They are not a multitude of solitudes, but rather, in view of the rates we are currently noting—and this is why I would like to ask my question in that direction—since unemployment rates are now declining, I do not think we should speak of a multitude of solitudes. Quite the opposite, studies show they now have the highest possible rate of dynamism.

I would simply like to ask my question which is threefold. In the Prime Minister's letter to which he was referring earlier, it is stated: "On September 4, 1984, the unemployment rate among the young aged 15 to 24 was 18.4 per cent, and it is now 16.4 per cent."

This is quoting from Statistics Canada, unless you think that Statistics Canada is wrong once again. However, Statistics Canada says so: there are 2 per cent less unemployment according to the seasonally adjusted statistics.

Second, over the 18 months since September 1984, 50,000 new jobs have been created for young people. This again is quoted from Statistics Canada. Third, between February, 1980, and September, 1984, young Canadians have suffered the loss of 285,000 jobs. This again is taken from Statistics Canada.

Mr. Speaker, my hon. colleague opposite was also Minister for Youth. What did he do at the time?

I will repeat the figures. Mr. Speaker, from 1980 to 1985, I will give January figures, seasonally adjusted figures:

In 1980, the young unemployed rate was 13.1 per cent; in 1981, it declined to 12.9 per cent; in 1982, it rose to 15.3 per cent; in 1983, it rose to 20.4 per cent; and in 1984, it decreased to 18.4 per cent. The rate came down to 17.5 per cent and now to 15.9 per cent. But what do you make of those figures? They are not the same.

Mr. Deputy Speaker: Order, please. I now recognize the Hon. Member for Shefford (Mr. Lapierre).

• (1540)

Mr. Lapierre: Mr. Speaker, this is precisely then reason. I think that with reference to a crooked mind, my friend should realize that the February figures show the extent of unemployment amoung young people and if he wishes to fiddle with figures, the rate started at 15.9 per cent and last month reached 16.4 per cent under a Conservative Government. Consequently, this game of statistics can well be played.

Mr. Speaker, this is not enough, even if the rate is 16.4, 16.2 or 16.1, it is too high. Seven hundred thousand unemployed, that is too many, and that is unacceptable. And we congratulate you if the rate has decreased from September until now but this is not good enough. You must do something else. Do not be satisfied with a 15.9 rate which has now reached 16.4. We ask you to do more.

Mr. Hudon: Oh yes, something else!

Mr. Lapierre: This is what I have been asking you in my speech. I urge you to act because you are now glossing over your darn statistics while 700,000 people are in distress. You better stop bragging about your figures when facts are altogether different. You know quite well that your statistics do not include those who are depressed and discouraged and are no longer looking for jobs. All those who are registered with the Manpower Centres are not included in your statistics. And we know quite well that in some serious cases, after looking for a job for two or three years, one has to accept any kind of job. For instance, a fellow who has a Ph.D. is driving a taxi. Do you think this is satisfactory? In your statistics cases such is these are not included.

How many young people are presently underemployed because there are no openings for their particular talents, so that they never have the opportunity to practice the trades for which they prepared themselves, at great costs to themselves and their families? That is something your damned statistics do not show. But stop burying your heads in the sand, as the Minister of State (Youth) is doing, and face reality. And reality commands you, for human dignity's sake, to act. That is what we are beseeching you to do. I am sorry, Mr. Speaker, but I, for one, cannot accept, when faced with this human tragedy, that the Government should try to hide reality behind a series of figures. When we hear about holding young Canadians as hostages, I suggest the Government once again demonstrates a paternalistic attitude, because young people can judge by themselves. For my part, I present my own view of the matter in trying to I urge you to act, and they can very well assess the performance of their so-called representative. Let them decide for themselves.

But young Quebecers have already decided, and if you want figures as evidence of that, I can refer you strictly to the results of the Gallup polls.

Mr. Deputy Speaker: The Hon. Member for Charlevoix (Mr. Hamelin) has the floor for a question or a comment.

Mr. Hamelin: Just a comment, Mr. Speaker. I suggest that my hon. colleague's remarks . . . of course, everybody agrees with the higher principles, just as everybody is in favour of motherhood. But it is also the expression of obvious bad faith on his part.

Mr. Speaker, I suggest that in this country Canadians can normally renounce their rights to an estate. When the liabilities exceed the assets, they usually do. Unfortunately, we could not renounce the situation we had inherited from you as former nominal Minister of Youth. We simply could not. We owe you the 700,000 unemployed young Canadians you have mentioned and we are stuck with them. How dare you come forward as you do and, in bad faith, blame us for this situation. As the Government, your party had 20 years to address this problem. Under your administration, unemployment figures constantly went up instead of going down.

If intelligence is a sword, Mr. Speaker, my hon. colleague unfortunately is entirely helpless. It is a disgrace that he should rise in the House today and attack the Government in such evident bad faith. We are as aware as he is, as former nominal Minister, of the problems young Canadians are faced with. If there is a region where the situation is particularly acute, it's mine. I sympathize with their predicament and, as Members of the House, we try every day to—

Mr. Malépart: Quit sympathizing and do something!

Mr. Hamelin: I do not think I have any advice to receive from the Hon. Member for Montreal-Sainte-Marie (M. Malépart), because in our constituencies, in our have-not regions, unemployment does not affect only the young, but also the less young people, as well as those between 40 and 60 who are laid off by companies, as in Forestville recently where 213 people were laid off. The Hon. Member for Montreal-Sainte-Marie knows that what we are not talking of 450 jobs in Montreal, which may amount to .0231 per cent of the total Montreal workforce, but that in my area, when 213 jobs are lost in a small town like Forestville, it means that 70 per cent of the families are affected. All your shouting and negative biased comments are therefore quite inappropriate in this House as you are presenting a distorted image of the facts. I am making efforts, and so are my colleagues. I have made efforts with my colleague who helped me with a number of files, and did not do so in a partisan way as you are suggesting today. We just tried to come up with new projects, to involve young Canadians and ask them as we ask all Canadians to make the necessary efforts to address the situation. But because of the bad stuff you have been putting out for 20 years, we need a little time to further cut down the deficit and deliver what we promised.

Mr. Lapierre: Mr. Speaker, in reply to that comment, we know of course that our Hon. friend can only shout as he

knows that his arguments have no substance at all. Let me tell you something, Mr. Speaker. One can of course say that people are biased and put the blame on previous Government. But can you imagine, Mr. Speaker, the Hon. Member blaming me for the past 20 years of management of our country! Mr. speaker, I am 29; do you think that I sat here in the House of Commons when I was 9? The Hon. Member cannot be speaking in good faith, and I just want to tell him, Mr. Speaker, that they on the government side have a responsibility. I have been a member of the Government, and if the Minister of State (Youth) (Mrs. Champagne) has a ministry—or had one, now that only her title is left—if there was a Ministry of State (Youth), it was because I fought to make sure that the voice of young Canadians would be heard within the Government. I fought hard to get the Ministry and that position created, and my colleagues should remember that I was among those who criticized the situation and called for action, and we did indeed take actions. All we are asking this Government to do, as they claimed that they could do better with respect to everyone and everything, all we are asking them, instead of cutting down the budget, as the Minister of State (Youth) wrote in her letter of January 6, is this: You promised to do better, well, do it then, but by God do it!

Mr. Deputy Speaker: The time for questions and comments is terminated. We shall resume debate with the Hon. Minister of State (Youth) (Mrs. Champagne).

An Hon. Member: She is still there!

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, this Government is being accused of ignoring Canadian youth. This Government is being accused of failing to deal with what they insist on calling "the crisis of a generation", and finally, it is being accused of failing to take immediate steps to deal with problems that this Government inherited from an administration that spent money as if it were going out of style but failed to deal with any of the problems the country was facing.

Mr. Hamelin: That's right.

Mrs. Champagne: It is therefore not surprising, Mr. Speaker, that the Canadian people rebelled as energetically as they did on September 4, 1984. And that is why, Mr. Speaker, this Government wanted first of all to get rid of this cancer that is eating at each and everyone of us, but especially at our youth, the children of Canada.

[*English*]

What we hear from Opposition Members is single word "spend". They do not care about a baby born this very minute who has a mortgage of $8,000 on its tiny shoulders.

Some Hon. Members: Oh, oh!

Mrs. Champagne: They do not care about the deficit, the national debt, which was eradicating every chance that child had to a decent life, a life to which every Canadian is entitled.

[*Translation*]

Mr. Speaker, we are being told to spend, even if there are no worthwhile results in the long run. Spend just the same! Create jobs for a few weeks, just long enough to let people draw unemployment insurance benefits and then go on welfare, until they are back in the same old cycle.

Mr. Speaker, when the Opposition says this is what Canada's youth wants, it shows how far removed it is from reality. I really wonder when these people last had a worthwhile discussion with young people.

The Hon. Member for Shefford (Mr. Lapierre) referred earlier to those who made it, but who does he think he is? He is fine, he has done very well for himself. Mr. Speaker, he never had those problems, and he is too young to have children who did. In fact, I wonder when he last had a serious conversation with young people.

Mr. Speaker, when Opposition Members insist on lamenting the lot of what they refer to as the lost generation, they are not only showing their ignorance of reality but, and this is much worse, they are insulting a whole generation of young Canadians who are making every effort to survive, despite the disastrous consequences of those long years of Liberal Government.

• (1550)

[*English*]

Our youth is not—I repeat, not a lost generation. They are young men and women struggling through a Liberal created mess, out of which this Government is now leading them surely and effectively.

We are not taking immediate measures to help young people, Mr. Speaker? I have heard of the pot calling the kettle black, but this form of hypocrisy should not be allowed, neither in this House nor in the worst God forsaken street of this world.

What did the Liberals do between February, 1980 and September, 1984 when young people lost 285,000 jobs and when the rate of unemployment soared to 18.4 per cent? What did they do, Mr. Speaker? They kept on with their make-work projects which never helped anyone acquire a permanent, rewarding job, and they continued to increase our national debt.

Ms. Copps: What about Katimavik?

Mrs. Champagne: I will come to it if the Hon. Member for Hamilton East (Ms. Copps) will just keep quiet for a moment. Her sweet voice is not helping.

What did we do, Mr. Speaker? Fifty thousand jobs were created in a mere few months. I have heard the Opposition scream that they were not all permanent jobs. Again, Opposition Members have shown their lack of knowledge of what is

going on. Many of our young people are looking for part-time work while they are pursuing studies in their chosen fields. They said so themselves. Yes, many in what the Opposition called that lost generation want to study and work. Our young Canadians are not all a bunch of drug addicts, alcoholics and suicidal people.

Ms. Copps: Who said that?

Mrs. Champagne: You just said it before. Some of them do have more difficulty than others, but calling them hopeless is certainly not helpful.

[*Translation*]

Mr. Deputy Speaker: Order, please. I believe we have a point of order.

[*English*]

Mr. McCurdy: Mr. Speaker, do I misunderstand? I thought it was a rule of the House that a Member did not read a speech but rather was impelled by the sincerity of feelings about the subject being discussed—

Ms. Copps: She doesn't understand the subject.

[*Translation*]

Mr. Deputy Speaker: The Minister may proceed.

Mrs. Champagne: We know that during these difficult times for our young people, especially between 1980 and 1984, many of them had to leave school. We have made some important decisions. Young people must be given a chance to get back into the labour force, to make something of their lives and plan for their future. That is why we are allocating some very substantial funding for youth. Within the Canadian Jobs Strategy alone, we have allocated $700 million or 37 per cent of the Department's budget. Speaking of labour market integration, we will be spending $210 million to help those seeking their first job.

Institutional training: $280 million. Challenge '86: a total of $210 million.

Furthermore, Mr. Speaker, all young people are eligible for the other components of our Canadian Jobs Strategy, programs that will total almost two billion dollars this year.

Challenge '86 is a program that young students appreciate because it gives them an opportunity to acquire the experience they need to obtain a permanent job.

In 1984, the Young Canada Works Program had a budget of $200,000 and created 65,000 jobs. Challenge '85, with a budget—

An Hon. Member: $200 million.

Mrs. Champagne: Excuse me, $200 million, and 65,000 jobs. Challenge '85, with a budget of $205 million, has created more than 100,000 jobs, of which 67 per cent were directly related to the individual's career or course of study.

In 1986, Mr. Speaker, with the private sector participating we will create even more jobs. We expect 120,000 summer jobs will be created.

Those who are less fortunate, including drop-outs, will be able to attend training courses and at the same time acquire practical job experience. This should encourage them to either continue their education or at least get some professional training. And we are being accused, Mr. Speaker, of inertia vis-à-vis our young people!

[*English*]

As well, we have loans and loan guarantees that will be available for students, for those who would rather start their own business. This is how to encourage leadership and entrepreneurship. This is how to avoid condemning an entire generation to a lifetime of welfare.

Ms. Copps: Come on.

[*Translation*]

Mrs. Champagne: As the Quebec poet Félix Leclerc said so eloquently, Mr. Speaker: The best way to kill a man is to pay him to do nothing.

An Hon. Member: You have been doing that for twenty years.

[*English*]

Mrs. Champagne: Because we are aware that too many people have to rely on welfare to live while looking for employment, an extra $100 million was directed to them in the Budget. This will also benefit a lot of young people.

[*Translation*]

In 1986, more than 200,000 young Canadians will benefit from federal employment programs, and this in addition to programs offered by Agriculture, CIDA, Indian Affairs and Northern Development, Fisheries & Oceans, Justice, Environment, and there are others, and of course the Department of the Secretary of State. And this Government does nothing for youth?

Mr. Speaker, because of the sad legacy of the previous Government, we have had to make some difficult decisions that will help put our finances in order. Katimavik is part of what the Prime Minister referred to as "painful measures".

Mr. Malépart: Just to do the rich a favour.

Mrs. Champagne: Mr. Speaker, it was impossible for a responsible Government to go on being so unfair to so many young Canadians. It was unthinkable to continue spending $20 million for the benefit of only 2,000 out of 4.5 million young Canadians who are entitled to take their place in society.

Mr. Malépart: And 56 million to change the colours of the uniforms.

[*English*]

Mrs. Champagne: Katimavik was never meant to be a job-creation program, Mr. Speaker.

Mr. Stewart: Right.

Mrs. Champagne: Its participants lived a great experience for nine months at a cost of $20 million a year. Was that fair, Mr. Speaker? Some of the participants even left school or a permanent job to get into the program. In the latter case they would get unemployment insurance benefits after. Was that fair? Considering the state of the country's finances, it became clear that the same money could be put to better use and, more important, directed toward a greater number of people.

I am quite aware that voluntary work can be most rewarding for whoever gets involved and for whoever is the beneficiary. During a recent of poll of young people between 15 and 24, some 24 per cent said they were currently doing volunteer or community work, and 73 per cent said that they would participate to acquire work experience. I am not surprised, because our young people are generous, kind, and wise. They want to help, and to help one another. The youth of Canada deserve better than to see 20 million of our scarce dollars shared by fewer than one-twentieth of one per cent of their peers.

• (1600)

[*Translation*]

Mr. Speaker, perhaps we should refresh the memory of our Liberal colleagues and remind them that about ten years ago, in one fell swoop, the Trudeau Government buried the Company of Young Canadians, ended all operations under the Opportunities for Youth program while slashing the Local Initiatives program budget by 30 per cent. All those programs were geared to young people. Those $77.5 million were earmaked for something else, the equivalent of $200 million in current dollars. There was a resulting loss of 37,000 jobs. And now the Members of that same Party are sanctimoniously lecturing us about youth! Young people had to wait for nearly two years before Katimavik was launched. The Opposition applies a double standard, shamelessly.

[*English*]

Shamelessly they accuse us of throwing Canada's youth in Mr. Trudeau's "dire straights".

[*Translation*]

Mr. Speaker, at the Department of Youth we seriously consider reports from the Senate and the New Democratic Party. We carry out in-depth studies, as a responsible Government and a responsible Minister ought to do.

It is with sadness that I reflect upon the matter. If the Senators believed that the only really important thing in their report is that Katimavik is touted as having been the answer to all youth problems, then a lot of money has been wasted in drafting the report.

[*English*]

When one looks at the NDP report, the same word appears again, "spend". It is the flagship recommendation. They want us to spend $5,500 a year for two years for young people to do as they please; study, acquire skills, or simply think over what they might want to do when that money runs out. Mr. Speaker, $5,500 a year is not even enough for an ordinary Canadian, like the Member for Windsor-Walkerville (Mr. McCurdy), to take a decent holiday, as he stated recently. Like the song says, I wonder what the poor people do? This is not Camelot, this is Canada, and Canada is recuperating from 20 years of wasteful Liberal policy.

Some Hon. Members: Hear, hear!

Mrs. Champagne: Young people do not want a new form of welfare. They do not want to be part of a ghetto where, no matter what one does, he or she is considered a desperate, lazy, hopeless member of a lost generation.

[*Translation*]

Mr. Speaker, young Canadians spoke and our Government listened to them.

Young Canadians seek an opportunity to better themselves, they want to acquire the training and experience needed to secure lasting employment, work that will enable them to increase their knowledge and improve their standard of living. That is exactly what the Government has done. It showed concern, it has already acted and it will continue to act for the benefit of all groups and all regions. And, as the Prime Minister said, we will go even further when the time comes.

Mr. Speaker, rebuilding a country is somewhat like renovating a house. One must be sure that the foundation is on solid ground before spending money on decorations.

We are rebuilding this country with young people who day by day begin to feel hopeful again. First and foremost we must ensure that young people do have a future.

[*English*]

Politics becomes a very sad word when it is used to drown the hopes of a generation, when it is used to insult a generation which is but paying for the mistakes of the past, and when one is blackmailed into believing that life without any real personal responsibilities will cure all that may seem imperfect. Nobody said life was easy, but living it is worthwhile, but only if you keep on trying.

"Spend" they say. Yes, Mr. Speaker, we do, and we will, but wisely, and where it is most needed. That is what the Government will continue to do for Canada, for those who are very much part of our present, and for whom and with whom we are building tomorrow.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a question or comment.

Mr. Lapierre: Mr. Speaker, I am grateful to the Minister for dealing at last with the unemployment situation with which young Canadians are faced, but I should like her to tell me . . . When she said that she had consulted young Canadians, maybe she was inferring that we had not consulted them enough. I know that over the past year, the Minister has spent $400,000 to organize regional meetings which were to culminate in a national conference supposedly to develop a national consensus on priorities for young Canadians. Now that she has renounced for the time being her project to hold her national conference, presumably for lack of funds, could she tell us what will happen of all her consultations? Will she publish a report? Did she hold consultations with young people just for the sake of making them talk? What I should like the Minister to tell us is whether the national conference will take place in two years, after the International Year of Youth, or does she intend to hold it very soon as promised?

Mrs. Champagne: Mr. Speaker, we have always indicated that the national conference would take place later, that the International Year was only a step towards better things and continued involvement with young Canadians. The International Year has been for all parties concerned a period of deep reflexion; it provided young people who had never been consulted an opportunity to express themselves. Previous Governments would set up and abandon programs without ever consulting young Canadians. Throughout this International Year, our Government has dialogued with young Canadians from all parts of Canada, from Newfoundland to the Yukon Territory. When the time comes to get young Canadians together again, we will do so, but at the time I, together with the Prime Minister, will choose, without the young people needing to wait for a decision from the Hon. Member for Shefford (Mr. Lapierre).

An Hon. Member: They have certainly waited long enough.

Mrs. Champagne: Although they expected a great many things from the Hon. Member, they never got much from his party.

When the time comes, Mr. Speaker, we will call again young Canadians to a meeting and we will work together with them towards a better Canada for them all.

[*English*]

Mr. McCurdy: Mr. Speaker, it is perfectly clear that the Member for Shefford (Mr. Lapierre) is not going to get an answer to his question. The answer, of course, is no, there is no national forum scheduled, unless the Prime Minister (Mr. Mulroney) decides to change his mind about allowing one to occur.

I have a couple of questions which I had not anticipated addressing in my speech. We have had great difficulty getting information about some of the things which the Minister had stated as fact in the House. Perhaps she can tell us what the $11.73 billion is which she mentioned in the House the other day.

She condemned Katimavik because, as I recall, it affected only one-twentieth of one per cent of the youth in the country. Did she oppose the capital gains tax exemption on the basis of the low percentage of the population of the country which would benefit from that? Did she oppose the bail-out of banks on the basis of the small percentage of Canadians which would have benefited from that? By the way, when she was considering the cost of the youth prospects program did she make any reference in her mind at all to the $2.8 billion which was flushed down the drain for the benefit of Tory buddies?

Mrs. Champagne: Mr. Speaker, the statistics on amounts of money to which I referred earlier this week are very simple to get.

Mr. McCurdy: Send me a note.

Mrs. Champagne: The Member and his Party have a research team. They can very well look into Part III of the Estimates which were presented in the House by my colleague, the President of the Treasury Board (Mr. de Cotret). They can do the work themselves and they will get exactly the same answers. I am not going to do their work for them.

• (1610)

[*Translation*]

Mr. Malépart: Mr. Speaker, I should like to . . . it is indeed a sad day when 700,000 young Canadians thought that the Minister of State (Youth) (Mrs. Champagne) would see this as an important debate and announce new things. The Minister has confessed her failure. A little while ago, my colleague asked her . . . The Minister has allowed $56 million to be spent on uniforms of a different colour for our military personnel instead of keeping $20 million for young Canadians. The Minister was all in favour of granting the Minister of National Defence (Mr. Nielsen) $100 million more per year to send 1,000 more military personnel to Europe, instead of helping young Canadians find jobs.

During her speech, the Minister has insulted young Canadian men and women who needed just a little push and not a slap in the face. Could the Minister stand up and say honestly why she has allowed expenditures of $56 million . . . and $100 million per year to send 1,000 soldiers to Lahr instead of keeping between $20 or $25 million to help young people in Quebec and the rest of Canada?

Mrs. Champagne: Mr. Speaker, we are keeping and shall continue to keep our promises to young people, and by the same token, we are keeping and shall continue to keep our promises and commitments to NATO. I do not see why one would prevent the other. The amounts are there and the results also. Jobs are being created. There are programs in just about every major Department, programs which we are coordinating for all young Canadians. We are keeping our promises as far

as they are concerned and we shall continue to do so. Like the Prime Minister said this week, in due time, new programs will be announced, but these programs will meet the needs and aspirations of young people while taking into account the amounts available to the Government at this time following the disastrous situation of the last 20 years.

Mr. Hudon: Mr. Speaker, someone accused me earlier of arranging the figures to suit my purposes, but I would like to say that I made a mistake. I took the first line while I should have taken the second. If I had wanted to arrange the figures, I would have quoted the second line for February when unemployment figures are always the highest. I would have done so if I had wanted to arrange the figures. I quoted the figures for January.

I said earlier that, in 1982, the seasonally adjusted unemployment rate was 15.3 per cent. I have the honour to inform you that, if I had wanted to arrange the figures, I would have announced a rate of 15.4 for February, 16.2 for March, 16.8 for April, 17.6, and normally, in July, when many young people have jobs, the rate is lower, but while the rate for January was 15.3, in July of the same year, it was 21.3. And they try to criticize! This is what I would have said if I had arranged the figures to suit my purposes.

Mr. Speaker, I simply want to ask my hon. colleague whether, if Katimavik was so popular with the public, the private sector would not have jumped on the opportunity to take over from the Government after cancellation of this program was announced. We have heard no such thing.

Mr. Malépart: The private sector took the money.

Mrs. Champagne: In fact, Mr. Speaker, there is nothing to prevent Opcan from collecting funds from the private sector to keep the program in operation. The Government decided that these $20 million would be allocated elsewhere to help a greater number of young people. I am thinking, for instance, about what the Minister of Finance (Mr. Wilson) announced in his Budget. We know that, unfortunately, many young people are on welfare. Another amount of $100 million has just been granted to help create jobs for people on welfare. And the Members opposite say that we are doing nothing for young people and for those who need help.

They told me that they were expecting me to make announcements today. They tell this Government: Spend even more money, never mind that the young people have no future because there will be this terrible debt which they will never be able to repay. That is not why this Government was elected and that is not how I intend to work with and for young people.

Mr. Deputy Speaker: Order, please. The Hon. Member for Hamilton East (Ms. Copps) for a question or a comment.

Ms. Copps: Mr. Speaker, I would like first to ask the Minister whether, in the said $11.7 billion she was referring to, family allowances are included, because I think those figures are misleading our people.

I would also like to ask her sincerely whether she is now saying, as mentioned by the Prime Minister, that the Government is ready to announce programs for the young. She knows very well that Senator Hébert is now on a hunger strike that could have truly serious consequences for his health.

I heard the Minister speak in good faith outside the House when she stated Senator Hébert was a man who represented a certain hope for the people. She spoke well of him outside the House.

If her Government is ready to announce something, why is she not doing it today, a program that would give some hope not only to Senator Hébert but to the young people? Because we know that in the Nielsen Report, where reference is made to Katimavik, it is said that if that program were cancelled without being replaced by another one, this could cause despair among young Canadians.

I think the Government's decision to kill a program which the Prime Minister himself (Mr. Mulroney) said was good, was made because this was a former Liberal program. It was not killed because it was a bad program, since it was a program recognized by the Canadian people and internationally as a program that provided the joy of living, training, life experience, quality of life to those who never had much luck in life.

Therefore, why? If she really represents the young in the Cabinet, why does she not react today and give a little hope to those young Canadians who are following the debate today and who ask for a single gesture today from the Government and the Minister that would give some hope to our young people?

As far as we are concerned, we do not call the young "junkies" or alcohol-prone. But it must be recognized that the suicide rate among young people has doubled over the last ten years. And we are now beginning to see that this may be a lost generation, a generation without hope.

As a woman, it seems to me that she can understand the plight of a generation without hope.

Why does she not give some hope to these people today through an announcement, whether it be only $20 million, or whether it is a step in the right direction for the Katimavik program? But at least let her send a signal to the young of our country.

Mrs. Champagne: Mr. Speaker, the end of Katimavik was announced by the Minister responsible for it a few weeks ago and the Government had then to make that decision, "a painful decision" as the Prime Minister said yesterday, considering the needs of young people, the lack of available funds

and especially the very small number of young people who could take advantage of the program.

Nobody ever said that the program was not satisfactory, that it had nothing good. We cannot at present give special privileges to a mere 2,000 young people when there are 4.5 million of them and we have so little money.

The Prime Minister said today:

[*English*]

He said that unfortunately the resources are stretched across the Government. That does not make my task any easier than was the task of the previous Minister. However, we are working and, as I indicated some weeks ago, the financial year ends on March 31, and at or about that time we will be making some announcements regarding funding and initiatives and programs we think will be helpful to the youth of Canada. We will once more keep our word. When this is ready to be done, it will be done.

● (1620)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am pleased to have the opportunity to rise in support of the Liberal motion.

I listened to the Minister of State for Youth (Mrs. Champagne) who berated us because we expected her to announce some new programs. I would have to assert that I had no such expectation. I do not expect the Minister of State to do very much more than she has already done, which is nothing. She also berated us for alleging that she was not concerned about youth. We know that she is concerned about youth because she devoted a full-length letter to her colleagues about this subject.

Ms. Copps: Why is she leaving?

Mr. McCurdy: We would not expect the Minister of State for Youth to stay and listen to the debate about those people about whom she cares so much. She said that we did not acknowledge her concern for youth, but we were recently table to identify quite specifically her concern for youth. Her concern for youth is that they are a target of recruitment for the Progressive Conservative Party's youth federation. She alleged that we did not believe her concern about the problems of youth but we know that she is very much concerned about the problems of youth. Why else would she attempt to exploit the problems of youth to meet the ends of her own recruitment policy for which her office is being used?

We have just completed International Youth Year. Perhaps I should remind the House why International Youth Year was declared by the United Nations. As in the case of women, members of the United Nations believed that there should be a year for youth in order to focus attention on the imminent crisis that was affecting young people, particularly in the western world. Riots had already taken place and there was a great deal of concern that if something was not done about the unemployment among young people a crisis of significant proportions would lead to social disruption. International Youth Year was not intended to be a year of celebration for the accomplishments of youth, as it was celebrated in Canada in many respects, but was intended specifically to focus attention upon the concerns, the problems and the need for participation by young people in determining policies that would affect their lives.

The Minister of State for Youth says that she has been consulting with young people. During International Youth Year her Ministry sponsored a number of forums. She attended these forums, leaving in her wake deep disappointment among many that she did not have the time to spare to sit down with young people to listen to their problems at length, as many of us have done.

They do not want to be told what problems to discuss or what their concerns should be, they simply want us to listen. These forums were rather consistent with the content of the Minister's letter and, in many instances, were seen by young people as attempts to steer the discussion of youth toward directions chosen by her Party in order to support her philosophies and those of her Party. Therefore, perhaps it is not a great disappointment that the fifth national forum has been cancelled after four which served little purpose for young people. Perhaps we must admit that a fifth forum would have served little purpose.

Until recently the International Youth Year failed in its goal to provide a focus on the concerns of youth. I was involved as critic for youth and post-secondary education in the New Democratic task force which coursed across the country and talked to hundreds of young people. There are so many easily identifiable problems affecting so many youth that I believed that the media and the three Parties in this House would have been able to respond. I have been puzzled, grieved and saddened by the great difficulty in drawing attention to the plight of young people in this country.

When I say that some 25 per cent of the population of young people represent a lost generation, I am not denying the contribution, the honesty and creativity of young people. However, when we consider how the problems of many young people are being disregarded and reflect upon why there is the rejection of effective participation by youth, I recall the many graduation speeches I have heard in which adults have told young people: "Tomorrow this will be your world because you are the leaders of tomorrow".

Let us examine the background of such statements. It means that this is our world today but will soon belong to young people. We are saying that eventually someone will take over our territory and we will have to concede to youth. Perhaps when we tell youth that this will be their world tomorrow and they will be tomorrow's leaders we are really confessing that we are suspicious of our youth and do not want them to be involved because they are the enemy. I believe we must stop projecting that attitude in our relationship with young people and begin to consider youth as our partners in this democracy, from whom we have much to gain in developing the destiny of this country.

We have also heard the assertion that today's youth are going through the same experience we had when we were

young. This is not true. Our experience as youth in this country and throughout the world was quite different from today's youth. Many of us earned our political spurs in the 1960s. While many of us participated in social actions that could have caused us trouble, we knew we would ultimately be able to get a job. Indeed, some may ultimately end up in the Parliament of Canada after engaging in near revolutionary movements. In those days there was full employment but today there are many young people who are unemployed and may never have a job.

Today's young people are awash in information. They have received far more information in half an hour of television than they can learn from a week in the classroom. At no time in history has a population grown up in circumstances where change is so rapid with respect to technology, the transfer and the flow of information that there is little time to prepare or make judgments.

We did not grow up in communities where families were subject to such dramatic and drastic change. Many young people are the children of single parents and come from families that suffered marriage breakdown. Today, family relatives live far apart. The atmosphere among families today is one in which they spend six minutes a day to discuss family concerns.

● (1630)

There is a vast difference between now and then. That is why the young people of today are pleading for more help, more advice and more guidance. There were recommendations that there be significant changes in the educational system because the youth of today are different. They are different because of the environment in which they grow up. Their needs are substantially different. Their experience and problems are different. So we had better stop looking at young people through a distorted mirror. We must see them through a window which reveals their lives. We should try to understand their particular experience of growing up in this world.

I must confess to a certain degree of gratitude. Over the last few weeks, the release of the New Democratic Party task force report, the Senate committee task force report, the ineptitude, unfortunate as it may be, of a Minister who was caught in serious error and, now, more recently, the grievance expressed in the form of a hunger strike by an eminent Senator, have all brought some focus on the problems of our youth. I hope that this emphasis on young people will not be aborted. I have been very much concerned about the lack of attention given to the youth of Canada in this House. Although I believe it is unfortunate that a hunger strike by one of its own has brought the Liberal Party more consciously into the effort, I appreciate that it is with us. I hope that the Conservatives will begin to realize that what we are talking about is not a share of already existing programs but rather the initiatives which will be taken in response to what has been identified by two task forces, and many others, as a unique problem.

Let us consider the Senate report and our own report. Let us look at the recommendations in contrast to what we have been hearing from the other side. There are two things on which both reports agree, first, that the problem of youth is significant and we should address their needs as unique and not relating to the rest of the population; and second, and this is by far the most important, that there must be some means by which young people can be involved in advising all levels of Government of their needs and concerns. We should provide youth with the means of participation in a variety of ways. One of these would be to ensure the existence of youth advisory councils at both the federal and the provincial levels. Youth chosen by democratic means could be given the opportunity, through the Minister of State for Youth (Mrs. Champagne), who is supposed to be a true advocate for youth, to advise Government and Government Departments of their needs and concerns. We should enhance the opportunities for young people to be heard from on all of the issues affecting them.

Our task force report made a number of recommendations.

[*Translation*]

The goal of the task force was to provide a forum for young people and alow them to speak about the various Government policies which affect them, to state their views on various social, economic and political issues and to promote the development of new strategies to meet economic needs as far as social development was concerned and this involved over 4 million young Canadians aged 15 to 24.

[*English*]

One of our important recommendations was with respect to youth prospects. We do not mean a hand-out like the $2.8 billion for the research and development credit. It is not like the capital gains exemption. It is not a hand-out like the money which went to the banks and which benefited the banks outside our borders to the extent of 30 per cent. None of these things were subject to the criticism that those people would waste the money on vacations, cars, and so. In fact, one got the impression that if they did go on vacations and purchased cars, it was probably a good thing to do with the money.

Our recommendation was intended to provide opportunity. We were impressed by the fact that, to a large extent—as a result of the inaction of the Government in respect of the financing of universities—accessibility to universities was being seriously impeded. The gains which had been made in the last decade in providing opportunities for minorities, the disabled and women were being restricted as a result of financial exigency by the Government. It failed to respond to the needs of the universities in a number of respects. We have encountered many young people from poor families who, were they to go to university, would incur debts totalling as much as $40,000. They would be faced with nine years or ten years of making payments at the rate of $350 a month. We also found that the youth from poor families could get an allowance if they went into a training program. So we have an arrangement that creates an essential bias. The poor go into the training programs and the rich go to university.

There were a number of other problems which existed among young people which had to be addressed in an effective way. We suggested a program which would affect young people between the ages of 18 and 22 years. If they chose to participate in the Youth Prospects Program, then they would be provided not with a gift of $5,500, but with an allowance just like the allowances which are provided for training programs now and which are denied those young people going to college and university. This will make it possible for young people of all classes and all backgrounds to make a reasonable choice of whether to go to university or college or to go into entrepreneurship programs or work skill developments which are similar to Katimavik, or to go into industrial training programs which exist now. Such a program, if integrated with already existing programs at the federal and provincial levels will cost relatively little. It would certainly cost a good deal less than the $30 billion in deferred taxes afforded to large corporations. It would cost less than the $11 billion in tax expenditures which benefit the larger corporations. Indeed, it would cost exactly the same amount of money as the capital gais exemption and at its peak would cost no more than $1.4 billion.

It disturbs me, as I am sure it disturbs many of the young people from whom I have heard—who regard this as an excellent program in response to their needs—that the Government would criticize such a program on the basis of cost at the same time that it shows such quick generosity to the banks and large corporations. Moments ago we heard that $1 billion was given to the banks because of the urgency. The problem of youth is far more urgent than the problem of those who had the stupidity to take a chance and who expected the Government to bail them out.

● (1640)

Some Hon. Members: Hear, hear!

Mr. McCurdy: If this Government does not hear this and if the Minister does not hear this, then the Minister should go home and represent her constituents in her riding. She is certainly not representing the youth of the country.

The report of the New Democratic Party and the report of the Senate addressed the fact that the young people of the country have said that the educational system is not meeting their needs. It does not meet their needs with respect to career guidance. It does not meet their needs with respect to counselling. It does not meet their needs with respect to the world of work. It does not meet their needs with respect to relevance.

It is about time we recognized what has been said in report after report—there needs to be a co-ordination of post-secondary education in the country and a co-ordination of what we are doing with elementary and secondary education. If we do not do something, then we will let down the youth of the country. We will fail in taking an opportunity to do something creative about the future of our nation. This can only be done by addressing the needs of youth.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Lanthier).

Mr. Lanthier: Mr. Speaker, although I do not agree with the Hon. Member's rethoric, even if I try to tone down his criticisms which somewhat seem to outweigh if not his thoughts, at least his ability, when he describes as—and I quote—stupid, people who have invested in a bank which failed and I hope that Westerners who voted for the New Democratic Party will remember his insulting remarks.

Yet, the constructive value of his speech must be noted. The ethnic origin of our friend come directly into play. In my riding of LaSalle, there are three magnificent black communities: the Black Community Centre, The Caribbean Club, and the Negro Community Centre. These people are certainly very concerned with youth unemployment in view of the fact that the problem is more acute in communities which suffer from visible racial discrimination compared to the vast majority of Canadians.

Contrary to other criticism heard before, I think that in some parts of his speech he made suggestions which will certainly be welcomed by our Minister of State for Youth whose department is still in full swing having recently gone through a whole year of consultations, during International Youth Year. Obviously Liberals have trouble understanding this process, since they have never used it themselves. Some of his constructive comments will surely be greatly appreciated by our Minister of State for Youth.

[*English*]

Mr. McCurdy: Mr. Speaker, I hope that my own race would not be an indication that we should be preoccupied only with the plight of black youth in Halifax, for example, where the unemployment rate is 70 per cent. We should not be preoccupied with the restrictive opportunities in the Hon. Member's own riding with respect to his black constituents, or the fact that blacks in Toronto have one chance in three as compared to white citizens with respect to obtaining jobs.

When we talk about the problems of youth we must address the particular problems of the visible minorities. This point is contained in our report. I believe there is no one in the Chamber who does not understand that the problems of the visible minorities have not gained as much attention as perhaps they should. This is also true with respect to the disabled who have not had their problems sufficiently addressed. They will only be addressed with the acceptance of the recommendations contained in the report entitled *Obstacles*. There are also problems of native youth which can only be solved when we have dealt with the problem of self-government by native people. We must ensure that there will be a smooth transition. Every effort must be made to ensure that the native youth will have an opportunity to determine their own fate, with the

adequate resources, both in terms of experience and the other facilities necessary to do so.

There are a whole host of problems which affect youth and which, in turn, affect us all. There have been certain steps taken by the Government such as the implementation of the 3 per cent surtax on income tax and the increase in the federal sales tax which are not specifically directed at youth but which will hurt them, just as they will hurt others.

In considering youth we may argue that they should have increasing opportunities for participation. We should place greater focus on their problems. To say that does not mean that they are not affected by other measures which we may take.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, it seems to me that it has become all too rare for the House of Commons to focus its attention, at least for a while, on the problems of Canada's youth. Therefore, I wish to commend most heartily my hon. friend and colleague, the Hon. Member for Shefford (Mr. Lapierre), who has brought forward today this very important motion which gives us the opportunity to reflect on the difficulties being faced by a very major segment of our society. I do not believe the motion which is before us today really calls for very much in the way of partisan exchange. What it does call for is the need for some concerted action. It is to that issue I would like to address my remarks.

I wonder how many Members of Parliament there are who are faced every week with the necessity of signing scores of letters which state something like this:

This will acknowledge receipt of a copy of your resume.

While your qualifications are certainly of interest and your curriculum vitae is impressive, there are at present no openings in my office. Your name, however, will be kept on file.

I regret that my response must be negative. Please accept my best wishes for success as you seek suitable employment.

I wonder how many companies, firms, businesses and industries—employers generally—there are who have to sign letters similar to that every week. I am sure the people who sign those letters do not feel good about it. It is simply a fact of Canadian life since youth unemployment today in Canada is really of tragic proportions. I do not think it is being too dramatic when I say it is a crisis—it is a crisis. The unemployment rate was nearly 17 per cent throughout 1985. That is distressing beyond words. But it does not do any good, as I have heard earlier today, to throw back and forth statistics. We know that if the situation is improving at all it is only marginally, and then the statistics themselves may be false. I will come back to that point in a moment.

What are these cold statistics? Let us translate them into human reality and determine for a moment what they mean. In part, they mean lower self-esteem. I have been to youth conferences, some conducted in my own constituency. I have spoken with young people on the streets of the towns and villages which I represent. A lower sense of self-esteem is evident among the youth to whom I have spoken. I have been witness to social alienation because of youth unemployment, family conflicts, a dissatisfaction with one's own existence, a feeling of having no control over one's life, and, of course, one cannot fail to mention individual hardship. If one does not have the wherewithal for decent shelter and adequate nutrition, then there is personal physical hardship. There are some in our society who are much more affected than others. I wish to take just a moment to refer to native youth.

● (1650)

In the report of the Senate committee which was chaired by Senator Jacques Hébert, reference is made to the fact that native young people often try to escape their seemingly hopeless prospects. That was brought home to me today when I received a news report from the Province of Alberta indicating that three people from Peerless Lake in northern Alberta died yesterday. These people drank a mixture of Lysol and fluid from a photocopying machine. Six other people also drank the mixture. All were in the age group of 16 to 34. Doctors in an Edmonton hospital are now fighting for the lives of the survivors.

Peerless Lake is a poor and very isolated community of about 300 people, mainly Cree Indians. It is not a modern, urban area. The community leader—and this is the point of my bringing this to your attention, Mr. Speaker—said that it was just a matter of time before such a tragedy struck because, according to him, only one in seven persons in that community has a job. He says that there is no future for the young people there. He said that they are lost and are desperately looking for an escape. That is why I have said that the figure of 17 per cent for youth unemployment is a false one.

There are many thousands of young people in society who have simply given up on the futile effort of job hunting. Native people are not even included in the statistics provided by Statistics Canada. We all know that young people are usually the very last to be hired and that when there is some reason to slow down the operation of a plant or a business, they are the first to be fired. What many of them know best today is part-time jobs, minimum wages, unemployment insurance benefits if they can qualify or very often just simply nothing at all.

Canada and most of its western trading partners have been through quite a terrible recession. We are just now beginning to emerge out of the dark tunnel of economic downturn. For that we are grateful. For many in Canada, the situation is somewhat better than it was before and the future does look a little brighter, or at least it did before the recent Budget, and I am concerned that that Budget may have a very dampening effect on our fragile economic recovery. However, for hundreds of thousands of Canadian young people, there is as yet no sign at all of hope.

The Senate committee on youth stated that although young people are called the lost generation, they could still be saved through swift, vigorous initiative. Today's motion is calling for some swift, vigorous initiatives. We want government action to be focused on this problem. However, so far the Government has not done that much to assist the economic recovery. Whatever it has done has certainly not assisted youth. I do not

hear very many young people saying: "Let the good times roll".

If we had to describe the age in which we live, and it is very difficult to do because we live right in the midst of it, perhaps we could describe this as being the age of human rights. We now have a Charter of Rights and Freedoms which is part of the Constitution of Canada. A report entitled *Equality for All* has just been tabled in the House of Commons. There is a great deal of emphasis on human rights and equality. Nevertheless, despite these endeavours, there is serious discrimination against a major segment of society, and that is youth. Young people are being discriminated against.

A witness who appeared before the Senate youth committee had this to say:

> Youth are . . . discriminated against when it comes to giving them the opportunity to make it on their own. When applying for venture capital, youth are discriminated against because of their age and inexperience. What is needed is a change of attitude toward young people who want to take the initiative in changing their lives.

That is very telling testimony. In my view, that is what is needed, but here is what we have. We have instead a professor from the University of Regina who said before that same committee the following:

> —many of the young people out of work today will be unable to find a job during their lifetime—

It should, therefore, come as no surprise to any of us in the House that there are many persons in society today who are feeling a sense of panic and despair regarding young people. These persons include parents, teachers, community workers, church ministers and priests, social workers, medical doctors and many others. Many young people in society are looking around them and seeing no doors opened. They are seeing no way to escape from their present situation. Did you know, Mr. Speaker, that one of the definitions of hell is no exit?

What we need at the federal level today is a strong and very effective Minister of Youth. If the Prime Minister (Mr. Mulroney) could be made aware by Members of Parliament of how serious and urgent the situation is and that it is a crisis, he would choose from his frontbench the best and make him or her responsible for youth programs, both existing ones and new ones. Maybe he would reach into the backbenches for the most talented of the newcomers to Parliament and say: "We are giving you that responsibility and we are going to back you up because the Government has got to do something for the young people of Canada".

We need programs like Katimavik, First Chance, the Youth Jobs Strategy and many, many others. I do not want to harp incessantly on Katimavik, but I think it was a good program. The residents of a home for the aged called North Centennial Manor wrote me a letter to say the following:

> We are taking this opportunity to express our support for Katimavik, the federally-funded youth program which has enhanced the life of our residents.
>
> We ask that the Government reconsider its decision to end the Katimavik program which has proven to be a worth-while educational learning experience to the youth of our nation.

The letter goes on:

> Katimavik is a positive, enriching experience which demands the best out of young people. We need Katimavik to give our youth the chance to learn, to live and to work.

We need programs like that and we need many others besides.

We in this Party recognize that there has to be fiscal responsibility. We recognize that when the deficit was incurred in Canada, we were in a recession and we had to soften the terrible impacts of that recession. We recognize that, but now we are beginning to recover and we need economics of recovery. We have to enlarge opportunities for young people so that they may work in and serve the society in which they live.

The Senate report on youth directed its recommendations toward Governments. It did not say that Governments can be excused and that we must look to the private sector or we have to look outside the country or anywhere else. The recommendations are directed to Governments, both federal and provincial, and they say that Governments should recognize their respective areas of jurisdiction and accept their responsibilities by joining efforts to fulfil a common objective.

● (1700)

Dealing with the situation of youth in the 1980s must be done without any more delay, and it must be done by every means possible. It should be known by the House of Commons that 81 per cent of the young people in our society who have jobs today have expressed satisfaction with the work they are doing. When those without work are questioned, they have given having a job as their highest priority. There is a message for us. If we simply regard youth as being the casualties of an economic system, then there can be no spur to action.

The Senate committee indicated that instead of waiting for improvement in the economy to reduce unemployment, we should reduce unemployment to improve the economy. That is my kind of economics. It is the new economics which says that job-creation is not a cost to Government. It is not only an outlay or an expenditure; it is a stimulus for renewal and for economic recovery.

I conclude by saying that what this Opposition Day is all about can simply be stated by referring once more to the excellent Senate report entitled *Youth: A Plan of Action*, as follows:

> Despite the economic recession from which we have barely recovered, Canada is one of the richest countries in the world. We have at our disposal the means by which to help our young people. The public and political will to remedy the situation must be displayed without further delay. Each Canadian community must assume control of its own affairs and put its imagination to work so that we may improve the present and future lives of our young people. Just as in the event of a major national disaster, we as Canadians must concentrate all our energy to solve this serious problem.

Mr. Redway: Mr. Speaker, I listened with great attention to the comments of the Hon. Member. I have a great deal of respect for the Hon. Member, and it is because of that that I was most interested in what he had to say. In addition, as a father myself with two daughters, one of whom is about to graduate this year from university, a daughter who has no job

at the moment, a daughter who has tried until now to find a job for herself for after graduation, I understand the concerns about which the Hon. Member spoke from personal experience. However, I want to tell him that four years ago, when I served as the mayor of one of the six municipalities in Metropolitan Toronto and served on Metropolitan Toronto Council, I was appointed to head a task force on youth unemployment. The task force was set up specifically at a time when youth unemployment was astronomically high. It was set up at a time when there were problems generally with unemployment for youth, particularly with that portion of the youth population who were school drop-outs, who had difficulty understanding how to make application for a job, who had difficulty knowing how to dress properly when they went to a job interview, and who had difficulty getting up in the morning to go to the job once they had one. The task force was set up to try to get around or deal with those types of problems. We set up a program and we approached all levels of Government for some financial assistance. At that time we found great difficulties in obtaining help from the federal Government of which the Hon. Member was a supporter and sat in the House supporting.

In August, 1982, I led a delegation from Metropolitan Toronto to Ottawa to see the then Minister of Employment and Immigration who continues to sit in the House, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). We came to him and we put our case on the table. The Hon. Minister at that time was very sympathetic. He indicated to us that he understood our concerns and that he wanted to get immediate action. That was at the beginning of a week. He turned to his assistant and he told his assistant to go down to Toronto on the Friday, solve the problem on which we wanted an answer and get the thing on the rails.

I left office as a mayor in November, 1982, to run for Parliament because at that time there had not been any action as a result of my pleas to the Minister and to the former Government on the whole question of youth unemployment. I ran for Parliament and was elected in September, 1984, as the Hon. Member knows. Two years had passed since I had been up to Ottawa before the then Government, and there was still no action.

I understand what the Hon. Member is saying and I know that he understands. Notwithstanding his comment, his concerns go back a long way. They do not start in September, 1984. His concerns go back to the days when he was a member of the governing Party and the problem was shaping up, being created and going on to be a dramatic and desperate problem in the country.

I know the Hon. Member is a sincere Member, so I should like to ask him a question. What would he and his Party do differently today? The Liberals had a chance for 20 years to make sure that the problem did not happen. Once the problem had occurred, they had a chance to solve it. They had a chance for three or four years when the problem was very severe. Only 18 months has passed, but the Hon. Member has been stating this afternoon that things should be different and that different things should be done. I assume that if his Party were in power again, different things would be done. I would sincerely like to know what is the specific policy of the Liberal Party in respect of youth unemployment today. What specifically would it do aside from reinstating Katimavik?

Mr. Penner: Mr. Speaker, the Hon. Member gave me a great deal of help in answering the question. He is quite correct in saying that over a very long period of time I have seen Governments, different administrations following different elections, respond to a wide range of problems including the problem of youth unemployment. During a number of Liberal administrations over the time I have been here, I saw a very creative approach to programs for young people. They were very creative; sometimes they were too creative. I can remember when the Secretary of State announced some of those programs, and I recall the days when youth unemployment was nothing compared to what it is now. For example, a program was brought in known as Opportunities for Youth which went wild in many places. I remember members of the Opposition screaming about how government money was being ill spent on some of those projects. I investigated a few of them myself, called a halt to them and found myself in trouble with the then Secretary of State. However, those programs were modified.

The thing which impressed me about the Liberal administration is that they had a creative approach to the youth situation, and I think young people recognize that. What happened in the latter days of the last Liberal administration is that we were hit with a serious recession. It was not caused by that Government. That Government tried to counteract it.

Mr. King: Oh, come on!

Mr. Penner: It was a world-wide recession, and if the Minister of Transport (Mr. Mazankowski) does not know that, he has not even—

Mr. Mazankowski: I didn't say a thing.

Mr. Penner: Oh, I am sorry. I thought my friend, the Minister of Transport, was challenging me; I nearly jumped down his throat.

Mr. King: It was me.

Mr. Penner: It was you, back there.

Mr. King: Yes.

Mr. Penner: Even apple growers had problems in that terrible recession. All around the world apple growers had trouble.

Mr. King: What did you do about it?

Mr. Penner: In that recession the youth were affected more severely than other segments of our society. Additional money was provided by the last Liberal administration to the maximum extent possible.

• (1710)

The point I am making is that we are now in a recovery. The young people are not participating in that recovery to a sufficient degree. That is why I do not remember in my remarks in any way casting condemnation upon the Government. What the Government needs to do now is to spur itself into action, recognize that there is a crisis, and put the best people, best minds and best programs into helping the young people of Canada. That is what the motion is all about. Youth are not able to take advantage of whatever recovery we have. That is what we want today, now.

Mr. Redway: Mr. Speaker, the Hon. Member referred to the world-wide recession. Of course, that is quite correct. There was a world-wide recession a few years ago but, as the Hon. Member is aware, it was much more severe in Canada than it was in virtually every other industrialized country in the western world. In my view and in the view of most, that was because of the specific types of policies followed by the Government of which he was a member, including the high interest policy, the National Energy Program and things of that sort. That is why youth unemployment in those years reached pretty close to 20 per cent.

Since the present Government has taken office, while no one is suggesting the problem is solved, there has been a drop in youth unemployment. The situation is not perfect as yet by any manner or means, but I think the Hon. Member will admit that the economic climate created by the Government since it took office has been of assistance in helping to get our youth back to work and to get the unemployment rates down.

Having said all that, Mr. Speaker, I heard the Hon. Member talk about what he thought in general terms the Government should do. I had asked him specifically what the policy was of the Liberal Party with respect to youth unemployment. Are there some specific programs which the Liberal Party would institute if it were the Government today? I would like to hear what they are.

Mr. Penner: Mr. Speaker, one of the things I would not do, facing the situation we have at present, is to have cut-backs in youth programs, and that is what we have had. This is not the time for cutting back, but for recognizing that we have a serious problem.

Even with a deficit reduction program in effect across the board, I think the Hon. Member who raised the question will have to recognize that there have to be some exceptions. We have a segment of our society that is suffering to a greater extent than other sectors. Our young people are not participating in the recovery and they need special attention. There should not be cut-backs.

We need Government job-creation programs of a variety. A lot of thinking has been going on with respect to the kinds of programs that can be initiated. Attention should be given to them until our young people are able to participate in the recovery and until the situation is no longer fragile. They can then get into the real world of work and we will no longer need Government job-creation programs.

The Member is on very slippery ground when he begins to analyse statistics and says things are getting better. I doubt whether the throwing of statistics by Members at each other will convince a single young person that the situation is getting better. There is a crisis. To argue about a point and a half or two points, knowing the statistics are probably false anyway, is not very helpful.

I cannot sit down without reminding the Hon. Member, who had to throw in the National Energy Program, that perhaps the Tories would like to have some aspects of that program alive and well today in western Canada—

Mr. Dick: Not on your life.

Mr. Penner: —especially that part of it which provided for a floor price.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for London-Middlesex (Mr. Clifford).

Mr. Terry Clifford (London-Middlesex): Mr. Speaker, I am very pleased to speak on the motion today. I believe the Government's record is an enviable one, enviable because everybody on the benches opposite would like to be in that position. They may have a little trouble admitting it, but I really believe that is true.

I think it is important to mention a little bit about my background as my colleague, the Hon. Member for York East (Mr. Redway) has done. I have spent a lifetime working on a daily basis with the youth, as a high school principal concerned with their future and their education. There is no question that over this 25 year period I have seen a tremendous increase in the fears and worries of young people as to what part and what role they will play in our future.

In the mid-1970s youth unemployment was probably first recognized. By 1984 there had been 100 per cent increase in youth unemployment from the mid-1970s, and it was then recognized as a major problem in Canadian society. I think also it is important to see what people in educational and youth roles were thinking in the mid-1970s and the early 1980s.

I can recall representing a rather large group of my former colleagues before the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who was a Minister in the previous Liberal Government. I can remember, as my colleague from York East did, trying to implore the Minister at that time to make some changes on behalf of our youth. Today the words used were "swift, vigorous action". We tried to get that in the mid-1980s as youth unemployment soared, but the words fell on deaf ears. Nothing happened except that it motivated a few of us to get into politics.

Since 1984, the Government has chosen the right course. There are, however, many things I would like to say today to set the record straight. Dramatic steps have been taken since September, 1984 on behalf of the youth, and they should hear about them here first.

We are now coming to the time of opportunities for young people to be in the workplace during their summer recess. It is a very important time for them, so let me begin by talking about it.

We have the Challenge Program in place. Challenge '85 last year was the first, and we are well ready for Challenge '86 this year. I think Members opposite are having difficulty understanding the fundamental difference that our Government sees in the philosophical development of young people and in preparing them for their future in the world of work.

In the late 1970s and the early 1980s our young people in school were wondering about the value of their education, how realistic it was and how it was tailored to the world of work which was surely to follow. They were having serious doubts about that education.

What role was the federal Government playing in all of this? When those doubts became apparent and submission after submission were made to the various Ministers in the previous Government, what were the young people being told? What solutions was the Government of the day coming up with? As unemployment soared to 18.4 per cent and seemed to be going out of sight, the country, and particularly the youth, demanded a new Government and a new focus.

Let us examine some of the things the young wanted and see whether the Government has them in place today.

First, we talk about the need in the late 1970s and early 1980s for work experience, the fact that young people have to have some opportunities in the real world to find out what work is all about in order to make better career choices and to develop their educational plans for their future. That was a very important statement in the late 1970s and early 1980s right across the country. What has our Government done about that? I think it is very clear. First and foremost and built right into the philosophy of the Challenge programs is the opportunity to provide of real life experiences for students while they are still in school, Mr. Speaker. They must be tied into their educational package. Therefore, the Government has tailored the Challenge program to work with the businesses and workplaces in Canada which have been encouraged to work with students and the Government to develop those opportunities.

• (1720)

The figures from 1985, which is the first year for which we can report anything, indicate that, in spite of a late start, we improved the rate of summer jobs for young people by 100,000. That is quite an increase. Not only did the number of jobs increase, but so did the quality of the experience. For the first time in the many years in which it has been traced, we found a dramatic growth in the involvement of the private sector in giving students jobs. That involvement jumped to 25 per cent in 1985, which is very significant because that is where the real jobs will be found upon graduation. That is where the real future of the country is. Almost 600,000 jobs have been created, the majority of them in small business in the private sector, which is exactly where we target these work experiences. It is very important to see the philosophy working. I want young Canadians to know that the Government cares and has tied that in.

I have taken a personal survey of over 400 businesses in my riding. I asked about their involvement and how they feel about Challenge 85 and the potential for Challenge 86. Eighty-five per cent of those polled said they want to be involved in Challenge 86, which is again a very significant increase. In London, 1,200 businesses have come forward which want to be involved in providing young people with these opportunities. There has been a tremendous increase in the interest expressed in aiding young Canadians while they are still in the educational process. That is a very significant change from how the previous Government looked upon youth and youth development.

As a former educator I listened to stories of woe from many young people during the 1970s and early 1980s about the lack of opportunity and teachers who, in the views of the students, were out of tune with the educational requirements of the day. It became apparent that the Government had to show some leadership in the on-going education of young Canadians in the schools. Co-operative education provided that key. While still at school, young people were afforded the opportunity, for extended periods of time, to pursue an avenue of work experience, a slice of the reality of life. With that opportunity they can grow even further and make even wiser choices about their futures.

Since we took office we have seen tremendous financial growth in this area. In one year the figure has gone from $1.89 million to $2.86 million. Those are dollars well spent. We have been able to increase the number of participating school boards, universities, and colleges over tenfold. Even further increases are possible in the future which will help young Canadians make those critical decisions. I think we have underestimated the importance of this.

Another statistic which is vital to every educator in Canada is the drop-out rate. About 250,000 young people every year, for one reason or another, become disenchanted with our educational system and leave prior to graduation. These young people are at a tremendous disadvantage in the working world. We must find ways of keeping them in the educational system so that they will become better qualified to handle the demands of Canada's productive workforce.

I think we have started to find some of the answers. We realize that the problem exists and will not go away. Within the Canadian Jobs Strategy we have developed the Job Entry Program. This provides the opportunity for hundreds and hundreds of young people to get their first experience in the workforce, which is so important to a young Canadian. The experience they gain from an employer and the opportunities they have to speak with workers in the real world will influence them. It will provide the counselling and guidance which so many of our young people need. The Job Entry Program is now providing that opportunity.

It is only because we have tied our philosophical development into businesses and encouraged their participation that

any of this will work and affect our young people. It is important that people understand that. The Job Entry Program is geared specifically for young people who have never had a job and find themselves very much disadvantaged in the workplace and in society. Our workplace is very demanding today. Our cost of productivity must be lowered so that Canada can be competitive nationally and internationally. Our youth will best learn that lesson in the workplace and must have the opportunity to work in the private sector to get that opportunity.

Members opposite should try to assimilate that working philosophy. They should try not to be antagonistic to free enterprise and the private sector. I ask them to go home to their ridings and take a realistic look at the Canadian Jobs Strategy to see whether it will give tremendous opportunities to young people. I dare say that it will.

I do not think it need end there. One could go on and on listing real life examples of how the Job Entry Program has helped various young people, disabled groups, and young female workers trying to enter the workforce. Throughout the ridings of Canada one can see good and positive examples of that. In London there are 13 job entry projects on stream with over 320 young people getting their first opportunity to work. I have visited those projects and talked to the young people. From listening to them and watching them work I know they are getting experience which was not available in the past and which will help them to be of service in the future to another employer. I ask my colleagues to visit projects under the Canadian Jobs Strategy and see how it can enrich the lives of young people in their ridings.

• (1730)

There are other avenues for reaching not just the youth but the other unemployed and disadvantaged. Quite often we might find ourselves working with an entire family of unemployed. We work with the mother, father and the children, trying to get them to take an active role. We know how hard it is. This program, with its philosophical roots in the dynamics of our work structure, really cannot go wrong. There have been no cut-backs here. It has been very efficient.

At the start of my remarks I talked about the Challenge '85 and Challenge '86 programs. In my area alone we saw an expenditure of approximately $2.9 million. It was down this year to $2.6 million. At first one might tend to get angry about that. However, I am not at all angry because of the increase in the private sector's involvement. That meant a decrease in cost and we will get more summer jobs in that riding for less money than last year. That is what this Government is all about: Efficiency and a whole new way of doing things. That is what Progressive Conservatives stand for. As I said, that is what propelled me into this life.

One of the most exciting things for Members opposite to stop and consider is the innovation theme of the Canadian Jobs Strategy. This represents nothing but pure opportunity to create solutions to problems. The Liberals were asked today how they would solve this problem for young people. How would they more quickly lower the unemployment rate? They were hard-pressed to give us any new solutions. I say that the road is through innovation. Go to your ridings and put this program to work. The Minister would like to hear about that. I have found the Department and the Minister most helpful.

The people in London-Middlesex, and I am sure this is true in many ridings across Canada, are as concerned about youth unemployment as anyone else. They have banded together and come up with some solutions to the problem. They have come up with an action plan, a new way to help young people. It has been said today that the plight in which young people find themselves could cause severe disruptions and alienation among youth. There has been criticism of our Government on this issue. Yet the people in London-Middlesex took on the challenge of innovation. They have worked hard and seriously with me on this issue. I hope and expect that I will stand in my place in a month or so and announce some very forward-looking innovations which will help Canadian youth get the kind of career advice they need to stay in the mainstream of Canadian life. They will learn about themselves, their country, the world of work, and how they can participate. I say to my colleagues that if they look in their own ridings I am sure they will find great solutions to the problem of helping young people. We all know that they are our future and with their help Canada will become the country of the 21st century.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is a privilege for me today to speak to the motion presented by the Official Opposition. First of all, I would like to make it clear to the House that I regret this motion is necessary. Although I welcome this opportunity to speak, I am sorry it should be necessary for the Opposition parties to speak to the situation in which Canada's youth finds itself today.

Mr. Speaker, in speaking to the subject of this motion, I would like to say first of all that I am glad this motion is couched in general terms, so that it gives us an opportunity to analyze the youth situation, not just from the employment point of view, although this is one of youth's priorities, but also because it gives us a chance to look at other questions that are equally relevant.

Mr. Speaker, for Canadians or for any nation in the world for that matter, youth is one of the most important times of our lives. When we are young, we form habits that will serve us during the rest of our lives, we develop our attitudes, our opinions and in a democratic society, even our political affiliations. It is in this season of our lives that the individual's potential is most obvious, but it is also a time when the gap between the individual's potential and what the individual can accomplish is greatest. Mr. Speaker, we must realize that even if our potential is at a very high level when we are young, our chances of achieving something with that potential are surrounded by all kinds of obstacles, owing to the fact that when we are young, we are still in our formative years and must still

go through a process of education and training. This means it is when we are young that we are most susceptible to the influence of others, including the influence of the State, the Government, the political environment in which we grow up and start to explore the world to which we belong.

Mr. Speaker, in discussing the general situation in which Canadian young people find themselves today, I would like to emphasize the role of employment in the lives of our young people. Getting a job is probably one of the highest priorities of most young people in this country.

However, Mr. Speaker, there are other priorities to be considered and analyzed in this debate. I am thinking of education: the education of the individual and the education that individual acquires by being a part of the Canadian community. There is also the future: What kind of future are we building for our children, for the children of our fellow citizens, for the children who tomorrow will be the youth of Canada, and for the youth which tomorrow will be the adults, the citizens, the voters of this country?

There is also the matter of welfare, and I am thinking not only of the very specific connotation of social assistance programs for the unemployed but also of the other sense of the word, the welfare of the individual.

Mr. Speaker, there is also the question of leisure and culture peculiar to an individual, either an ethnic culture, or a native culture, or let us say a strictly Canadian culture, an integrated culture or, as one might say without negative connotation, an assimilated culture.

Now then, Mr. Speaker, priorities can be found in the major actions, the major measures, the major policies of a Government. The attitude of a Government towards the young people of this country, today's specific issue, can really be found in Budget measures, in white or green papers, in major studies published and endorsed by a Government, in its policies.

With that in mind, Mr. Speaker, I would like to review some of the measures taken by this Government since it came into office 18 months ago, namely cut-backs and, unfortunately, financial restraints which force us to reduce rather than improve the type and quality of opportunities we can now offer to young Canadians.

Among others, Mr. Speaker, the reduction of transfer payments to the provinces for post-secondary education. Apparently, Mr. Speaker, the Budget restraints implemented by this Government mean that, between now and 1990, there will be a cut-back of $1.5 billion in the amount originally proposed.

Then, Mr. Speaker, the elimination of the Katimavik program.

As a former mayor who was once in a position to launch a Katimavik program in his community, as a former Indian Affairs and Northern Development district manager who could have encouraged native communities to implement programs like Katimavik, Mr. Speaker, I consider this a tragic loss because so many good things were done for small Canadian communities under the Katimavik program. I will have more to say about it in a few minutes.

Mr. Speaker, the budget of the Minister of State (Youth) (Mrs. Champagne) was eliminated, so she is left with a ghost department, the squeleton of a department without a budget and without programs. Naturally we are wondering what kind of role this department will play.

Then, Mr. Speaker, less money available for the Canadian Jobs Strategy program, something like $100 million, and this turned out to be one of the points raised in the secret letter sent by the Minister of State (Youth) to one of her Cabinet colleagues.

If I may quote the English version:

• (1740)

[*English*]

The Minister has not actually given us the French translation as yet. It states: "Public expections created by International Youth Year require careful management". Note the words: "careful management". It goes on: "—especially in light of the significant diminution in youth related spending, close to $100 million since the election".

[*Translation*]

Mr. Speaker, this means the Department, which is itself responsible for youth admits of course that funds for our youth have been reduced. There is also, Mr. Speaker the $6.2 million cut in the program Challenge 86, and that kind of transfer, that kind of musical chair game that was done with the $30 million which have been transferred from that Challenge 86 program to the Canada census program for this year, under the guise of new funds for the young.

Mr. Speaker, as I said, the budgetary measures show what this Government's priorities are, and another important indication of those priorities are the major studies published by the Government. Looking at the notorious Nielsen Report, we see indeed that the situation of the young in Canada is not a part of their analysis structure. It seems, Mr. Speaker, that all the headlines, the goals, the objectives of the studies do not fit within the context of improving services to the young, but within the national context perhaps, let us say in the context of programs and departments so designated and structured. But clearly, what we see is a lack of emphasis on the youth situation, and we find that most of those studies tend to promote budgetary cuts rather than the priorities of the young people.

I would like to come back, Mr. Speaker, to the importance of employment among the young people. I would like to share a few personal experiences I had when I was 19. I was unemployed for four months. I can very well recall the emotional difficulties, the problems faced by young people when they have no jobs, when they see they have deserving assets

and abilities to contribute to Canadian society. I would like to say that with a Government that is promoting private enterprise, when one has a job, private enterprise is a paradise. This is the best possible example of private enterprise because with jobs young people can look after their own future, their own budget, their own career. But clearly this is impossible when they have no jobs, because they are then dependent upon other people.

If we compare the situation now with what it was 20 years ago, it is clear that for people of my generation, there were a great many more job opportunities which no longer exist. And I feel I was privileged to have access to these job opportunities which do not exist now in such large numbers as they did in the past.

Mr. Speaker, the unemployment rate which was at some 18 per cent among young Canadians rose again last month, which I feel is an indication that the Government relies on the private sector to create jobs for young people. As to the programs which will continue to exist, we will see that the situation of young Canadians has a lower priority than before. We have seen that the affirmative action in the Challenge 85 and Challenge 86 programs has been reduced; within the framework of the programs, there are no guarantees for young women; there is no assurance of a fair sharing of jobs before young men and young women; that the wages paid to young women is fair compared to those paid to their male counterparts: that is where this program fails miserably.

Let us go back to Katimavik, Mr. Speaker. As I have already said, this Program has provided many opportunities and had good results in our small communities. Indeed, in my own city of Sioux Lookout, we saw people from Quebec, for instance, who did not speak English before, come to a mostly anglophone community and learn to speak English after four months. I even saw, in native communities, unilingual French or English-speaking people learn a bit of the Native language, Cree, in addition to the other official language. The result has been to create a group of young people who have a better knowledge of Canada, of our transcontinental community than their contemporaries who have had the same opportunity. It is obvious, Mr. Speaker, that Katimavik was successful if only because those who took part in this program studied for four years and 60 per cent of what we could call the Katimavik graduates found jobs, 27 per cent in a school or university, and less than 7 per cent of them were unemployed at a time when the unemployment rate among young people generally reached 18 and even 23 per cent.

Mr. Speaker, I would like to make a few comments on the situation in education. There is now an educational anemia in our universities because some people who go to university cannot find a job and take courses without any purpose and without knowing why they attend university.

Finally, Mr. Speaker, I will examine the situation of young native people in this country, young native people who, as my colleague from Cochrane-Superior (Mr. Penner) said, find themselves in a sad and disastrous situation with respect to employment, with respect to educational opportunities, and with respect to their future as native people in a modern society that hardly appreciate their plight and, in too many cases unfortunately, is not quite prepared to accept them. Mr. Speaker, these young native people are the ones who stand indicted in the Nielsen report where, on page 13 of the English version, one can read the very misleading statement that 70 per cent of those young native people will land in jail before the age of 25. I cannot explain it, it is not up to me to explain it, Mr. Speaker, but I think this refers only to those who are put in institutions, who are re-incarcerated. Such figures are really demoralizing. This being a Government report, I can hardly believe that they are accurate.

So, Mr. Speaker, the whole series of Government measures include precious few programs which promote cultural co-operation between young people and the elderly, programs which in either the native or the majority culture would draw inspiration from the knowledge, the experience and the strong points of elderly Canadians so as to meet the needs of young people in our society who might indeed benefit from the experience of their parents and grandparents.

Mr. Speaker, I see that I have very little time left. I wanted to make a few remarks concerning our Party's task force on youth. I would urge all Hon. Members of the House to read and study the report. The ideas contained in the report are not necessarily our own, for most of them came from various people from coast to coast who are interested in youth programs. Should Hon. Members have any questions, I would be delighted to give further explanations.

• (1750)

[*English*]

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member? If not, we will continue debate.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, there is not much time left to speak to this important issue, and it is rather unfortunate that under the new Standing Orders, Opposition Days start at three o'clock in the afternoon, or even after three o'clock, which means there is very little time to spend on an issue that is to important to the people of Canada.

It is even more unfortunate that the Minister of State (Youth) (Mrs. Champagne) could not find an excuse to stay in the House. After making her speech a while ago, she said she had to leave because she had work to do.

Mr. Speaker, the people of Canada are aware that the Minister has a budget of one million dollars up to April 1. This is a million-dollar budget for a non-existent program, for running a department that has no mandate from the Govern-

ment and really only a spokesperson for the Conservative Party. Mr. Speaker, do you know how the young people of Canada refer to the Minister now?

[*English*]

Do you know what the new nickname of the Minister is, Mr. Speaker, the Minister who did not even see fit to stay in this House for this extremely important debate? They call her "bubbles". The reason they call her bubbles is because she sparkles—

Mr. Comeau: Mr. Speaker, I rise on a point of order. I think it is customary that Hon. Members do not mention either the presence or the non-presence of Hon. Members of this House.

Mr. Deputy Speaker: The hon. Member is correct in his point of order. The Hon. Member for Hamilton East (Ms. Copps) has the floor.

Ms. Copps: Mr. Speaker, they call her bubbles because she shimmers, she sparkles, she cuts balloons. She spent $24 million during the International Youth Year running around the country. Yet, she is hollow. She has no interior. She has no guts, no heart.

We heard speakers from the Conservative Party today speak time and time again about the private sector. That is the new credo of the Government. What those Hon. Members do not understand—

[*Translation*]

When the Minister was appointed, she said she was here to speak up for the more fortunate among the young people of Canada. What she fails to understand is . . . for instance in my riding, there are a lot of young unemployed workers who do not have the resources to get into the private sector and start their own business, who don't even know how to read or write, who don't know how to live and behave in the community. Mr. Speaker, the Conservative creed says: the private sector saves, the private sector will take care of everything, but this means ignoring the problems of the young people in our communities who feel lost in our society. It is true they were lost under the Liberal Government when we were in a world recession, but now they are looking for a glimmer of hope.

Mr. Speaker, I would like to read a letter about Katimavik, because that was one of the useful programs. There were 20,000 people who became involved in Katimavik, some of whom didn't know for instance what they were going to do after they finished school. We should realize that not everybody in Canada goes to university. And we are here to fight for those people who don't have the financial or mental resources to go to post-secondary institutions and university. We are here to fight for all the young people of Katimavik.

On behalf of the Senator who was laughed at by the Conservatives because they fail to understand the problems of the poor of Canada, I would like to conclude by reading a letter I received from a Katimavik participant.

[*English*]

I think the letter is clear and I would urge Hon. Conservative Members of Parliament who believe in help for the young people of Canada to listen to this very brief letter, and I quote:

> I was very disappointed to hear that Katimavik was being cancelled.
>
> My daughter who is living in England with her sailor husband was in Katimavik some five years ago. She graduated from Grade 13 but wasn't sure what she wanted to do. She heard about Katimavik and decided to go. I can only say that she learned more in nine months about her fellowman, country and many crafts. She was in British Columbia, Rainy River and Quebec.
>
> I'm sure that living with 12 other young people and getting $1 a day and meeting a cross-section of Canadians has certainly made her a better person.

That is the message of Katimavik. That is the message of this motion. I would urge Government Members to listen to Senator Hébert and to reinstate that program and bring some hope to the young people of this country instead of the kind of private sector nonsense we have heard from the Minister, "bubbles" Champagne.

Mr. Deputy Speaker: It being 6 p.m., it is my duty to inform the House that pursuant to Section 12 and Standing Order 82, proceedings on the motion have expired.

This House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, March 13, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

SELECTION—TWENTY-THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Twenty-Third Report of the Selection Committee. If the House gives its unanimous consent, I intend to move concurrence in this report later today.

SELECTION—TWENTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I also have the honour of tabling the Twenty-Fourth Report of the Selection Committee.

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

[*English*]

Mr. Speaker: I believe Hon. Members know that the rules require that the report be read. I am told that the report is quite long. Would it be reasonable to dispense with the reading of the entire report?

Some Hon. Members: Dispense.

Mr. Gauthier: Mr. Speaker, I am not objecting but I want to make sure that the rules are well understood. If we are not going to read it, will it be printed in its entirety?

Mr. Speaker: That is understood, of course. The only request was that we save time by not reading the report.

Mr. Gauthier: It may sometimes serve our purpose to go through that reading.

Mr. Speaker: That is why it requires unanimous consent.

* * *

PETITIONS

Mr. Speaker: Before we proceed with petitions, I must once again remind Hon. Members that petitions must be certified as to form and content before they can be presented to the House. Yesterday, the Hon. Member for Drummond (Mr. Guilbault) presented a three-page petition that had been certified and was in order. However, it was accompanied by two boxes of additional signatures which had not formed part of the petition which had been certified. This additional material was, therefore, out of order and has been returned to the Hon. Member.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition from a number of constituents from my riding of Grey-Simcoe, particularly from the City of Owen Sound, who are deeply concerned that the Harbord Street abortion clinic in Toronto still remains open in blatant disregard and defiance of the law and want to see this clinic and all such clinics which take human lives closed.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present a petition to the House on behalf of 39 residents of my riding of Oxford. My constituents are protesting the continued operation of the Morgentaler clinic in the City of Toronto in violation of Section 251 of the Criminal Code of Canada.

POST OFFICE—BROOKSBY, SASK.

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I have a petition from Brooksby, Saskatchewan who ask Parliament to ask Canada Post not to close the Post Office because it would greatly affect this rural community.

Mr. Lewis: Mr. Speaker, I rise on a point of order. When petitions were being presented yesterday, it occurred to me that if the Table were to keep a record of the petitions that it certified and provided you with a set list, you might be in a better position to determine whether they were certified as they were presented.

Mr. Speaker: There are two problems. First, we may have a list of Members who have petitions that have been certified but we have no way of knowing whether it is that petition a Member is presenting when he rises.

Second, we now have quite a long list of Members who have certified petitions but we have no idea of what day on which that Member will rise.

The procedural difficulty we face is not knowing, on the spot, or in advance, whether a Member is presenting a certified petition. The Chair can only remind Members of the obligation to have petitions certified, and frankly hope that the message will get through by pointing out when petitions have not been certified. I thank the Hon. Member for his contribution.

* * *

DEFECTIVE MOTOR VEHICLE (LEMON LAW)

MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-284, An Act respecting Defective Motor Vehicles and to enact the Canadian Lemon Law.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, in a way this is an historic occasion because the Bill I have presented to the House of Commons enacts Canada's first lemon law. A lemon law is an enactment that defines a lemon as a motor vehicle that, through continuous defects and malfunction, is useless for the purpose for which it was intended.

The object of the law is to provide the purchaser with a remedy, namely, the right to return to the motor vehicle for a refund of the purchase price.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

SELECTION

CONCURRENCE IN TWENTY-THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House gives its consent, I move, seconded by the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis), that the Twenty-Third Report of the Selection Committee tabled in the House earlier today be concurred in.

Mr. Speaker: Does the House give its unanimous consent for the Hon. Member for Ontario (Mr. Fennell) to present this motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1110)

[*English*]

HOUSE OF COMMONS

PRIVATE MEMBERS' BUSINESS—STANDING ORDERS

Mr. Speaker: Hon. Members are aware that the House has been operating in accordance with previous standing orders in relation to Private Members' Business until now.

[*Translation*]

The reason for this is that a special order of the House adopted on Friday, February 14, 1986 provided for the new Provisional Standing Orders to take effect on the day following the adoption of the report of the Striking Committee.

[*English*]

Since the Striking Committee report has now been concurred in, notice for the Draw for an order of precedence will be sent to all Members who have items on the *Order Paper*. Once the Order of Precedence is established, the Standing Committee on Private Members' Business is required to select not more than six items which shall be designated as "votable items".

[*Translation*]

Until the Committee makes its report to the House, the business of Private Members is subject to the provision of Standing Order 37.

[*English*]

Accordingly, after today—I repeat, after today—there will be no Private Members' Business and the House shall continue with Government Orders until the report of the Standing Committee on Private Members' Business is deemed adopted by the House.

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties. Accordingly, I think you will find, Mr. Speaker, a disposition to allow the following motion to be received with unanimous consent and to be passed without debate:

That the Standing Committee on Labour, Employment and Immigration be empowered to investigate possible means of streamlining immigration policies and procedures for reunifying families, and in particular,

1. to examine the sources and historical patterns of family class immigration, by component;

2. to identify and assess the procedures, by the various departments and agencies that are involved in family class processing, and examine the co-ordination of those functions;

3. to recommend strategies for shortening family class processing durations by improving the efficiency and effectiveness of the family class processing system; and

4. to recommend, where desirable, changes in procedures in order to streamline the reunification of families;

That the Committee be empowered to adjourn from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the Committee, or members of the Committee, as the case may be; and

That the Committee submit its final report to the House of Commons no later than May 30, 1986.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

HOUSE OF COMMONS

ADJOURNMENT—PROGRESSIVE CONSERVATIVE NATIONAL CONVENTION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been further discussions, and I had a longer motion to present but I have reduced it slightly. I am sure you will find a disposition to receive this motion by unanimous consent and have it passed, not only without debate but with great elation:

That, notwithstanding any Standing or Special Order of this House, when the House adjourns this day, it shall stand adjourned until eleven o'clock a.m. Monday, March 17, 1986.

Hon. Herb Gray (Windsor West): Mr. Speaker, I think it should be on the record that we are agreeing to this motion in order to enable our Progressive Conservative colleagues to attend their national convention which begins tomorrow. Our agreement is also on the understanding that a similar courtesy will be extended to the Liberal Party when we have our national convention next November.

Mr. Ian Deans (Hamilton Mountain): I had not intended to say a word. I thought my colleague might have indicated a similar courtesy to be extended to either or both Opposition Parties should such be requested. I just hope the Government can come up with a better policy at the convention than it has now.

Mr. Hnatyshyn: Mr. Speaker, for someone who has decided to quit politics, I do not know whether I should take his advice, but I wish him all the best in civilian life.

Mr. Deans: I'm not leaving today. Give me a break.

Mr. Hnatyshyn: On a serious note, Mr. Speaker. The point is well taken with respect to the House Leader of the Official Opposition and also the first part of the remarks of the House Leader of the New Democratic Party. We are certainly prepared to accord a similar arrangement to the Opposition Parties. In fact, I point out that we adjourned on the last sitting day of June, 1985, in order to allow the New Democratic Party to attend its particular annual meeting, and look what it did for them.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 361 will be answered today.

[*Text*]

JETSTAR FLIGHT TO VANCOUVER

Question No. 361—**Mr. Waddell:**

Between February 23 and March 8, 1985, did the Minister of Communications take a Jetstar flight from Ottawa at 6.35 p.m. and arrive in Vancouver at 9.55 p.m. and, if so (*a*) on what date (*b*) who accompanied him and what (i) was his/her name (ii) positions did or do they hold?

Hon. Marcel Masse (Minister of Communications): 1. Yes. The Minister of Communications travelled by Government aircraft from Ottawa to Vancouver via Winnipeg

(*a*) on February 6, 1985, departing Ottawa at 1835 hours, arriving in Vancouver at 055 hours Ottawa time.

(*b*) The Minister was accompanied by:

Mme Masse	
Mr. de Montigny Marchand	Deputy Minister, DOC
Mr. Charles McGee	Director Federal/Provincial Relations Branch, DOC
Mr. Greg Wyrick	Writer, DGIS

Ms. Patricia Finlay	Policy Advisor Cultural Affairs Minister's Office
Mr. James McDonald	Director Education, Culture and Tourism Division, Statistics Canada

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed, from Tuesday, March 11, consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am pleased to be able to resume my remarks which were so rudely interrupted by the five o'clock whistle a couple of days ago. We are talking about Bill C-99, introduced by the Government to request borrowing authority for some $22.6 billion so that it can carry on what it calls its "program".

I want to be very clear about our opposition to the Government's program because I do not believe that that program at all serves the interests of the country. We see that very clearly in the kind of Budget which was presented two weeks ago. It is a Budget which completely fails to deal with the staggering problem of unemployment. British Columbia has the highest percentage of long-term unemployed people anywhere in Canada. Victoria, British Columbia, which is represented by two Conservative Members of Parliament—one of whom is in the House—has the highest unemployment of any major metropolitan centre in Canada. This Budget completely fails to address that situation and I outlined some of those concerns when I last spoke.

In addition, the Budget loads unfair tax burdens on ordinary Canadians. That means it is taking money, not only out of their pockets but out of their communities, which will have a further depressing effect upon local economies.

When I previously spoke I referred to our goals for official development assistance. I pointed out that the Government had now reneged a third time on its goal for an Official Development Assistance Program. We will not now reach the goal of 0.7 per cent of our GNP for official development assistance until the twenty-first century. On February 28, after this was announced, the Secretary of State for External Affairs (Mr. Clark) called a meeting of the ambassadors of different nations to Canada and attempted to explain. He tried to put the situation into perspective by saying:

—our deficit in four or five days was comparable to the total yearly GNP of Lesotho. In a month, it was about equal to the combined GNPs of Liberia, Mauritania, and South Yemen. And in a year, using figures from the lastest World Development Report, it amounted to the combined total GNPs of Chad, Ethiopia, Mali, Zaire, Malawi, Burkina Fasso, Burundi, Tanzania, Rwanda, Benin, Guinea, Togo and Sierra Leone.

The Secretary of State for External Affairs was attempting to justify Canada's cut-backs in its goals for ODA by saying that our deficit was as great as the yearly GNPs of all these nations combined. Somehow he seemed to feel that that justified these cut-backs. I would like to say that it is quite to the contrary.

● (1120)

The fact that these nations have such small GNPs should underline for all Canadians the desperate needs which they have for development assistance. For us to cut back in the face of that type of need is nothing short of criminal. It underlines the reason why our aid is needed and why we have to move as quickly as possible to the stated goal of 0.7 per cent of our GNP right away instead of postponing it to the 21st century. We do not want to see a repetition of the famine in vast parts of Africa which we saw in 1983, 1984 and 1985.

There were warnings with respect to that famine. Action could have been taken in time to have averted a great deal of the tragedy. But countries such as Canada were too slow to move. We have to move more quickly. By cutting back in our goal for ODA we are removing the capability of our development agency to move and prevent future crises such as this. These cuts prohibit further action. It seems we will have to wait until there is some future crisis. We will then step in and wonder why we did not take action earlier.

I wish to stress that development assistance is not a frill but a necessity to world security. The cut-backs which we have seen in our goals will ultimately perform a disservice, not only to the needy people of the world but to Canadians, since our security depends upon a world which is free from the hunger, want and underdevelopment which characterizes so much of it today.

I wish to say a few words about programs for Indian people because the Government is completely failing to meet their needs. Just a few days ago an article in *The Globe and Mail* pointed out that the Yukon Indian Development Corporation had been denied its application for funding under the Native Economic Development Program after 18 months of foot-dragging by the Government. It was clear that the reason they were denied the funding was a letter written by the Hon. Member

for Yukon, the Deputy Prime Minister (Mr. Nielsen), who wrote to the Minister of Indian Affairs and Northern Development (Mr. Crombie) asking that the project be shelved. He said: "This matter should receive no further consideration at this time."

When we look at the Estimates for the coming year we see that there will be a cut of some $25 million to the Economic Development Fund in 1986-87. The Conservatives are as good as anyone else at deploring the terrible conditions which exist on Indian reserves. Yesterday the Minister of Indian Affairs and Northern Development acknowledged that conditions on Indian reserves are deplorable. Yet the Government brings in Estimates which cut by some $25 million the Economic Development Fund, the very thing which Indian communities need in order to get out of the welfare dependency trap.

The Nielsen task force report deals with native programs. It is a report which breathes a very mean spirit. It is completely ignorant of the real situation facing Indians, the Inuit and the Métis people of Canada. It is a report which was obviously written from a Bay Street perspective. It breathes a bottomline mentality. It shows no awareness of the needs of Indian people. It talks about user pay for standards. It talks about minimal standards for small bands, in terms of housing and community infrastructure. It admits that in having these minimal standards less than minimal standards for health will result. What type of situation have we when this type of report can even be tabled in the House of Commons in the year 1986? How can we even begin to consider recommendations which talk about less than minimal standards for health for our native people? We are talking about the year 1986 and not the year 1786.

Just last week I heard tragic news concerning four young teen-agers who were burnt to death in a fire in the Kitimat Indian village. I have particular feelings with respect to this matter since I spent four years living in that village. I married the parents of some of those young people.

The fact is that what happened in Kitimat is not unique to Kitimat but is endemic among Indian villages all over Canada. The federal Fires Commissioner said last week that Indian homes are time bombs just waiting to explode. He said that every year, on average, some 12 Indian people lose their lives in Indian communities as a result of fire. Yet, we have a report tabled by the Deputy Prime Minister which talks about minimal standards for Indian housing and minimal standards for community infrastructure. How can we consider that when we see this type of tragic loss of life?

The Hon. Member for Prince George-Bulkley Valley (Mr. McCuish) when he was in opposition two or three years ago conducted a study of some of the needs of Indian communities in terms of fire protection. I remember him taking his study and passing pictures around showing some of the deplorable conditions in Indian communities and in Indian homes. The photos depicted some of the fire traps in which Indian people have to live. I urge Members opposite to consult their colleague and ask him to dig out this file in order to show them some of these pictures of Indian homes which are nothing more than fire traps. I would then ask them to go to the Minister of Indian Affairs and Northern Development, the Deputy Prime Minister and the Minister of Finance and say: "We will not stand for these types of conditions on Indian reserves. We want to see things better".

I see that my time has expired, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I have given the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) an extra two minutes. The time allotted for questions and comments will be limited to eight minutes. The Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Mitchell: Mr. Speaker, I have two questions for my colleague. As he knows, I was a representative on the Government delegation which went to Nairobi last summer to the Decade of Women Conference. At that time I must say that I was proud that Canada put forward motions and provided leadership with respect to increasing development funds, particularly funds which are so urgently needed for women and children in Third World countries. We now see that the Government is going back on its own commitment. We signed resolutions to improve conditions for women. I hope that we would show some real leadership. I would like the Hon. Member to comment further in this respect.

It seems to me that this is a serious matter. Cutting these programs means that Canada is condemning women and children in Third World countries to die earlier, or to barely survive under appalling living conditions, much less have any opportunities for moving toward equality.

I wonder if the Hon. Member would elaborate somewhat further on the subject to which I know he has such a deep commitment. I hope Members of the House will listen. I refer to the question of what the Government is doing and not doing for native people in Canada.

Mr. Manly: Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) is quite right when she refers to the Canadian commitment to development assistance. Canada does not have such a bad record when one compares Canada with other nations. However, it is not that good. There are a number of other nations which are doing much better than is Canada in this regard. However, we are not that bad.

What I wish to emphasize is that we are not living up to the commitment which we made. I refer to the commitment we made to the needy people of the world. It is not just a Conservative promise to the people of Canada which the Government is breaking, but a commitment of Canada's people made through our representatives, including the Secretary of State for External Affairs. This is a commitment he made to the needy people of our world. We are going back on that commitment.

The Hon. Member for Vancouver East referred to the situation of women and children throughout the world. We can look to the fact that in Africa, for example, some 90 per cent of the agricultural work is done by women. Yet we are cutting back on the support that is being given to Africa. We are cutting back on programs that could help provide safe, potable

water that will reduce disease. We are cutting back on health facilities and I am very concerned about that.

• (1130)

I am pleased to see that the Minister of Indian Affairs and Northern Development is in the House this morning. I would like to answer the second question put by my colleague about my concern with the Government's policy with respect to Indian people. While on the one hand the Government talks about self-government, on the other it has made cut-backs to such things as economic development. There has been foot dragging and then a denial of the grant to the Yukon Native Indian Development Corporation, a corporation that was trying to get some money so it could help move its people out of this downward spiral of dependency upon welfare and grants and help them get some economic development.

I mentioned the fact that there has been a $25.5 million cut from economic development funds in the Estimates for 1986. We are not seeing anything happening there. Perhaps the Minister of Indian Affairs and Northern Development might want to comment on some of these things.

We have now seen the very mean-spirited task force report on native programs that talks about minimal standards. I do not see how a report can be tabled in the House that talks about minimal standards of housing and infrastructure, something which it acknowledges could lead to less than minimal standards of health. I do not understand how such an outrageous report could even be tabled in the House.

Mr. Benjamin: Mr. Speaker, I have a question for my colleague. As the Hon. Member knows, the task force report on Indian Affairs and Northern Development indicated that the Government has created modern suburbs on Indian reserves and the Minister made somewhat of an appropriate response to that yesterday. I would like to ask my colleague what additional amounts of money he feels we should have in the borrowing authority in order to meet the requirements of Indian reserves for housing, economic development and other projects. What additional borrowings does he think would be needed each year beginning with this year in order to start doing a lot more on the Indian reserves in Canada?

Mr. Manly: Mr. Speaker, that is a very important question. I think the Minister himself would acknowledge that there is a continuing backlog that goes back well before his time as Minister of some 10,000 houses that need to be built in Indian communities. We have been very slow at attacking that backlog. In addition to that, there is a backlog of houses that are urgently in need of repair. The Senate Committee report on youth that was just tabled talks about the fact that some 23 per cent of housing on Indian reserves is urgently in need of repair.

While I cannot give an exact figure to the Hon. Member, I would like to suggest the process that the Minister would agree, I am sure, is the process that should be followed, and that is for the Minister to meet with representatives of the Indian community to develop an appropriate budget for housing, housing repair and economic development. It should be a budget that will address the needs of the Indian people rather than the interests of a group that does not really understand what is happening to Canada's Indian people and does not understand the relationship that has existed and should exist between Canada and the Indian, Inuit and Métis people, but rather is only concerned with the bottom line. There should be a process by which the Minister would meet with Indian people to develop a proper formula that will address the needs of the Indian people, rather than the so-called needs of those with a bottom line mentality.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have this opportunity to say a few words with respect to Bill C-99, an Act to provide for borrowing authority. This Act provides that the Minister of Finance (Mr. Wilson), with the approval of the Governor in Council, may raise money under the Financial Administration Act by way of a loan to the extent of $22,600 million. That is an awful lot of money but, unfortunately, it is in line with the Government's requirements which came about as a result of the situation that was created through years and years of mismanagement and misspending.

As you know, Mr. Speaker, we have already approved in principle the Budget of February 26. This Bill is the first of a series of Bills necessary to implement the provisions of the Budget that has already been passed in principle. The principles that were set out in the 1986 Budget are the same principles as those followed in the economic statement made by the Minister of Finance in November 1984, and the Budget that the Minister of Finance brought down in May 1985. The Budget of 1986 and the borrowing Bill designed to implement the Budget of 1986 follow a consistent pattern of economic principles that have always been the policy and strategy of the Government since it took office in September 1984.

When the Government took office on September 4, 1984, it was faced with two gigantic and enormous conflicting problems. The first, of course, was unemployment. The unemployment rate had been in excess of 13 per cent and at that time it was 11.7 per cent, the highest unemployment rate we have had in Canada since the Great Depression of the 1930s. The unemployment rate had devastated the country and continues to be a problem. The second conflicting problem the Government faced at that time was an enormous spending deficit. Not only did it face an enormous national debt load, it faced an annual federal spending deficit which was reaching at that time $36 billion per year.

In the economic statement of November 1984, in the Budget of 1985 and again in the Budget of 1986, the Minister of Finance has adopted a delicate balance of policies which are designed to try to deal with those two conflicting problems. First, the policies have been aimed at encouraging the private sector to create jobs and to solve that enormous unemployment problem. The private sector has been utilized in this strategy as the engine of economic growth. No longer are we looking to the Government to spend money and try to create these jobs on its own, because that is virtually impossible with a spending deficit that was already in the vicinity of $36 billion. The

policies are aimed at creating a climate to encourage the private sector to create the jobs necessary to get Canada growing again.

● (1140)

The second prong in the consistent strategy which has been followed throughout by the Minister of Finance is of course to try to put a hold on the deficit, try to stop its growth, and try to start to cut into and reduce it. Just stopping its growth was a problem in itself. At the time the Government took office in September, 1984, we did not have a deficit that was finite and identifiable with a closed end. We had policies in place at that time which were causing the deficit to continue to grow. The Minister of Finance had to find a way to stop its growth and a way to start reducing the deficit itself. That is what all the policies since the election of 1984 have been aimed at.

Last year, in the Budget of May, 1985, the Minister of Finance spelled out policies which were designed to try to encourage the private sector to create jobs. First, he allocated $900 million for job training and for job creation. In addition, he introduced other provisions which allowed for venture capital financing of small business out of pension funds and Registered Retirement Savings Plans. Aside from that, he introduced a 100 per cent tax credit on the first $2 million of qualifying research and development activity in each year. All those measures were aimed at having the private sector expand, invest and create jobs.

At the same time in last year's Budget, the Minister introduced a series of policies which were aimed at reducing the deficit. In November, 1984 and again in May, 1985, he announced major spending cuts in each and every Department of the federal Government, spending cuts which amounted in total, up to the present time and apart from anything done this year, to $5.8 billion.

Part of that effort was the commencement of a program of reducing the numbers of people in the Public Service. For a number of years the Public Service had been on an upward cycle of growth, continuous growth without any check or balance. The Minister of Finance put in place, in last year's Budget, a policy aimed at reducing the Public Service by 15,000 people, not just by eliminating jobs and putting people out on the street, but by a policy of planned attrition.

In addition, there were measures in that Budget aimed at closing tax loopholes. That is a concern which has been raised in the House on many occasions. It was a concern raised by Government Members when we were in Opposition and by other Opposition Members in the present House.

Also in that 1985 Budget and Minister of Finance eliminated once and for all the scientific research tax credits. In the last few days there has been quite a bit of publicity about that in the press. On Tuesday, in the Standing Committee on Public Accounts, we dealt with this problem and found that an enormous amount of money, about $2.8 billion, had disappeared from the government Treasury in order to fund scientific research credits. A lot of that money was siphoned off to private investors, some of it apparently fraudulently but some of it quite legally under the terms of the legislation. However, it was siphoned off in such a way that it did not provide any scientific research whatsoever. That loophole was closed in the last Budget.

Other loopholes were closed in that last Budget as well; the tax shelters for investments in hotels, yachts and recreational vehicles and the family income splitting between husbands, wives and children. They were brought to a halt. In addition, there were provisions to prevent trusts from distributing tax-free investment income. All those loopholes were closed in the May 1985 Budget.

At the same time that Budget increased taxes on corporations, on the banks and on alcohol and tobacco, and it introduced a minimum tax. All those policies were aimed at getting a handle on the deficit.

All those policies in the 1985 Budget were subjected to very, very substantial criticism on the part of the Opposition. The Right Hon. leader of Her Majesty's Official Opposition (Mr. Turner) stood in the House and told us that the impact of all the measures in the 1985 Budget would be a very substantial reduction in consumer spending, a reduction which would have a dreadful and terrifying impact upon employment. A few months ago the Leader of the Official Opposition stood in the House after the 1985 Budget and told us that the Budget would cost Canadians 50,000 jobs.

Not to be outdone by the Leader of the Opposition, the Leader of the New Democratic Party stood in his place at the same time and said that the Budget would cost Canadians 100,000 jobs. That was the sort of criticism which the Minister of Finance and his Budget received last year.

What happened during the past year, in the ensuing months since the May 1985 Budget? If we look at the facts, we find that we had an enormous increase in consumer spending. Interestingly enough, we probably had a record amount of consumer spending at Christmas-time last year. What did all that spending do? It did not reduce the number of jobs by 50,000. It did not reduce the number of jobs by 100,000. In fact, it increased the number of jobs by almost 600,000. The vast majority of those jobs were full-time jobs, not the part-time jobs which had been created in smaller numbers by the former Government in the months previous to the last election. The fact, almost 600,000 new jobs have been created since September 4, 1984.

In addition, unemployment for the very first time has fallen below the 10 per cent figure. It has not fallen enough, and everyone on the Government side of the House realizes that. However, for the first time since 1981 unemployment has fallen below that 10 per cent level.

As well, bankruptcies are down, the Gross National Product is up, manufacturing orders are up, building permits are up, and the Canadian economy has been moving along at a rate in excess of the American economy and at a rate equal to any other economy in the industrialized world with the possible exception of Japan. If Japan is in the same ballpark as the Canadian economy, it is almost in a dead heat.

In addition, the Budget of 1985 was not only effective in creating a climate for the private industry to create jobs, but it was also effective in respect of budgetary deficit reduction. What happened is that the deficit not only stopped growing, but in fact it has actually gone down by about $2 billion in this last year.

• (1150)

That is not satisfactory either, Mr. Speaker. Nobody is suggesting that we have the problem licked. Nobody is suggesting that everything has been solved by any manner or means, but we have gone a long way in starting the process of putting the country back to work and getting the deficit under control. The Government has done that, notwithstanding the criticisms of the Opposition. The Opposition raised enormous criticisms after the last Budget, but all the criticisms amounted to very little. We have had job growth and we have had deficit reduction.

Mr. Nunziata: On the backs of the seniors.

Mr. Redway: In this Budget, the Government is following exactly the same game plan that it followed in the last Budget. The Budget was aimed at encouraging private business to invest and create more jobs. It was also aimed at trying to get the deficit down and reduced further still. In this Budget there are things once again aimed at encouraging private business to invest and create more jobs.

First, the Minister of Finance has allocated an $800 million fund for job training and job creation on the part of the Government itself. He also provided a provision for eliminating the dividend distribution tax. It has reduced the corporate tax on small business by 3 per cent starting July 1. The Budget has extended the current tax rules to provide deductions for business investment losses and it has increased the lending ceiling on small business loans under the Small Business Loans Act by $1.5 billion to a total of $2.5 billion. All of those measures, Mr. Speaker, as you know, are aimed at encouraging the private sector to create more jobs.

The other aspect of the Budget is aimed at deficit reduction. Here we have more measures to reduce spending on the part of Government. The day after the Budget the spending estimates for this coming fiscal year were tabled. You will remember, Sir, that those spending estimates indicated that the non-statutory or the discretionary spending, spending that excludes social service programs and payments we have to make on our national debt, has been held to a less than 1 per cent increase. Last year's discretionary spending was held to 0.2 per cent, less than 1 per cent, and this coming year it will be held to 0.2 per cent again. This is the first time since the Korean War that we have had two consecutive years in which the increase in government discretionary spending has been held to less than 1 per cent. As well, there was a reduction announced of $500 million in spending estimates as part of the Budget itself. Once more, the Minister of Finance has tackled the whole question of Government spending and tackled it in a very forceful way, in a way that has not occurred since the 1950s.

At the same time, the Minister has moved to close more of the loopholes that none of us like, loopholes that allow individuals and corporations to avoid paying taxes. This time loopholes have been closed on corporate inventory allowance, on the general investment tax credit, with respect to tax deductions for limited partnerships, dealing with deferred salary payments and marriage exemptions. As well there is a requirement to report treasury Bill income and treasury Bill interest, something that has not been done in the past. In addition to that there have been tax increases, tax increases on corporations, on alcohol and tobacco. There was a federal sales tax increase and there has been the 3 per cent surtax increase.

We have heard a lot from the Opposition that those increases impact unfairly on the middle class. There is no question that it is a tax on all of us. This means the more tax you pay the more surtax you pay. The people who do not pay a great deal of federal income tax do not pay surtax. In the last Budget we introduced a minimum tax. Those who earn more income and those who pay more taxes will pay more surtax.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired. We now have questions and comments.

Mr. Boudria: Mr. Speaker, I listened very attentively to the speech made by the Hon. Member for York East (Mr. Redway). It was a very good speech. However, he may have omitted telling Canadians something. Perhaps I could assist and remind him of it. He said that his Government had done a great deal to plug loopholes in a tax system, or something to that effect.

Could he comment on an article that appeared in last week's *Financial Post*, not a newspaper which many of my poor constituents subscribe to, but perhaps the Hon. Member will be familiar with this article. It states that if a person makes $40,000 a year comprised of $35,000 in salary, $4,000 in dividends and $1,000 in interest his tax goes from $9,145 in 1984 to $9,409 in 1986 and to $9,957 in 1987. That is a clear increase. At the same time, for an individual earning $150,000 a year, comprised of $100,000 in salary, $15,000 in interest and $5,000 in capital gains, his federal and provincial income tax combined for the province of Ontario, a province in which the Hon. Member and I live, dropped from $53,448 in 1984 to $48,000 in 1986 and to $47,978 in 1987. That is a decrease of $6,000 in income tax for a wealthy Canadian while the middle-class Canadian saw his or her income tax increase by $800 over the same period of time.

Does the Hon. Member think this constitutes plugging loopholes in the system so that ordinary Canadians now pay more and wealthy Canadians pay less? Does he think that is fair under this Budget?

Mr. Redway: Mr. Speaker, I am delighted to have an opportunity to answer the Hon. Member's inquiry. Unfortunately, unlike the Hon. Member, I have not read the article in *The Financial Post*. I suppose it is the capitalists among us who are the readers of *The Financial Post*.

Some Hon. Members: Oh, oh!

Mr. Redway: We know where the Hon. Member sits in that category. When we talk about tax loopholes, we have to bear in mind that Hon. Members of this House point out almost on a daily basis a series of one loophole after another. We have to remember though how those loopholes got into the Income Tax Act. We have to remember that the Hon. Member is a supporter of a Party that governed this country for 20 consecutive years or so. During that period of time those loopholes crept into the Income Tax Act, and that is where they all came from.

• (1200)

Since the present Government took office, we have been quite busy plugging a vast number of those loopholes. It may be that we have not plugged them all yet, in fact I am sure we have not. In one case we found the little Egypt bump, or the Chicago bump, which took place a few months ago in connection with the purchase of one oil company by another. That situation was made possible by loopholes which were placed in the Income Tax Act by the Government of which the Hon. Member is a supporter. That loophole was plugged as soon after it became evident as possible.

As we all know, there are other loopholes. The Minister of Finance is addressing those in an orderly fashion and we are eliminating them as quickly as possible.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Comox-Powell River (Mr. Skelly) on a question or comment.

Mr. Redway: I am not finished, Mr. Speaker. I was going to go on for quite a while. I still have remarks to make on this very important subject.

The Acting Speaker (Mr. Paproski): Order, please. There are only four or five minutes left, and I would like to fit a couple more questions and comments in. I will recognize the Member for Comox-Powell River for a short question or comment and then I will recognize the Member for York South-Weston (Mr. Nunziata).

Mr. Skelly: Mr. Speaker, on a number of occasions the previous speaker mentioned the 1985 Budget and talked about unemployment and unemployment insurance. The Member knows that the Government has created an injustice against members of the Armed Forces and retired members of the Armed Forces. Their pension payments have been declared income and they cannot collect unemployment insurance after having paid into the fund for 20 or 30 years. They have no choice but to leave the Armed Forces after a specified period of time, often at a time when their family expenses are the highest. They often have to move and buy another house. Their children are going to university and eating them out of house and home and they must spend a lot of money to clothe them. The transitions are generally extremely difficult.

The Government changed the ground rules. As well, the Government does not permit those retired members who find employment later on to be exempt from paying unemployment insurance premiums. This is completely unjust, because they will never be able to collect unemployment insurance. The Government also proposes to reduce the indexation on their pensions.

Would the Member explain why he and other Conservative Members are supporting that provision which has been put forward by the Government? Would he exlain why he thinks that is fair?

Mr. Redway: Mr. Speaker, I am again very pleased to have the opportunity to respond to the Hon. Member's question. As he is well aware, unemployment insurance has not been subject to any review for about 20 years. As a result, the Minister of Employment and Immigration (Miss MacDonald) has appointed the Forget inquiry to study the question of unemployment insurance. The task of that inquiry is to straighten out a great problem which has existed over the years. There have been allegations made by a great many people that some people who should not get unemployment insurance do receive it. There have been allegations that people decide not to work, but rather to claim unemployment insurance benefits rather than take an available job.

I am sure the Hon. Member agrees with me and with the Government that it is time to take a very serious look at the unemployment insurance system to ensure that it is operating efficiently and effectively, and doing the job which the Canadian people want it to do.

Hopefully the Forget Commission will help us to decide whether unemployment insurance is like a life insurance policy which we pay into and must get our money out of at some time, or like a fire insurance policy which we pay into and only claim from if we have a fire. That is one of the big issues which we must debate and solve. Part of the Hon. Member's comments relate to that issue. I do not for a moment suggest what the answer is. Perhaps unemployment insurance should be like life insurance in that we pay into it and when we die, retire, or whatever, we get all our money back. I think that would be great, because I have paid into it all of my life and have never received a cent from it. Hopefully I will not have to get money out of it.

The Acting Speaker (Mr. Paproski): The Hon. Member is such a popular Member that I think I should allow another popular Member to ask another short question or make a short comment. I will recognize the Hon. Member for York South-Weston (Mr. Nunziata).

Mr. Nunziata: You are very kind, Mr. Speaker. I want to say how popular we think you are as well.

Some Hon. Members: Hear, hear!

Mr. Nunziata: I have known the Hon. Member for York East (Mr. Redway) for a number of years. He and I were municipal politicians in another life. I have always known him

to be a fair and reasonable individual. In fact, I always thought he was a Liberal until he ran for the Conservative Party in the last election. However, I have always known him to be fair.

Does the Member think that the cumulative effect of the tax increases on individual Canadians through the two Wilson Budgets is fair? Does he think it is fair that the cumulative tax increase for an individual earning $15,000 a year is 23 per cent while the total tax increase for someone earning $100,000 a year is only 1 per cent? Does the Member consider that result of these two Budgets, which he has spoken so highly of, to be fair? Does he consider it fair that the Conservative Government should try to reduce the deficit on the backs of the disadvantaged in society: namely, the seniors, the unemployed, the young, and the disabled? What is fair about that?

Mr. Redway: Mr. Speaker, as the Hon. Member said, we have known each other for many, many years. I hope it was not in another life, but in this one. He may have thought I was a Liberal, but we all knew he was a member of the New Democratic Party, until very recently.

Mr. Parry: Spare us.

Ms. Mitchell: Don't be so mean.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Redway: Mr. Speaker, I am just getting into it.

The Acting Speaker (Mr. Paproski): The Hon. Member for Davenport (Mr. Caccia) has the floor on debate.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we all followed with interest the carefully prepared speech of the Member for York East (Mr. Redway) in which he advanced a good defensive position on behalf of his Party and Government. I was struck by the selective memory he displayed this morning, and by the fact that he, albeit not deliberately I am sure, forgot to mention in his analysis of the reduction of the deficit the measure that was introduced in the Budget which allows those who can afford it to enjoy a $500,000 capital gains tax exemption which will have a profound impact on the revenue of the Government of Canada. That measure is certainly not consistent with the goals expressed by the Minister of Finance (Mr. Wilson). In fact, it is in plain contradiction of the policies which the Government has been propounding over the last year and one half.

One must also observe that the Member for York East, again I am sure inadvertently, in analysing the tax bills and putting forward their positive features, forgot about three instances of deindexation. The deindexation of senior citizens' pensions was at last repealed by the Government. The deindexation of the personal income tax deduction will increase the income tax burden on every taxpayer in Canada in the future. Finally, the deindexation of family allowances is now before the Senate and is the source of a considerable number of complaints from the women of the country. I am sure the Hon. Member for York East will understand that in the long term, when this measure comes into full effect a few years from now, it may also cause an increase in the burden of the social budgets of municipalities and the provinces.

• (1210)

One must also comment on the neglect of the environment as a result of its treatment by this borrowing Bill. The thesis I am putting forward today is that the Government is derelict, insensitive and penny wise but pound foolish in the way it is cutting back on the Department of the environment and its programs. Let me outline the areas in which these measures are unjustified.

First, the total budget of Environment Canada in the last two years has risen by 0.5 per cent while conservative estimates show that inflation has gone up by 8 per cent in two years. Therefore, the budget of Environment Canada has been eroded by 7.5 per cent. That is the net effect on the culpability of the Government in answering the growing concern that Canadians are expressing in a variety of ways over toxic chemicals, acid rain, wildlife management, water quality and other environmental issues. According to predictions that have been made, inflation will continue and therefore erode the base of that Department. If it continues to erode at the same rate of 4 per cent, the damage a year from now will be even greater than the 7.5 per cent damage which I mentioned earlier as a result of the Government's policy in the past two years.

Let us look at the specifics of the Department of the Environment estimates for this year. For instance, we see a decline between 1984 and 1986 of some $8 million in contributions to the provinces for sewage treatment construction programs. The figure was approximately $10 million in 1984 but has dropped to $1.9 million in the estimates this year.

Let us consider the inland waters programs which includes the implementation of federal-provincial programs and the implementation of international water policy agreements. We see a cut of some $5.9 million in the capacity of the people in charge of those programs—whose number has been reduced by 14, incidentally—to do their jobs in the inland and international waters on behalf of Canadians and to implement the international agreements that we have made.

If we examine environmental protection we see a cut of $12 million between 1984 and this year. There are 25 less people in charge of that particular function within Environment Canada and the House is aware that this environmental protection section also covers the federal role in the management of PCBs, toxic chemicals and issues related to lead in gasoline, pesticides, acid rain and dioxins.

Wildlife conservation in an important program in relation to the health of Canadians in the long term because the observations that we make about wildlife will also indicate the human effect of some of the substances that are passed on to wildlife through discharges from dumps and other industrial and domestic activities. These studies may tell us about the long-term effect on humans. However, in the past two years we have seen a loss of $4.7 million to the Canadian Wildlife

Service and a loss of some 168 people who were active in that particular service. Furthermore, the Minister of Finance in his Budget statement, promised a 2 per cent cut in non-statutory spending. The impact of that cut is not yet known to any Department, I understand, but when it is applied it will diminish the effectiveness of Environment Canada because I am sure that Department will not be spared the axe of that 2 per cent cut. It could even be a greater amount, depending on how it will be applied by Treasury Board.

In concluding this analysis on environmental cuts in the Estimates for this year, I must also draw to the attention of the House that the Department of the Environment, under the guidelines of the present Government, is also losing sight of priorities.

When one compares the priorities being adopted by the Department this year with the priorities of previous years, we see an astonishing declaration concerning acid rain. The priority of the Department this year is to implement agreements and programs that are aimed at reducing the effects of acid rain. At first sight, this may seem to be rather harmless, but reducing the effect of acid rain is totally different from the previously adopted policy priority to reduce the acid rain depositions. That priority is not in the latest Estimates.

There is a big difference between reducing acid rain depositions and reducing the effects of acid rain. Reducing the depositions means going to the source, controlling the emissions and setting specific targets and dates to ensure that they are reduced over the years. The new policy priority to reduce the effects means accepting the level of acid rain depositions or emissions in the environment and trying to cure the effects of these depositions. This means that these priorities are shifting attention from controlling the emissions at the source to treating the depositions and their effects on the environment. I submit that this is a very serious shift in policy and I cannot understand why all of the efforts that so far have been aimed and focused on prevention should suddenly be abandoned, by virtue of this priority as stated in the Estimates, and replaced by a policy to reduce the effects. I cannot express it any other way than to say that this shift in policy disturbs me profoundly and I cannot understand how or why it has happened.

In order to bring to your attention the fact that Environment Canada is losing sight of its priorities, let me raise another point. This year the water quality in the Great Lakes Basin, Lake Ontario and the other Great Lakes is not listed as a priority. There is no reference to the St. Clair River or to the Niagara River. That is a serious omission if one considers that the concerns of Canadians who live along the St. Clair and Niagara Rivers are at an all-time high. Second, we must consider the fact that we have an international obligation to discharge, by virtue of the Great Lakes Water Quality Agreement. Here, again, for the life of me, I cannot understand the Government's position with the upsurge of public interest and concern and with the hundreds of questions which have been asked in this House during Question Period by Members of all Parties, including the Hon. Member for York East, who has been a tower of strength in this debate. It just defeats my ability to understand why these priorities do not emerge in the Estimates of Environment Canada in 1986-87.

• (1220)

What we are witnessing here is the Government losing sight of priorities as expressed in the Estimates. We have witnessed over the years 1984 to 1986 a number of cuts applied to Environment Canada. In addition to that, the purchasing power of that Department is losing ground rapidly in relation to inflation. That is not fair, it is not desirable, and it is not in the public interest.

In his Budget, the Minister of Finance included a measure whereby there would be a three-year tax write-off on wind energy equipment. That raised a lot of questions because one wonders why there would be just a measure to favour wind energy equipment. I am sure there is a very good reason for it, and that there are people who will, hopefully, take advantage of it. But there is nothing for other renewable sources of energy like solar energy biomass, and so on. This narrow approach to renewable sources of energy is a puzzle.

In analysing the measures which should have been introduced by the Minister of Finance, but which were not, in relation to environmental issues which are emerging with greater frequency and importance, one wonders why the Minister of Finance did not provide, in the light of what is happening on the St. Clair and Niagara Rivers, some measures for an accelerated tax write-off which would be applied on pollution abatement equipment and which would give the industries along the St. Clair and Niagara Rivers, an incentive to clean up, so to speak, their act. Evidently, these are old fashioned, outdated, operations. The equipment is getting old. The incidence of accidents and spills are becoming more and more frequent. There are measures available to the Minister of Finance to encourage and entice the industries which are engaged in these operations every day to do their part and to clean up their act. I was looking forward to finding some of those measures in the Budget, but they were not there.

Another initiative which the Minister of Finance will sooner or later have to take into account and apply in his Budget is a change in the tax structures on gasoline. You have heard me before, Mr. Speaker, express my view about the necessity of changing our design of the taxes as they apply to leaded and unleaded gasoline so that the price at the pump will be equal for both. The revenue to the Government would remain the same but the demand for unleaded would be greater than now and the demand for leaded would be less. In doing so, we in North America would be pioneering, although not globally, a measure which was introduced in Denmark and Austria. The public buys at the pump either leaded or unleaded gasoline at the same price. That would once and for all do away with the practice of misfueling. We would also reduce the amount of lead in the air and on the ground which, as you know, Mr. Speaker, harms the health of humans, particularly children. We can then do our part in facilitating the purchase and use of cars which run on unleaded gasoline, which have a catalytic converter installed to prevent the emission of certain gases

which contribute to acid rain. Therefore, we would be taking a considerable step in the right direction. We will try to do this with the new car models in 1987, but at the present time there is a disincentive to Canadians at the pump to go for unleaded gasoline because the spread in price is around three cents, and in some cases even more.

The application of the taxes on gasoline is reinforcing and widening this gap. That is something the Minister of Finance has to face. He has to bite the bullet in order to eliminate this differential in price at the pumps.

In the Budget there was no reference, unfortunately, to reinstating the Guelph Toxicology Centre. We in this House, from all Parties, who are engaged in matters which relate to water quality, know how important it is to maintain the momentum of our research on toxicology, and particularly on the impact of certain substances in water. Our standards are acceptable for certain substances and not yet acceptable for others. There is an enormous new territory which has to be explored in terms of toxicological research. Yet, a measure which was announced in 1983-84, to become a reality in 1984-85, has been wiped out. Despite the representation being made by the academic and scientific community and despite the representations made by environmental groups, and all of those who are concerned with human health, the Guelph Toxicology Centre is still a dead letter. It is only an idea on paper which does not seem to catch the imagination of the so-called Progressive Conservative Government.

I wonder sometimes about the Government because that is not the way to protect the public interests, by neglecting the basics which relate to public health. We should develop the instruments which will put to work the scientists we have and prevent them from leaving Canada to go abroad, enticed by other opportunities. This Government can provide them with opportunities at home in the field of research in which they are competent and for which there is a future and a necessity for the protection of the health of Canadians. I despair sometimes about this lack of sense of direction on the part of this Progressive Conservative Government.

I would like to bring to your attention, Mr. Speaker, the fact that in the Budget—and I do hope the Government will pay attention to this at the next opportunity—there is no attention being paid to the plight of municipalities to modernize sewers, to separate where necessary their sewer systems. As Hon. Members know, sewer systems have an impact on the quality of water downstream if they are incomplete or non-existent. This is a measure which the Government of Canada will have to re-examine in order to bring back some basic infrastructure program to help municipalities in their daily battle to maintain and protect water quality in their jurisdictions for the safety and sake of their own citizens.

● (1230)

I see that Your Honour is indicating my time has expired.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. Are there questions or comments? The Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, I listened with great interest to the Hon. Member for Davenport (Mr. Caccia) because I have a great deal of respect for him and for his interest in environmental matters. I understand his interests with regard to matters of the environment and I share in them. However, I know the Hon. Member is also aware that we have other substantial problems in the country as well. We must address these problems in the over-all context and not just in the narrow sense of one particular program or other.

I know he is aware that we have a very substantial unemployment problem. I know he is aware that we have a very substantial deficit problem. Both of these problems came about while he was a Minister in the former Government. I know the Hon. Member is aware as well that in the last year in which the Government of which he was a Minister was in office it had to borrow some $29.8 billion in order to pay for all of its expenditures. That was after the Government had collected all the revenue it could from all the sources it could and applied those revenues to its total expenditures. His Government had to borrow some $29.8 billion in order to pay the bills for those expenditures. Fortunately, in the Bill which is before us we do not have to borrow that amount of money; we have it down to $22.6 billion. At any rate it is still a great deal of money. It is hard for any Canadian to understand just exactly what billions of dollars are.

We know what happens when we have to go out to finance companies or banks to borrow money in order to pay for our groceries in any particular week. We know that cannot go on in our households day after day, month after month and year after year. We know that it will eventually catch up with us, and it will catch up with us sooner than it will catch up with us later. So I know the Hon. Member is aware of this great deficit problem.

In his opening remarks he mentioned some concerns he had with respect to my comments which related to the Bill and to the Budget in general. One of them had to do with the question of the capital gains tax exemption. He indicated that it was simply a tax loophole.

Mr. Caccia: It is forgone revenue.

Mr. Redway: The Hon. Member mentioned that this measure was put in place to try to encourage job creation in the country. I wonder if the Hon. Member is suggesting that we should do away with this measure. If he is not suggesting that, then what does he suggest we implement to create some jobs in the country?

I know the Hon. Member is aware of the scientific research tax credit measure put in place by his Government in January of 1984. He is aware that this measure cost the taxpayers of the country some $2.8 billion. This is money which could have gone to reduce the deficit. It could have gone to pay for environmental programs. Instead of going for scientific research the money was drained off by investors who did quick

flips, put the money in their pockets and walked away with what was essentially taxpayers' money, instead of using it to pay for the deficit and the programs which the Hon. Member would like to see. What does the Hon. Member suggest in place of those programs?

Mr. Caccia: Mr. Speaker, first I have to thank the Hon. Member for his kind words. At the same time I draw to his attention that the capital gains tax is not a loophole but a forgone revenue. In addition, that particular measure is not focused on the creation of jobs at all. It is left wide open without any specific intent. It can involve capital gains incurred outside of the country through such measures as the buying of yachts or even a piece of property in Venezuela, for example. Therefore, its specific purpose is not job creation. If it were geared to job creation then the Hon. Member and I would be speaking the same language. Unfortunately, the measure is not so directed.

The distressing thing about the application of cuts is that some departments have escaped them while others are able to keep up with inflation in their budgets. There is not only that to consider but the fact that some departmental budgets have increased by more than the rate of inflation. Is that fair? Why is it possible for some departments to command such muscle within the system while others are left to slip and remain behind? This is why I raise the matter in those terms.

As Hon. Members are aware, the Department of the Environment deals with matters which in the end affect our economy in the long term. The Department deals with matters which, perhaps, affect our daily health. This is not just a romantic notion which is being nurtured. It disturbs me, as I am sure it disturbs the Hon. Member, who I know has an outstanding and distinguished municipal past, to see the Department of the Environment slipping badly behind, particularly in relation to provincial grants for sewer and similar infrastructures.

Mr. Skelly: Mr. Speaker, I would like to raise a matter with the Hon. Member for Davenport (Mr. Caccia) which is of serious concern to many people. It deals with borrowing, budgets and the financial policy of the Government. I refer to the matter of Armed Forces pensions and the denial of this Government to permit members of the Armed Forces to collect unemployment insurance during a time of transition. This is also a serious matter for members of the Armed Forces who are retired and who are forced to pay unemployment insurance premiums for something which they will never collect. I also wish to deal with the Government's proposal in the 1985 Budget to partially deindex the pensions of members of the Armed Forces. As far as I can determine, and as far as others can determine, this is an incredible injustice perpetrated by the Government on present members of the Armed Forces and those members who are retired. I would appreciate a comment from the Hon. Member for Davenport in this regard.

Mr. Caccia: Mr. Speaker, in the case of the Hon. Member for Comox-Powell River (Mr. Skelly) we are speaking the same language. There is nothing wrong with that. Several of us who have made appeals before the Forget Commission have expressed our profound concern with the Armed Forces pensions and the cut-off until payment is exhausted before one qualifies for unemployment insurance. I believe the Hon. Member for Hamilton East (Ms. Copps) has made interventions during Question Period in this regard, as has the Hon. Member for York South-Weston (Mr. Nunziata) and others on our side. This is a matter of great concern to us. We see it as a convergence of measures on the part of a Government which calls itself Progressive Conservative but which does not even understand the basics of the meaning of the word "progressive", and which is actually regressive. This move has to stop. I do not think society can continue to impose these penalties on people who have accepted certain rules of behaviour on behalf of their Government, and who are all of a sudden told: "Sorry, you do not qualify for unemployment insurance because your employer is giving you a lump sum payment. Use up your lump sum payment first, or your pension, and you will then qualify for unemployment insurance". We say that is unfair.

Mr. Valcourt: Mr. Speaker, it is really sad for a young Member of Parliament such as myself to have to listen to this type of speech by a Member of the House who has such experience here. I have listened with great attention to everything the Hon. Member has said. He was supposed to talk about the borrowing authority but he touched on issues of environment, a portfolio which I believe he occupied in a previous Government. Yet when looking at the record of the previous Government in environment, we are able to see what he did. Everything about which the Hon. Member complains is the legacy of that Government.

• (1240)

It is a matter of public record that the leader of the Hon. Member's Party, previous to the election, was telling Canadians how imperative it was that we reduce the deficit. Yet in the House, the Liberals oppose any tax increases and are opposed to every single cut to a program that has been contemplated by the Government. This leads us to think that Liberals simply want to continue to further increase the Government's debt.

Regarding Bill C-99, is it the position of the Hon. Member that we should further increase the national debt of Canada? Liberals oppose cuts and they oppose tax increases. What can we do?

Mr. Caccia: Mr. Speaker, the Hon. Member knows that there are ways of reducing the debt of the Government and there are also times for reducing it, but we do not do it by cutting down services to the public; we do not do it by freezing the civil service; we do not do it by reducing the payments to the provinces and we do not do it the way the Government has done it in this primative, backward and almost barbaric manner.

Mr. Valcourt: How do you do it? Answer that.

Mr. Caccia: The way to do it is to make sure the economy expands and that revenue increases. It is done gradually through increased revenue, not through cutting down the Government. There is a role for the Government to play. That is the profound difference between the Tories and the Liberals in the way we approach this matter.

Mr. Mantha: Mr. Speaker, I would like to compliment the Hon. Member for Davenport (Mr. Caccia) on his fine speech. What a difference a year makes.

In the North Bay *Nugget*, a fair paper, there is an editorial which says that there may be a lot wrong with the federal Budget but it is the first time in 15 years that somebody has done something to reduce the deficit. It goes on to say that the Leader of the NDP (Mr. Broadbent) just wants to spend a lot of money, but if they had saved us some money we would have good times now. It also says that the Leader of the Opposition—

The Acting Speaker (Mr. Paproski): Let us get to the question.

Mr. Mantha: I am sorry. When the Hon. Member was a Minister, it is a known fact that all Liberal Ministers of the previous Government had slush funds. How did he spend his slush fund money?

Mr. Caccia: Mr. Speaker, the answer is very simple. There was no slush fund.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, last Friday you will recall, on the eve of International Women's Day, Conservative Members ignored the agreement to put up speakers which had been arranged with other Parties and therefore closed debate on the Budget. This was done before I was allowed to speak on the impact of the Budget on Canadian women. I do not recall hearing any Conservative speaker mentioning the impact of the Budget on Canadian women. That is one of the things on which I want to concentrate my remarks today. I might say that the Budget was a typical act of discrimination.

It is difficult to determine just what the Government intends to do with the $22.6 billion it wants authorization to borrow under Bill C-99. I personally would be much happier to support this Bill if I thought the money would go toward positive measures that would improve the lot of ordinary Canadians, particularly Canadian women, children and young people. Unfortunately, because of the Budget which we have been studying and about which we are very concerned, we know that the government measures are very negative measures. We know that these funds will be used largely for those same negative measures.

I would like to bring to the attention of the House, and particularly Conservative Members, the fact that over the last month there has been the greatest surge of short-term borrowing in the history of Canada. This was concurrent with the time the Budget was introduced and was becoming known to Canadians and the international community. Of course, this happened largely because the Government had to put billions of dollars, I assume, into propping up the Canadian dollar. Along with that, we were paying and will continue to pay increased interest on the amount of money that was going to prop up the Canadian dollar.

This dramatic drop in the value of the dollar over the past month was directly related to the lack of confidence in the Government and its Budget. Not only does it cost us more in interest rates because of that lack of confidence, we calculated that each Canadian family would pay an average of $100 per year in increased food costs, something about which we do not always think. This borrowing Bill repeats the negative philosophy and negative use of borrowed funds which are costing us all much more in interest.

Of course, women share in the lack of confidence in the Government which was reflected by the drop in the dollar. There was no mention in the Budget of women at all, and certainly there was no reference to the very strong statement made by the Prime Minister (Mr. Mulroney) in Halifax at the First Ministers' Conference. At that time he said that all Governments must give priority to economic equality for women. The Government makes no mention of this when it gets down to doing something in the way of a Budget. There was nothing in the Budget designed to deal with the inequities for women and other minority groups that must be redressed.

As I said, women were not mentioned at all in the Budget. On the other hand, when looking at the Budget closely, we realize that it adds another layer of financial burden on women. Women are already the poorest of our citizens and still earn just 63 cents on the dollar. Women carry double work-loads at home and in the workplace. As I mentioned yesterday, farm women often carry three heavy work-loads while there is no day care for their children. Women are the last hired and the first fired, particularly if they happen to work for the federal Government. Women are being pushed further into part-time, low-paid jobs that are not unionized and do not have benefits, or they are being forced to go on unemployment insurance. This is as a result of the policies of the Government, which is pushing for even more privatization and deregulation and for more government cut-backs in public services.

As I mentioned earlier when I spoke to one of my colleagues, we are very concerned about the Budget from an international point of view and how it will affect our pride in Canada's role in the world. The Budget cuts back on international aid, and this has a tremendous impact, particularly on women and children in developing countries. These women and children are indeed going to be condemned to die in many cases as a result of Budget cuts.

Before I return to the particular parts of this Budget about which I am concerned, and about which Canadian women are becoming increasingly concerned, I would like to mention a few other points. As we have said over and over again, the average family is grossly and unfairly taxed, to the tune of something over $1,300 in additional taxes over the last two years. On the other hand, wealthy families continue to benefit

from the capital gains tax exemptions and there is nothing at all in the Budget to indicate that there has been real tax reforms such as those we have advocated.

As a British Columbia, I would like to say that I am very concerned. The Conservative Budget is a disaster for British Columbia. We need more jobs, not just more cuts and taxes on top of what we already have in the way of British Columbia restraint programs. Direct federal spending on job creation will be cut by an additional $100 million this year.

• (1250)

In many parts of B.C. unemployment continues to be as high, if not higher than in the maritime provinces. For example, unemployment in Victoria, the capital city of British Columbia, is the highest in Canada. It is over 16 per cent. I should like to warn the Conservatives in the Government that the Government of British Columbia practised the restraint the present Conservative Government is imposing federally, and it has resulted in 16 per cent unemployment in Victoria. No special initiatives were taken in the Budget to create new jobs in British Columbia.

We have heard many suggestions from New Democrats respecting concrete job proposals; investment in community development, enhancement of the forest and fishery resources, and reform of taxes to help pay for many things. Recently I received a telegram from a group in British Columbia, the Mothers Action Committee, which indicated that hundreds of thousands of Canadian women are struggle daily under terrible conditions of poverty to survive and raise children, and that deliberate Government policies make the rich richer and oppress women. They want money for child care, pensions for homemakers, reindexing of the family allowance and fair pay for their work. Of course the Budget and Government policies will do just the opposite for women. The tremendous tax load of over $1,300, which I mentioned, will have a much greater or disproportionate impact upon women. In effect, it will push more women and their children into poverty; there is no question about it.

The cuts to Public Service jobs have already affected women disproportionately. I have been told that in the translation department, for example, 63 per cent of the lay-offs were women, yet only 52 per cent of the staff are women. In the fisheries Department, many more women were let go, yet there are very few women employed in that Department. Over-all cuts to certain Government Departments will also affect women's jobs and services to women. For example, the Budget shows that $4.82 billion, a lot of money, will be cut from the Department of National Health and Welfare over the next four years. From where will it be cut? We know where it will be cut. It will be cuts in family benefits and in programs such as Planned Parenthood, the National Clearing House on Family Violence and non-statutory services. The Minister mentioned that discretionary funding would be at risk. It will be cuts to women's organizations and community non-governmental organizations which are already under funded. We have also learned, from the point of view of the Nielsen task force, that a cut of $9 million is proposed from Secretary of State women's programs. That is unforgiveable and intolerable.

The Budget also cut employment training programs which will have a great impact upon women. In 1984 women only had about 14 per cent of the training spaces. I raised this matter, along with a number of issues, with the Minister of Employment and Immigration (Miss MacDonald) last week. There will also be a cut of over $100 million from the Canadian Jobs Strategy, at a time when we need more money for job strategy, particularly for women. Now the Nielsen task force is advocating more cuts.

The Government brags about helping those in need. I find that to be unforgiveable on the part of the Minister of Finance (Mr. Wilson). It is bad enough that he does these things, but he tries to fool people, particularly those who are hurting and have no power to fight back. It is quite unforgiveable. He says that he is designing programs to help those in greatest need, but let us look at the actual facts.

The National Council of Welfare figures prove that the impact of the Conservative Budget, without even looking at the impact of the sales taxes, will result in the lowering of the disposable income of a family which is at three-quarters of the poverty level—a very poor family—by $118, while an upper income earner who receives over $100,000 will gain $422. The poor family loses $118, plus the sales tax increases which will be imposed, while the high income earner gains $422 plus tax benefits. How can one possibly say that it helps those in greatest need?

Let us look at the so-called child tax credit and the family allowance which have both been deindexed. The value is being eroded. The terminology is being changed. We no longer talk about universality; we talk about universal access. We know that means an erosion of universal family programs. The refundable tax credit will not cover last year's sales tax increases, much less compensate families for the loss of indexation on family benefits. It also penalizes single mothers who do not receive the extra $100 for a spouse.

The Government has allocated $100 million per year to new employment initiatives for social assistance recipients. I caution the Government. It should make sure that it consults with community people, including those from low-income organizations, on how the money should be used. We could really get into a bind if we are not careful here. We do not want punitive work for welfare measures as the Nielsen task force recommends for native people. If women on welfare are to take advantage of job opportunities, they must have training and child care, and there is nothing in the Budget in that regard. I hope that some of the new funding will go toward funding self-help programs and toward community development in low-income communities, which will provide double benefits in terms of improving community support services as well as providing paycheques.

I am extremely disappointed, as are Canadian women and men, particularly those who are parents, that the Government completely ignored the very urgent need for federal funding to

begin to upgrade and expand many forms of child care. We need money now, according to the Cooke report which was tabled last week, to begin to upgrade existing services so that children are not placed at risk and many working parents at least begin to feel that there is some licensed care in communities.

The proposal of Katie Cooke was a very conservative one. It was far too conservative, from my point of view, but it made clear that the federal Government must put some good-faith federal grants into the system this year so that we can begin to build toward a much more comprehensive child care service in all communities in the future. Only 13 per cent of our families are so-called traditional families now. Eighty-seven per cent are families with two parents working, and in the case of 10 per cent of them they are families headed by women. We have a whole new society in Canada. The Conservative Government, especially the Minister of National Health and Welfare (Mr. Epp), has to begin to accept reality. Fifty-two per cent of the mothers of infants are in the workforce and they do not have care for their children. Over the past eight years there has been a 60 per cent increase in the numbers of families that need child care. I could go on and on.

In 1984, there were almost two million children who needed care and we had only 171,000 licensed spaces for them. We have to begin to act on this. Even from an economic point of view, I hope Conservative Members realize that many mothers have to work. If they do not work there will be more poor families on welfare. The cost of investing in day care is not only essential to children, but it will also save both social costs and costs for women who would otherwise remain on welfare all their lives.

In conclusion, we are very disappointed, in fact very crushed by the federal Budget, particularly the lack of any recognition of the need for women to achieve equality and for low-income families to have the opportunities they deserve, which is their right in a rich country like Canada. We have to plan for economic equality. The Government is pushing people backward and is particularly penalizing women and children.

The Acting Speaker (Mr. Paproski): Before calling it one o'clock, I should like to indicate that the Hon. Member has four minutes remaining for debate, if she wants to continue, plus the 10-minute question and comment period.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

UNEMPLOYMENT INSURANCE

CALCULATION OF PENSIONS AS INCOME

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, today approximately 400 Canadians from Montreal have come to Parliament to protest the cut-backs in unemployment insurance for those taking early retirements pensions. These Canadians range in age from 49 to 63. Many of them still have family responsibilities. Many have paid unemployment insurance premiums for over 30 years and never collected. Now they are about to collect for the first time and they have been cut off. They feel betrayed by the Government and they are angry. They want the Government to withdraw this crual, retroactive policy. If that is not done, they will not forget.

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APARTHEID

SOUTH AFRICA—CALL FOR IMPOSITION OF ECONOMIC SANCTIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Government of South Africa stands condemned once again when, on Tuesday last, police fired without provocation on more than 2,000 black children gathered to attend the trial of friends.

Across Canada, protests are mounting against the violence of apartheid.

Today, post office, airline, and communications workers will engage in a 24-hour job action in support of their repressed brothers and sisters in South Africa. Labour and community groups are gathered in protest in downtown Vancouver. The United Food and Commercial Workers are calling on all retail outlets, including those of the Department of National Defence, to refrain from the purchase and sale of South African goods.

The message to the Government is clear. The Prime Minister (Mr. Mulroney) must fulfil his promise at the United Nations to impose strong sanctions and end diplomatic relations with the Botha regime, if, at the end of the six months' deadline established by the Commonwealth, there has been no fundamental dismantling of apartheid.

Mr. Speaker: Order, please. Sixty seconds.

[*Translation*]

SHIPBUILDING

URGENT NEED FOR GOVERNMENT TO TABLE NATIONAL POLICY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, Canada is one of the few countries in the world that borders on three oceans and also has a very extensive network of navigable inland waters.

Our shipbuilding industry has developed over the years, and in this country we have state-of-the-art equipment and thousands of very experienced shipyard workers.

We must achieve a degree of self-sufficiency in the shipbuilding industry, while at the same time competing on world markets.

To maintain our work force and the kind of equipment we have in this industry and to further develop our skills, I think it is urgent, Mr. Speaker, that a national policy on Canadian shipyards be tabled here in the House.

* * *

[*English*]

TASK FORCE ON PROGRAM REVIEW

REACTION OF INTEREST GROUPS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, the great Canadian tragedy is that once a Government program is in place it develops a constituency, which either continues to support it on principle or, worse, depends on it in practice. The dependency becomes addictive. The expenditures become entrenched.

The original purpose of the program is lost as the beneficiaries come to view the program not as a privilege but rather as a right. The tabling of the report of the Task Force on Program Review represents a giant step on the road to more efficient government. Yet already, Mr. Speaker, we are hearing howls of anguish from the interest groups vehemently denouncing any possible reduction or diminution of what they view as their particular entitlement.

I urge all Members carefully and objectively to consider the various recommendations put forward by this non-partisan public and private sector task force.

Canadians have a right to expect government that serves their needs at a reasonable cost.

* * *

PORNOGRAPHY

TRANSMISSION BY TELEPHONE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have received a number of telephone calls from furious parents who are demanding that the Government take immediate action to deal with the dial-a-porn epidemic.

One of the calls I received today was from Mrs. Angela Burgess of Russell, Ontario, whose nine and 11-year old daughters got the dial-a-porn number from a 10-year old girlfriend who, in turn, got it from her 12-year old sister, et cetera, et cetera.

Mrs. Burgess told me the dial-a-porn numbers are circulating like wildfire among children, and she is going to refuse to pay her phone bill until the problem is dealt with by Bell.

She said:

I am not going to support a company that supports pornography.

I would urge other parents who find themselves in a similar situation to do exactly the same thing, but I would also urge the Minister of Communications (Mr. Masse) to introduce legislation as soon as possible to prevent this garbage from being transmitted through the telephone system. The Minister of Justice (Mr. Crosbie) should also launch a criminal investigation to determine if charges should be laid against Ma Bell.

* * *

● (1405)

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—REACTION TO MINISTER'S LETTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is always sad when friends fall out. Today I read about Irene Porter of Nova Scotia, who is running for the presidency of the Young Conservative Party in Montreal this weekend. Miss Porter lambasted the infamous letter from the Minister of State for Youth (Mrs. Champagne) and said: "I don't think any Government has a mandate to go out and recruit Party members".

Typical Tories that they are, two Ontario government Members are speaking up too. The Member for Scarborough East (Mr. Hicks) says that Metro Toronto Tories "are not getting our fair share based on our size". The Member for Sarnia-Lambton (Mr. James) says: "It doesn't come to mind that there has been anything".

Out in White Rock a B.C. pensioner, Jack Peake, said: "Mulroney promised all sorts of cuts . . . but not one word about his own fat indexed pension. In fact, the first thing he wanted to do was cut our pensions. If it weren't for old folks these people who throw stones at us wouldn't have what we've got today".

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

[*Translation*]

INDUSTRY

LES MERCURIADES—PARTICULAR DISTINCTION FOR BEAUCE REGION

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to bring to the attention of this House the results of the Mercury awards held recently in Montreal. Organized by the Quebec Chamber of Commerce, this contest, which has how been held for the sixth time, is aimed at promoting and honouring the skills and excellence of our business people.

Seventeen Mercuries were awarded, as symbols of excellence and entrepreneurship in the business community.

Of all regions in Quebec, Beauce made a particularly good showing. In fact, three small businesses from our region won awards during this event. The businesses that received the Mercury awards were Cartem in Ste-Marie, Garaga in St-Georges and finally the famous Canam Manac group.

These achievements prove that when given a chance, the people of Beauce are capable of meeting the industrial challenge. We ought to be proud of regions that help themselves and do so very successfully.

* * *

[*English*]

EDUCATION

POST-SECONDARY INSTITUTIONS IN MANITOBA—PROVINCE'S SHARE OF FUNDING

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, as someone who has been a teacher for many years I fully appreciate the vital role which post-secondary educational institutions play in our society. Their function is even more significant in these times of high youth unemployment. That is why it is so essential that federal funding be passed on directly to our post-secondary institutions. Unfortunately, several provinces, including the Province of Manitoba, are failing to do that.

As the non-partisan Johnson Report documented, federal funding to post-secondary education in Manitoba rose by 101 per cent between 1977 and 1985. During that same period, however, Manitoba government support for post-secondary education rose by only 57 per cent. More recently, the federal contribution in 1985-86 rose by 6 per cent, yet my own Brandon University received only a 2.6 per cent increase in its operating grant. Mr. Speaker, we must ensure that federal funding reaches the institutions and the students for whom it is intended.

ADMINISTRATION OF JUSTICE

GOVERNMENT'S MEASURES TO ENSURE STRICTER ENFORCEMENT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to say a few words today about Canada's criminal justice system. This has been a concern of many of my constituents, including Mr. Tom MacMillan. Specifically they want to be assured that innocent people in society are protected, and that victims' rights are recognized. I have been proud to tell them about the progress made in the 33rd Parliament.

Tougher laws for impaired driving are better protection for innocent people. The street soliciting law has been welcomed in my riding and across the country. We have introduced legislation to stop the importation of hard core pornography, with more legislation planned. Changes to the National Parole Act will end the ridiculous situation in Canada whereby dangerous criminals are released on to the streets after serving two-thirds of their sentences. Changes in Canada's Young Offenders Act will end the obvious deficiencies in that law as well.

In short, Mr. Speaker, this Party and Government are committed to changes that emphasize the rights of innocent people and victims, something which the Liberals and socialists never understood.

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RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the people of Newfoundland have become weary of the cruel and senseless cat and mouse game which is being played with the people of that province with respect to the future of the Newfoundland Railway. Over a period of some months the Government of Canada has been using every means at its disposal to pressure the people, the Government, and the Legislature of Newfoundland into agreeing to abandon the Newfoundland Railway.

As recently as yesterday the Deputy Prime Minister (Mr. Nielsen), presumably speaking on behalf of the Government of Canada, said in this House that the Government of Canada will respect the Terms of Union between Newfoundland and Canada. Those Terms of Union provide for the continuation of the Newfoundland Railway. At the same moment that the Deputy Prime Minister spoke those words in this House, his colleague, the Minister of Transport (Mr. Mazankowski) was putting the final touches on a proposal to be given to the Government of Newfoundland to abandon the Newfoundland Railway.

Mr. Speaker, we do not mind the Government making its choices, be they right or wrong. We do mind the Government trying to do both things at the same time, and misleading people in a cruel and senseless manner.

Mr. Speaker: Order, please. Sixty seconds.

PUBLIC SERVICE

FRANCOPHONE OFFICIAL'S TREATMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, while the Prime Minister was preaching at the Francophone Summit for the preservation of French, DRIE has been using intimidating and ruthless schemes to destroy Mrs. Leila Tremblay, a young woman with four university degrees and a fine record of being published in the French media in Canada and overseas. She has a 12-year record of good work in the tourism branch.

Soon after arriving there, her DRIE supervisor, one Mr. Fyfe, sought her out, disciplined her over a trivial incident, suspended her for being at her own grievance hearing, and filed an unbelievably adverse appraisal of her. Then DRIE recommended that she be dismissed. She appealed. The Appeal Board and DRIE ignored six doctors' certificates and began the hearing without her being present.

● (1410)

Mrs. Tremblay presented four unchallengable outside witnesses who were beyond the Department's sphere of intimidation. These witnesses established her competence and cast doubt on the competence of her critics.

Now DRIE's representative, Mr. Kroger, has issued threats demanding that she withdraw submissions and documents, and that her priest's letter of February 17—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

YOUTH

"LES CHANTIERS QUÉBÉCOIS DE BÉNÉVOLES"

Mr. Guy St-Julien (Abitibi): Mr. Speaker, in Quebec we have our own Katimavik program, and I am referring to "*Les chantiers québécois de bénévoles*". It is a formula for socio-cultural activities that has been very popular in Quebec, in Canada and also in Europe in the last five years. The program, which is similar to Katimavik, works according to a team formula that responds to a very real desire for self-expression and community achievement among young Quebecers. The "*chantiers québécois de bénévoles*" are a way for young people to become acquainted with a variety of social environments in Quebec, Mr. Speaker.

* * *

[*English*]

THE ECONOMY

FORECAST OF CAPITAL EXPENDITURES BY BUSINESS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, the House should be made aware of the Conference

Board of Canada's 1985 fourth quarter survey of business attitudes and investment intentions. In this survey optimism abounds in the Canadian business community. Fourty-nine point seven per cent of senior business executives believe that now is a good time to undertake capital expenditures. This is an increase from an already strong third quarter in 1985. This represents the highest response of optimism in the past seven years. Moreover, it is a complete turnaround from mid-1984 when a full 46 per cent of businesses believed that it was a bad time to invest.

Also in the survey the highest ever number of respondents believed that the unemployment rate will continue to decline in the coming months.

According to a research associate with the Conference Board "Business members were also more positive with respect to general economic conditions". The results of this survey show a positive, upbeat mood on the part of the business community, and it is an expression of confidence in the performance of our Government as we enter 1986.

* * *

TRANSPORTATION OF DANGEROUS GOODS

RAILWAY SPEED LIMITS URGED WITHIN MUNICIPAL BOUNDARIES

Hon. Chas L. Caccia (Davenport): Mr. Speaker, recent railway accidents have emphasized the threat posed to human health and safety by the transportation of hazardous goods through populated areas. The Minister of Transport (Mr. Mazankowski) has a special role to play in protecting the urban populations at risk.

There have been repeated calls for trains hauling hazardous goods to travel at slower speeds through built-up areas. When the 10-mile per hour limit was imposed in Vancouver it was taken as a good sign. However, it turns out that this limit only applies to a one-mile stretch of track along the Harbour Front because of Expo 86. I urge the Minister to enforce speed limits within municipal boundaries of all communities in Canada so as to minimize the risk to as large a number of people as possible.

The Government, in upgrading the safety of rail operations in Canada, must approve funds for the 36 safety inspectors requested by the Ministry of Transport instead of just the eight safety inspectors recently appointed. The Government must act to protect the health and safety of Canadians.

Mr. Speaker: Order, please. Sixty seconds.

* * *

INCOME TAX

EFFECT ON FAMILIES WITH VARYING INCOMES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Government talks of tax fairness. Yet according to the March

8 *Financial Post* we find out that a family with a gross income of $40,000 will pay, by 1987, $812 more than they would have paid when the Government took office in 1984 by way of income tax. At the same time a family with a $60,000 gross income will pay $1,200 less, and a family earning $150,000 in gross income will pay $5,470 less by way of tax since the Government took office in 1984. This does not strike me as an indication of fairness toward the lower-income taxpayers of Canada.

* * *

[*Translation*]

EMPLOYMENT

JOIE DE VIVRE PROJECT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, over 6,000 people signed a petition presented to the Minister of Employment and Immigration, in support of the "*Joie de vivre*" project, whose existence is threatened as a result of the Canadian Jobs Strategy. The 6,666 petitioners, backed by 21 agencies, stated that no society with any self-respect can afford to ignore the basic needs of those who are ill. That is why we think it is so important that a project like "*Joie de vivre*" should continue to help our less fortunate fellow citizens.

The Conservative Government always attacks the least fortunate in our society, Mr. Speaker. This Government has no social conscience.

● (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

EFFECT OF PROPOSED UNITED STATES FARM BILL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Crosbie: Is it your birthday, John?

Mr. Turner (Vancouver Quadra): My question is directed to the Secretary of State for External Affairs. He does not need the coaching of the Minister of Justice and, if he is wise, he will reject it.

The United States Farm Bill proposes the greatest threat in living memory to Canadian and, indeed, Australian farmers. The Prime Minister of Australia, Bob Hawke, has sought a special meeting with President Reagan. Yet, looking at the background papers issued last evening, there is not one word on the farm problem.

Why is this issue not a top priority for the Government and the Prime Minister in his meeting next week with the President of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I indicated in the House earlier this week, I have raised the question of the U.S. farm legislation in my meetings with Secretary Shultz, and the Prime Minister will be raising it in his meetings with the President next week.

I think the Right Hon. Leader of the Opposition knows that in the conversations between the Prime Minister and the President, this is a matter in which there is indeed the beginning of a common position because the President has already expressed his concerns and reservations about that Farm Bill. We intend, in the Prime Minister's meeting next week, to urge the President to continue in that course.

Mr. Turner (Vancouver Quadra): Notwithstanding the Minister's answer, there is not a single item on the agenda that reflects what the Minister has said, even though it means a potential 20 per cent loss of income as against 1984 prices for the Canadian farmer.

[*Translation*]

GOVERNMENT POSITION VIS-À-VIS UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary is as follows: Yesterday, the Government caved in to U.S. pressure in the matter of the Canadian publishing industry. Today, apparently, the Government has already caved in to the Americans on the price of drugs for Canadian consumers. Why did the Canadian Government cave in, right before the Canada-U.S. Summit, and so lose its bargaining position? Why give up our whole position before the meeting?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, unfortunately, the Right Hon. Leader of the Opposition is misinformed. There have been Canadian governments that lacked the courage to defend Canadian interests vis-à-vis the Americans, for instance in the matter Canadian sovereignty in the Far North. This Government has shown on many occasions that it is determined and has the capacity to defend Canadian interests. We are going to continue Canada's new approach that was introduced with the election of a proud and strong Conservative Government.

[*English*]

Mr. Speaker: Order. Both questions and answers were a little long.

LUMBER EXPORTS TO UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, how brave that Government was last summer when

the *Polar Sea* went through. It was only after it had gone through that the Minister got up and made his famous declaration.

Why yield so many key issues before going to Washington, when the major issue being raised by the Congress of the United States concerns softwood lumber, an issue that is fortunately on the agenda. Why throw away our cards when we have not really come to one of the prime issues affecting the whole softwood lumber industry in western Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the problem with regard to the *Polar Sea* was not a lack of courage. The problem was a lack of preparation for some 16 years by a Liberal Government that had left the Government of Canada with practically no way to defend or assert our sovereignty. We have changed that in the interest of a strong Canada that stands up for Canadian interests. We will do that on the forest question; we will do that on the farm question. We will continue to make progress to develop and protect the interests of Canada in our relations with the United States.

Mr. Speaker: Order, please.

* * *

● (1420)

EXTERNAL AFFAIRS

NICARAGUA—PROPOSED UNITED STATES MILITARY AID FOR CONTRAS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wonder where the Government was on the Prentice-Hall decision.

I would also like to direct a question to the Secretary of State for External Affairs. As the Minister will know, there are many Canadian church organizations, NGOs, and individual Canadians who are deeply concerned about the U.S. administration's proposed supplying of military goods and equipment to the Contras in Nicaragua. Yet we see nothing on the agenda.

Would the Secretary of State for External Affairs tell us if the Prime Minister intends in his meetings with the President to register the very strong opposition of Canada toward proposed military aid? Will he also encourage the President to follow peaceful means of negotiation to solve the problems there, not the use of military force?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member were more interested in having a positive effect upon the achievement of peace and progress—

Mr. de Corneille: Answer the question.

Ms. Copps: What about the Contras?

Mr. Clark (Yellowhead): —in Central America, he would know that Canada can advance that progress best by pursuing and strengthening the Contadora process, as we have been doing, and by resisting the temptation to reduce our influence in the United States and elsewhere by offering gratuitous advice which we can neither defend nor enforce.

Mr. Axworthy: Mr. Speaker, I have yet to hear a more gratuitous comment from a Secretary of State than the one we have just heard. There is nothing wrong in this country exercising its independent right to express its opinion when a country is—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Just a question, please.

NORAD AGREEMENT—ABT TREATY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, there has again been substantial confusion about what the position will be on NORAD.

Some Hon. Members: Order.

Mr. Axworthy: I would like to—

Some Hon. Members: Order.

Mr. Speaker: Order, please. Just a question, right now, please.

Mr. Axworthy: My supplementary question is for the Secretary of State for External Affairs. Does the Prime Minister intend to ask the President of the United States for a joint declaration at the end of the meeting concerning their joint adherence to the strict confines, regulations, and guidelines of the ABM Treaty as it relates to the NORAD agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member for Winnipeg-Fort Garry is the country's expert on confusion, and no one would challenge his title.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Leader of the Opposition would.

Mr. Turner (Vancouver Quadra): Don't take any advice from that guy. Don't hire him as your lawyer. I want to tell you, you would be in real trouble.

Mr. Clark (Yellowhead): The position of the Government of Canada with regard to the integrity of the ABM Treaty and regime was outlined clearly in my statement in the House of Commons. The Hon. Member's predecessor as External Affairs critic for the Official Opposition responded at that time to that statement.

Oral Questions

INDIAN AFFAIRS

DEATHS OF FOUR INDIANS ON ALBERTA RESERVE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. At a time when one out of five young Canadians is unemployed, it is hardly an optimistic time for young Canadians to be growing up. But those who suffer most, without question, are young Canadians on our reserves. My question pertains to the tragic death of four young native Canadians on a reserve in Alberta the night before last with, I understand, the possibility of other deaths, perhaps one actually occurring today.

Given the federal involvement in programs for young native Canadians, and its commitment—and, indeed, I know of the Minister's commitment to these programs—will he undertake to make an investigation into these sad deaths and have a report made back to the House?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, in response to the question put by my hon. friend, I think he should know that the Province of Alberta and the Minister of National Health and Welfare have taken steps to carry out such an investigation which, I believe, would yield the answers to at least some of the questions the Hon. Member is asking.

CONDITIONS ON RESERVES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering our housing standards, health standards, and educational standards, the experiences of people growing up on the reserves are, without question, the worst in Canada, I would ask either the Minister or the Deputy Prime Minister what plans the Government has to improve circumstances for native Canadians growing up on these reserves in all areas?

● (1425)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the second question of the Hon. Member, as he knows, is obviously a very complicated one, as it involved the tragic circumstances of the other day. As he well knows, in other reserves and in other Indian communities we also find the same type of circumstances which gave rise to the events of the other day.

With respect to the fixing-up, it took years to get where we are today in terms of reaching the level of inability to cope properly with a new generation of Indian people. It will take all the energy we can muster, both on the government side and on the Hon. Member's side of the House, and in all other institutions, to ensure that Indian people are able to join the rest of Canadian society so that they have some hope for the future, which those young people in that community demonstrated was not there for them in this generation.

Some Hon. Members: Hear, hear!

FUNDING OF PROGRAMS FOR NATIVE PEOPLES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, certainly on this side of the House we strongly favour doing whatever is necessary to improve the circumstances for native Canadians.

I wish to direct my supplementary question to the Deputy Prime Minister. Considering the living experience of native Canadians on reserves, will he assure us that whatever else the Government may be doing with respect to the series of task force representations, these Canadians who have been so badly treated historically will not be badly treated in the future and that the Government will not cut back on the funding of any programs for native Canadians?

Some Hon. Members: Hear, hear!

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps I could respond to the Hon. Member's question. My hon. friend, the Leader of the New Democratic Party, may recall that last April 18, if my memory serves me correctly, the Prime Minister quite clearly indicated that, first, in all our negotiations and discussions with Indian people we will ensure that the relationship between the Government and the Indian people will be strengthened. Second, he indicated that he would not in any way cut program costs, in order that Indian people would be able to keep, at the minimum, what they have, and that in particular fields such as education we would see if we can find the resources to increase their opportunities.

I might also say that the Prime Minister made it quite clear that, in all of these matters, we would make sure that the discussions would be open to the public. That is one of the reasons why the reports of the Deputy Prime Minister's task force were referred to the standing committee—

Mr. Speaker: Order, please.

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RAILWAYS

REQUEST FOR MAINTENANCE OF NEWFOUNDLAND RAILWAY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister. He knows that the Government is sending conflicting signals to Newfoundlanders with respect to the future of the Newfoundland Railway, with both the task force report and the Minister of Transport demanding it be shut down. Yesterday the Deputy Prime Minister said that the Terms of Union will be respected. Will the Deputy Prime Minister assure Newfoundlanders and this House today that the request of the Government and people of Newfoundland to maintain and upgrade the railway will be respected by the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered that question yesterday. The Hon. gentleman is referring to an analysis and an option described by a study team which was engaged in the

work of program review. I pointed out yesterday that the Newfoundland Railway is the subject of one of the Terms of Union between the Province of Newfoundland and Canada. There is no way that the Government of Canada will dishonour those Terms of Union.

CANADA-NEWFOUNDLAND TERMS OF UNION—MINISTER'S PROPOSAL

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. Given that the Government of Newfoundland and the people of Newfoundland want to honour the Terms of Union, will the Minister assure the House that the proposal of the Minister of Transport to the Government of Newfoundland, which is now in the final stages of preparation and which recommends the phase-down of that railway, will be withdrawn by the Minister of Transport on behalf of the Government of Canada? Will he give the House that assurance?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the assurance which I can give to the hon. gentleman, those who asked the question yesterday, and all Members of this House is that the Government of Canada has no intention whatsoever of dishonouring any of the Terms of Union.

Mr. Tobin: That is not the question.

* * *

INDIAN AFFAIRS

STUDY TEAM REPORT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Yesterday, and again today, the Minister suggested that the Nielsen report on native programs should be referred to the standing committee. Considering that the Standing Committee already has a full agenda and that the Assembly of First Nations has totally rejected the report, would the Minister, who has chaired a cabinet committee designed to look at this review, not submit to the Standing Committee a list of suggestions from the report that he considers worth-while so that the Standing Committee will not have to sort through all the garbage about modern suburbs in the bush and—

• (1430)

Mr. Speaker: Order, please. This is quite long.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I cannot understand why Hon. Members continue to put questions in the House that raise questions about actions that have been taken by the House. Last Tuesday, with the agreement of all Parties, a motion was passed referring all of the study team reports to the respective Standing Committees. That is an action that has been taken collectively by the House. Surely, according to our Standing Orders, we cannot entertain the opening up of something the House has already decided.

MINISTER'S POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to submit the question again. Will the Minister submit to the Standing Committee a list of the reports' suggestions that he, in consultation with native leaders, thinks might be worth-while so that we do not need to sort through all the garbage about user fees, needs tests, and everything else.

Mr. Speaker: Order, please.

Mr. Manly: Let's have his suggestions.

Mr. Speaker: Order, please. If the Minister wishes to answer.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Yes, I do, Mr. Speaker. As I indicated the other day in answer to another question, now that the report is before the Standing Committee, as are all other reports of the task force—

Mr. Manly: But you've looked at it for a year.

Mr. Crombie: Now that the task force report is before the committee, I have already indicated to the chairman of the committee that when it considers what it wants to do with respect to that report, I am available, and I can make no other better offer than to meet with the committee if that is the committee's decision.

* * *

PENITENTIARIES

MURDER OF INMATE AT MILLHAVEN PENITENTIARY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the Solicitor General about the return of capital punishment to the Millhaven Penitentiary last month when inmate Niki Rivard was transferred to Millhaven and murdered by the inmate jungle justice system within six hours. The Minister knows that officials knew and predicted in the media that this would happen, yet none of the available precautions were taken for that inmate. I would like to ask the Minister why no precautions were taken, and whether or not the Solicitor General is taking the responsibility for this execution.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member should know as a former Solicitor General, inmates are put into protective custody with their consent for the most part. This was discussed with the

inmate in question who rejected that possibility and preferred to be put in with the general population.

REQUEST THAT INQUIRY BE CONDUCTED

Hon. Bob Kaplan (York Centre): Mr. Speaker, is the Minister telling us that the inmates are the ones who decide on their level of security? Will he conduct an inquiry to find out who was responsible for not providing security for an inmate whose death was predicted with such certainty?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member should know as a former Solicitor General, in any case such as this an inquiry is indeed conducted, both by CSC and, in a case like this, by the police as well. Again, as a former Solicitor General, the Hon. Member should know that in the case of protective custody institutions—

Mr. Turner (Vancouver Quadra): Just tell us what you're doing.

Mr. Beatty: Mr. Speaker, I do not know if the Leader of the Opposition has a question. If that is so, I will sit down and let him ask it. However, if he wants a response to his colleague's question, I will give it. As the former Solicitor General should know, in the case of protective custody this is generally done at the request of the inmate himself. This was discussed with the inmate.

Mr. Kaplan: Not all the time.

Mr. Beatty: The Hon. Member asks a question and then tries to shout down the response. Does he want a response? I would like to give it. This was discussed with the inmate in question who rejected it. As would be done in a case like this, an internal inquiry is under way in addition to a police inquiry.

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PHARMACEUTICAL INDUSTRY

EXTENSION OF PATENT RIGHTS—GOVERNMENT POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare in the absence of the Minister of Consumer and Corporate Affairs. Can the Minister confirm that the Government is proposing to extend the patent protection law for drugs to 10 years, given that the present law saved Canadian consumers over $200 million in 1983, according to Professor Eastman? Will the Minister explain to low-income earners and elderly Canadians why he is caving in to pressure from the multinational drug companies?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first I want to tell the Hon. Member that there has been no caving in. Second, I want to tell him—excuse me, Mr. Speaker—that—

Mr. Nystrom: Speak up.

Mr. Orlikow: You need some drugs.

Mr. Crombie: The Minister of Health is not very well today.

Mr. Epp (Provencher): Mr. Speaker, now you know why I am interested in the subject.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): I would say to the Hon. member that if and when a decision is made, he, as a Member of the House, will be informed along with the others.

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, can the Minister confirm that the question of generic drugs will be on the agenda when the Prime Minister meets the President of the United States and tell us if this Bill, which we know is forthcoming, is being brought forward to appease the United States Government at the expense of ordinary Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to both questions is no.

* * *

AGRICULTURE

TASK FORCE ON PROGRAM REVIEW—REFERENCE TO NEW ACCOUNTING SYSTEM

Mr. Maurice Foster (Algoma): Mr. Speaker, for the Nielsen task force report on agriculture, only one individual full-time farmer, representing four farm organizations, was consulted. I wonder if the Minister of Agriculture can rise to say that the imposition of a new accounting system, which will cost farmers $1 billion on back taxes, is really in the best interests of the farmers.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, again, for as many times and as many days, I have to remind my hon. colleague that, when he refers to the task force, what we have been answering since the release of the documents is that they are not representations of Government policy but rather options. The sooner the Hon. Member accepts the reality of the situation, the better off we will all be, and perhaps we can dedicate our time, not only here in the House of Commons but perhaps elsewhere, to more productive questions.

REQUEST THAT MINISTER REJECT PROPOSAL

Mr. Maurice Foster (Algoma): Mr. Speaker, with all the uncertainty that exists in farming today, does the Minister think it is really in the best interests of farmers to leave this option up in the air and add more uncertainty? Why does he not just come clean and say that this policy will not fly and he rejects it out of hand?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as you know, I identified a couple of options that were placed before us by the task force and when it came time to make a decision and to form government policy, both of those options were rejected.

Mr. Foster: Reject this one.

Mr. Wise: There are a number of good recommendations. I think it is inappropriate for me to reject them, simply because all of these matters have been referred to the appropriate Standing Committees. I think that is a proper, decent, and democratic process, one which I respect and I would hope the Hon. Member would respect it as well.

IMPACT OF PROPOSED UNITED STATES FARM BILL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Secretary of State is fully aware of falling grain prices that are having a devastating effect on Canadian farmers. Can the Secretary of State say whether or not the Prime Minister will be discussing the specifics of the important U.S. Farm Bill with President Reagan next week, so that the President will be fully briefed on the disastrous effects of this Farm Bill on Canadian farmers since it includes a more than $50-billion export subsidy for U.S. grains?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know that it will be a clause-by-clause study, but I assure the Hon. Member that the question of the Farm Bill and its implications for Canada will be raised by the Prime Minister when he meets with the President.

NEED FOR NEW INTERNATIONAL GRAINS AGREEMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in order to guarantee the farmers of this country a fair price, will the Prime Minister also raise with President Reagan the important need for a new and effective international grains agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will know that initiatives have been taken by Canada's Minister of State for the Wheat Board in consultation with the Minister of Agriculture of the United States, and with various others.

• (1440)

I will convey to the Prime Minister the representation that it would be useful at the summit for him to underline the leadership which is already being shown by one of his Canadian Ministers in this regard.

[*Translation*]

FINANCE

EFFECTS OF LOWER BANK OF CANADA INTEREST RATE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have a question for the Minister of Finance.

Following today's one per cent drop in the Bank of Canada rate, could the Minister of Finance inform the House what impact this will have on mortgage loans and loans for small and medium-sized businesses?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased that we have had a drop in the bank rate today of slightly over 1 per cent—

Some Hon. Members: Hear, hear!

An Hon. Member: What about the Gallup Poll?

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): I can see that that news is not greeted with favour by the Hon. Member for Montreal-Sainte-Marie. Yes, I expect that there will be some response in the market-place to the bank prime rate as well as to mortgage rates. I am sure the Hon. Member noticed that mortgage rates dropped earlier today. It is all very encouraging and a pretty good indication that our economic program is working.

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF PENSIONS AS INCOME

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. Today we have outside, in the snow and the cold, several hundred Montrealers who lost their unemployment insurance benefits because they had early retirement pensions. Why does the Government continue to justify this cruel and retroactive policy simply on the grounds that it was announced a year ago, when not one of those persons outside knew about the policy when they agreed to early retirement pensions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that is a question which should be posed to the company for which the individuals worked.

Ms. Copps: The federal Government, Canada Post.

Mr. Cassidy: It is your business, not that of the company. How callous can you get?

Mr. Hnatyshyn: I don't know. You are the expert.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me respond to the question, if I may. The Hon. Member knows full well, because I think he has put the question in the House

a half dozen times, that this matter has been referred to the Forget Commission. As I have said to him, again on a number of occasions, a wide variety of issues is before the Forget Commission now. If we start to pick and choose those issues or those particular problems which we feel should be changed, without awaiting the full report of the Forget Commission, I think we would be foreclosing on some of the options the Forget Commission might wish to put forth.

ADVICE GIVEN BY UNEMPLOYMENT INSURANCE COMMISSION OFFICIALS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, that is the problem. The Minister has implemented the measure while referring it to the Forget Commission. These people have already lost their unemployment insurance and have been cut back while it is being studied.

Mr. Speaker: Order, please.

Mr. Allmand: Does the Minister realize that when officials in the Unemployment Insurance Commission were questioned on this matter, they indicated that they were not informed early in the year about it and could not give proper advice to these people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is right off base with that statement, and he knows it.

Mr. Berger: You were told that by the people in the corridor.

Mr. Wilson (Etobicoke Centre): The Hon. Member from Montreal is also way off base with his interjection. He does not know what he is talking about, either.

Mr. Tobin: Is the country off base? Is Wilson the only one who is right?

Mr. Wilson (Etobicoke Centre): The fact of the matter is that this measure was introduced in November, 1984. I believe the implementation of the measure was deferred from April 1, 1985, to January 1, 1986. During that time the Department was well aware of the measure itself, as well as the deferral and the means for deferral.

Mr. Guilbault (Saint-Jacques): Go outside and tell them that.

* * *

CUSTOMS TARIFF

KOREAN STEEL IMPORTS—IPSCO LAY-OFFS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Finance. As I am sure he is aware, up to 1,400 Ipsco steelworkers are being laid off across western Canada. Part of the problem is the importation of cheap South Korean steel. Could the Minister explain why we are the only country in the world which gives South Korean steel a preferential tariff when it has the most modern steel industry in the world and Canadian steelworkers are being laid off in droves?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member knows the reasons for preferential tariffs. Preferential tariffs are available to certain less developed countries of the world, and South Korea is one of them. Also I think the Hon. Member is aware that it is the option of the company to refer something to, I believe it is, the import tribunal, at which time a decision can be taken.

REQUEST FOR POLITICAL ACTION

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is directed to the same Minister. How can he, in all good conscience, suggest that Canadian steelworkers should be content to go through a very lengthy bureaucratic maze while their industry in western Canada is being devastated? Does the Minister not agree that immediate political action is needed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is leaving a wrong impression, if I can be nice with him here. One of the reasons for the lay-offs of workers at Ipsco is the fact that there is a market slowdown in the oil and gas industry which is having quite an effect on the business of Ipsco. That is a matter which is outside our control, and he knows it. It is the drop in oil prices.

Mr. Turner (Vancouver Quadra): What about the recession?

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition talks about a recession—

Mr. Turner (Vancouver Quadra): Oh, come on!

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): Things are out of control when you want them to be out of control—

Mr. Wilson (Etobicoke Centre): Things are going faster in Canada than in any other country with the exception of Japan.

Mr. Turner (Vancouver Quadra): When you don't want to take the responsibility, you don't—

Mr. Speaker: Order, please. May I invite Hon. Members to continue this conversation somewhere else?

TRANSPORTATION OF DANGEROUS GOODS

APPOINTMENT OF TORONTO TASK FORCE

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Transport my question is for the Parliamentary Secretary. On December 4, 1985, the Minister of Transport advised the House that he would establish a task force on the transportation of dangerous goods through the greater Toronto area. Four months have now passed. Will that task force be established and, if so, when?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I should like to respond to the Hon. Member for York East. Largely because of persistent efforts by himself and by other Members from the greater Toronto area, tomorrow the Minister of Transport will announce the formation of a task force. It will be headed by Mr. Harold Gilbert, the very highly respected former Deputy Minister of Transport and Communications in Ontario.

Some Hon. Members: Tomorrow!

Mr. Forrestall: It will be a two-year study and it will involve all sectors—

Mr. Speaker: Order, please.

* * *

THE BUDGET

EFFECT ON MIDDLE-INCOME TAXPAYERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the Budget which Canadians have not seen, the special good news Budget which has been peddled from Canadian Embassies abroad. If indeed the Canadian economy is now as good as the Government would like to have foreigners believe, why is the Minister still playing the heavy with middle-income Canadian taxpayers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me explain to the Hon. Member that one of the reasons the Canadian economy had the best economic rate of growth last year, equalled only by Japan, is that we have been attacking our basic fiscal problem, the deficit. This is why interest rates were down last year. This is why economic activity was strong. This is why housing starts were up by something like 30 per cent. This is why investment activity was up by—

Mr. Speaker: Order, please.

Some Hon. Members: More! More!

ECONOMIC FORECASTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, is the Minister saying that of his two economic forecasts—the sunny one for foreigners and the grim one for Canadians—he is today asking us to accept the sunny one?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the statement which was issued in the United States and the statement which was issued in Canada, both in relation to the Budget, utilized exactly the same economic forecast, exactly the same fiscal forecast, and exactly the same approach to the economic problems of the country. She knows it, and she is trying to mislead the House with that statement.

Some Hon. Members: Order!

Some Hon. Members: Withdraw!

Mr. de Jong: Michael, you are in trouble.

Mr. Speaker: Order, please. I am sure the Hon. Minister of Finance wants to withdraw the last part of that.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did not mean to leave the implication that she was intentionally misleading the House. I just felt that she was misleading the House in the way she was putting the preamble to the question.

• (1450)

Some Hon. Members: Oh, oh!

Mr. Speaker: A withdrawal with regard to her purposes is what I was seeking.

* * *

SPORTS

VIDEO TAPES OF HOCKEY FIGHTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport. I wrote to the Minister several days ago concerning video tapes of hockey fights which had been edited from NHL telecasts and are being offered for sale across the country.

Does the Minister not agree that such video tapes are detrimental to efforts being made to clean up the violence in hockey, particularly at the junior level? Will he tell us what measures he has taken to get this pornography off the shelves?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, as the Hon. Member should know, the NHL does not fall within my jurisdiction as Minister responsible for amateur sport.

Mr. Berger: Pass the buck again.

Mr. Jelinek: However, because of the large youth following which NHL hockey has, I took the initiative and approached the president of the National Hockey League some months

ago on this matter. I am continuing discussions with people in the NHL to try to remove violence from the sport as a whole.

Some Hon. Members: Hear, hear!

REQUEST FOR ACTION TO REMOVE VIDEO TAPES FROM STORE SHELVES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my supplementary question is also for the Minister of State for Fitness and Amateur Sport. As well as talking to people in the NHL, has the Minister spoken to his cabinet colleagues who have jurisdiction over copyright and justice to encourage them to act quickly to get this stuff off the shelves?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, as the Hon. Member should know also, the jurisdiction over video tapes rests with the provinces. Perhaps it would be a good idea for the Hon. Member to talk to representatives of the provinces.

* * *

ENVIRONMENTAL AFFAIRS

LAKE ERIE WATER LEVELS

Mr. Allan Pietz (Welland): Mr. Speaker, my question is for the Minister of the Environment. Residents along the Lake Erie shore have experienced considerable flooding and property damage due to the high water levels of Lake Erie. This situation is even more threatening now because of the expected heavy runoff. Can this threat of flooding be reduced and the Lake Erie water level lowered by allowing more water to flow through the Welland Canal and the Niagara River?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, 30 different international studies over the years have documented in worrisome detail the extent to which the body of water in question cannot be regulated easily.

There are, however, many steps that could be taken to deal with the problem in general. For that purpose I will be announcing soon the establishment of the Canadian Flood Control Centre, which will mobilize all the resources of the Government of Canada in one centre, probably in Burlington, stressing the dissemination of information and the provision of technical advice. The problem is serious, and the Government of Canada treats it with the utmost urgency.

* * *

NATIVE ECONOMIC DEVELOPMENT FUND

EXTENT OF EXPENDITURES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of State for Small Business. Is he aware that Mr. David Star, a community development worker at Peerless Lake in northern Alberta where the recent terrible tragedy took place, said the problem at Peerless Lake is that young people have no hope and no economic future? Why then did the Minister is this current fiscal year expend less than 20 per cent of the Native Economic Development Fund which had been approved by Parliament?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, in the past twelve months, I received nearly 800 applications for the Native Economic Development Program, and 72 per cent have been processed. Over $40 million has been spent to help native peoples in all regions. Mr. Speaker, I am proud of the work done by my departmental officials in this respect, and we shall keep up the good work.

[*English*]

REQUEST FOR INCREASE IN ESTIMATES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary question is also for the Minister of State for Small Business. Will he assure the House and the native people of Canada that he will fight with all the vigour he can muster to get his full allocation in the next fiscal year, and not just 47 per cent as we have in the Estimates?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, like all other Ministers and Departments in this Government, we are working very hard to give all Canadians, including native peoples, what they have a right to expect, and we shall continue to do so.

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES AID TO CONTRAS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Secretary of State for External Affairs who, in a joint communiqué with the Foreign Minister of Mexico issued earlier this week, urged everyone to "refrain from committing acts that aggravate the present situation in Central America".

Since the provision of lethal aid to the Contras in such an act, will the Prime Minister be drawing this communiqué to the attention of the President next week in the course of urging him not to give lethal aid to the Contras?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly ensure that the communiqué is drawn to the attention of American authorities.

CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I am glad that the Secretary of State recognized that war and peace in Central America are our business. Will he, in the course of making sure that the communiqué is provided to the President by the Prime Minister, also assure that the Prime Minister speaks quite strongly on this matter of lethal aid to the Contras?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we believe that actions speak louder than words in Central America as elsewhere. Our Government has tripled its development assistance in Central America because we believe the problem there is an economic problem and not a military problem to be solved by military means.

Ms. Jewett: Answer the question.

Mr. Clark (Yellowhead): We have contributed constructively to the Contadora process. We have discussed the possibility of contributing constructively to the resolution of border disputes. We intend to take an active role—

Ms. Jewett: What about the communiqué?

Mr. Clark (Yellowhead): —in working to bring peace and stability and development to Central America.

* * *

[*Translation*]

PARKS CANADA

JOB HIRING POLICY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister responsible for Parks Canada. I have here a letter from the office of the Hon. Member for Gaspé, addressed to the Parks Canada Director for the Gaspé, and it says: "We are enclosing a list of people who are interested in becoming part of your staff. We want these people to be considered for future jobs." How can the Government tolerate a situation where the staffing at Parc Forillon in Quebec will be changed to suit the needs of Conservative Members?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think I got the question correctly. The Hon. Member is suggesting that because somebody wrote to me recommending that I should consider a list of names for recruitment as employees in my Department, therefore I am responsible for distributing such largesse. This is without having received the letter and much less having made the decision.

Mr. Boudria: Obviously, Mr. Speaker, that is not what I said.

Some Hon. Members: Oh, oh!

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in view of the fact that this is the fifth patronage issue that has occurred and been brought to the attention of the House in the last eight days, when is the Deputy Prime Minister going to get involved to ensure that this does not happen again? When is he going to tell his Tory members to take their hands out of the taxpayers' cookie jar?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question and the previous one are manufactured out of the usual raw material utilized by the Hon. Member in his questions.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It is your material.

Mr. Gauthier: It's your material, the raw material.

Mr. Turner (Vancouver Quadra): It is raw.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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UNEMPLOYMENT INSURANCE

CALCULATION OF PENSIONS AS INCOME

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. It has to do with the recent changes in unemployment insurance.

In light of the fact that his colleagues rejected and condemned retroactivity as it applied to the recent Prentice-Hall sale, why is it that when it comes to pensioners receiving their UI benefits, retroactivity is quite in order, but when it comes to corporations retroactivity is a no-no?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has got it wrong. It was not retroactive. In fact we delayed the implementation of the whole matter for eight or nine months.

[*Translation*]

IMPLEMENTATION OF REGULATION CHANGE—GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): I have a supplementary for the same Minister. Could he give the House the assurance that he is going to reverse this change in the

Unemployment Insurance system, now that the Forget Commission will not submit its report until this fall?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I have said on a number of occasions, there are a wide range of matters which are under review by the Forget Commission. If we took decisions on these matters individually, we would be undermining the role of the commission. In fact, we might even be in contempt of that commission. We have said on many occasions that we are awaiting the results of the commission's report, after which we will take decisions.

* * *

• (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, could the Government House Leader give us an outline of the business he intends to call next week and until the Easter adjournment?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I thank the Hon. House Leader for the question. There will be no business tomorrow as, by virtue of an Order of the House of earlier today, we agreed to adjourn the House at the conclusion of today's sitting until Monday. On Monday we will proceed with the sequence in which we are now engaged, that is, the Bill with respect to the borrowing authority. Hopefully we can make progress on that. It is then my intention to call Bill C-91, an Act with respect to the establishment of competition tribunals. I now designate next Tuesday and Wednesday as allotted days for the Opposition. We will continue to consult and see what progress we make in order that we can call the rest of the business.

In summary, since the Hon. Opposition House Leader has asked me to list the business until the Easter recess, I would like to dispose of all the Bills on the Order Paper.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, do I interpret that last comment to mean that, if that were to occur, the Government is prepared to prorogue?

Mr. Hnatyshyn: Mr. Speaker, I appreciate the hypothetical question, and if the Hon. Member is still a Member of the House at that time I will let him have the answer.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall, that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Speaker: There are four minutes left in the allotted time of the Hon. Member for Vancouver East (Ms. Mitchell), if she wishes to use them.

Ms. Mitchell: Thank you, Mr. Speaker. I have completed my remarks and would be glad to respond to questions, if there are any. If not, we can proceed with the next speaker.

Mr. Speaker: I thank the Hon. Member. I will recognize the Hon. Member for Comox-Powell River (Mr. Skelly) on questions or comments.

Mr. Skelly: Mr. Speaker, I would like to comment on some of the remarks of the Hon. Member for Vancouver East (Ms. Mitchell) and determine whether she agrees with my observations on the Conservative Government's current policy for members of the Armed Forces. The Government has eliminated the possibility for retiring members of the Canadian Armed Forces to obtain unemployment insurance. This is essentially changing the game plan in the middle of the game for these people who have served their country for many years. They have contributed to the unemployment insurance program for from 20 to 30 years. That insurance has been calculated as part of their pension to assist them in making the transition from their jobs to a much diminished income. They have actually been put out of the Armed Forces, because they do not have any choice whether or not they will leave.

This hits them at a time in life when their family expenses are extremely high. Their children are in their late teens and require support for post-secondary education. Children need much financial assistance just before they become adults. This is one of the most devious and under-handed things that has been done to members of the Canadian Armed Forces.

In addition, there are two other small things which the Government has done in the same vein. It has attempted to partially deindex pensions of retired members of the Armed Forces. The Government insists that those members who find jobs to help themselves over this very difficult transition pay unemployment insurance premiums, but that they can never collect unemployment insurance.

I would like to hear the comments of the Member for Vancouver East on this. Does she agree with me that the Conservative Government has been extremely hard-handed with members of the Armed Forces in this matter?

The Acting Speaker (Mr. Paproski): Order. There are a few conversations taking place in the Chamber. If Members have

anything to say, they can go behind the curtain. I would like to listen to the Hon. Member.

Ms. Mitchell: Thank you very much, Mr. Speaker. I am very pleased to respond to the points my hon. colleague raised. I agreed with him very strongly when he raised them this morning.

While on a U.N. conference recently I had occasion to talk at some length with wives of members of the Armed Forces at the Lahr station in Germany. They indicated how unfair it was that after their husbands had paid unemployment insurance premiums all their lives they were no longer entitled to the benefits of that system. I completely agree with what the Member is saying and I hope the Government will take steps to improve that situation.

The Member did not bring up the point that services which should exist in every community do not exist on military bases. I think particularly of child care services. The wives of members of the Armed Forces have the right to have their own occupations and careers. They do not have that opportunity since they do not have adequate child care. The Cooke Task Force on Child Care recommended that there be some immediate action in this area of federal jurisdiction.

I am also reminded of the discrimination against wives of members of the military with regard to participation in events and organizations on the bases and of other discriminations which still exist in many areas of the Armed Forces.

Mr. Skelly: Mr. Speaker, does the Member for Vancouver East agree with my perception, and that of many other people in the New Democratic Party, that the Conservative Party's continuous reference to the Forget Commission having any influence on the restoration of these rights to members of the Armed Forces is a complete farce? That benefit was chopped at the beginning of this year and the people retiring now are retiring without the benefit of unemployment insurance. The chance of that benefit ever being restored is about the same as that of a snowball in hell. Continued reference to that particular item with regard to the Forget Commission is nothing but hypocrisy and fails to take an adequate position on the question. Does the Member agree with my balanced perception of this problem?

Ms. Mitchell: The Member has made his own point in this regard. I wonder to what degree Armed Forces personnel and their spouses are involved in consultation on these issues. It is a most urgent matter and should be given top priority. The Nielsen task force involved so many business people, almost all of whom were males. Perhaps it should have involved a cross section of people who are directly affected by these policies, including those in the Armed Forces.

● (1510)

Mr. Redway: Mr. Speaker, I have a great deal of respect for the Hon. Member and her sincerity. I was disturbed by her comments when she said in her remarks that she was disappointed, crushed and felt that some of the actions of the Government were unforgivable. I tended to feel the same way with respect to her remarks, particularly when she talked on one hand of the problems there were in society, and on the other hand about our large costs of borrowing. She talked about how there was a lack of confidence in the international money markets and our fallen dollar. I know that the Hon. Member realizes the reason for this is the lack of confidence because of our financial imbalance, our deficit and our enormous national debt. I know she is aware of that because she has spoken and asked questions about it in the House. I have heard about the NDP task force on the subject of how to deal with the deficit. I know that they have talked about increasing taxes to corporations and, of course, that is what the Budget does. I know they talked about closing tax loopholes and, of course, that is what the last Budget did and that is what this Budget is doing. I am just wondering if the Hon. Member has any other suggestions as to how to restore confidence in our dollar and cut down on our borrowing costs.

Ms. Mitchell: Mr. Speaker, I am sure in the time that is left it is very difficult to comment on all the policies that the New Democratic Party has advocated. I would be glad to send the Member a copy of the task forces that we have had. There are quite a number of ways that we would approach the deficit question very differently.

I must say I do not agree with him that the tax reforms he refers to are real reforms at all. There are many very major tax reforms that we had advocated. One is to go back to the pre-1982 marginal tax rates, a very simple one that would bring in well over a billion dollars, if my memory serves me right. What I am saying is that what the Conservative Party is tending to do is to follow the Margaret Thatcher, Ronald Reagan, Bill Bennett form of economics. If you look at British Columbia alone, where we have 14 per cent unemployment in Victoria, you will understand why that kind of economics of restraint does not work.

If we can get more people working through a positive program and through support such as day care and so on, then some of our social costs will be reduced. We do not object to taking a look at some ways of cutting costs that are legitimate, but from our point of view we do not think the way this Government is going will benefit Canada as a whole.

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

Mr. Cassidy: Yes. The Hon. Member spoke about the impact of the Budget on women, and of the Government's spending plans and so on. Is she aware that the Minister of State responsible for the Status of Women (Mr. McLean) in his response last week in the House indicated that the Government has no plans to ensure that the cuts in Public Service jobs that are to take place over the next three or four years will not impact extremely unfairly on women? I am sure the Hon. Member is aware of the fact that women by far make up the majority of public employees in the federal Government earning less than $20,000 per annum, but there are only 7 or 10 per cent of employees earning more than $60,000 per annum.

When we asked about whether the Government had a plan to make sure that the cuts were not concentrated on low-paid federal employees, and therefore women, the Minister waffled, he looked embarrassed, he hid his face and he said, "Well, that is a problem that we ought to take very seriously. That is why we have Affirmative Action Programs in order to get women up into the top jobs".

Is the Hon. Member aware of the fact that there is not time to get women who are low-paid now up into the top jobs before they get their pink slips.

Ms. Mitchell: Yes, I did refer to this in my remarks this morning, and I agree completely, having sat in on the Estimates with the Member when we asked this question specifically, that there is no positive affirmative action to protect women in their present jobs within the Public Service, much less a mandatory employment equity program that will allow them to move into better-paid jobs at an equal rate with men.

What constantly astounds me is that it was possible to have the mandatory affirmative action which benefited so much the Francophones in our society who were at a considerable disadvantage a number of years ago. We do not seem to be able to apply this to other groups. We have proven it can work. We have had private companies in the United States telling us that they even like it. Yet we cannot really get an employment equity program with teeth, either with companies associated with the Government or within our own government service.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is at least the fifteenth time I have spoken on borrowing authority Bills since I was elected in 1979, and returned to the House as the Member for Mississauga South. This is the first time I stand with pleasure to speak on the borrowing authority Bill, because in this Bill for the first time we have turned the corner, we have reduced the borrowing requirement of this country from $28.8 billion last year to $22.6 billion this year, a reduction of $6.2 billion. This is a truly massive reduction.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: The fiscal plan produced by the Minister of Finance (Mr. Wilson) only takes into account the history back to the 1977-78 year with respect to national accounts, financial requirements and the budgetary deficit. Looking that over, you can note the continual increase for every year, until the 1984-85, of the percentage of Gross National Product committed to paying the cost of borrowing. For the first time we are able to reduce the amount required to be borrowed from 6.3 per cent of the Gross National Product to 4.6 per cent of the Gross National Product. That truly is a remarkable change.

It is that kind of activity, as we take hold of this country and turn it around, that again will give this country hope for the future, for ourselves, for our children and for our grandchildren. The last two decades have been plagued with Governments going to the well to pay current bills, using a Chargex card to run the country, to buy the groceries. We have not been paying our way. We have been borrowing on the future of the country without any sense of responsibility. This has changed.

If you take a look at the projections in the *Budget Papers* you will see that the requirement to borrow goes down next year to $17.6 billion, and eventually, even on the most pessimistic basis, to no more than $11 billion.

I call Mr. Wilson the pessimistic Minister of Finance because his projections are all pessimistic. While last year he felt we would need the deficit we had, indeed, we will probably wind up spending far less than projected, despite the problems we had with banks in western Canada.

What is happening is that our Minister of Finance has taken a look at the country and has said: "Well, we can at least do this, and that is our Budget". I tell you that this Budget, in terms of deficits, in terms of projections, in terms of costs, is pessimistic. We are going to do better than we are forecasting. More of that later.

Let us get to some figures. The Minister of Finance says that growth will only be 2.7 per cent in the next five years until 1990-91. He also says that growth last year was only 4.5 per cent. In fact it was 4.9 per cent. Nobody has forecast growth over the next five years to be as little as 2.7 per cent. Indeed, if you ask the Royal Bank of Canada, they say we are pessimistic. If you ask Data Resources, we are pessimistic. If you ask Informetrica we are pessimistic. The growth projections in the Budget are pessimistic.

• (1520)

Let us consider the oil prices. The Opposition said that the price of oil stated by the Minister of Finance in his Budget was wrong and that his deficit projections would be far off the mark. The fact is that the Economic Council of Canada has said that the Gross National Product will increase, employment will increase and inflation will decrease if oil prices fall. That is all good news. The Minister of Finance projects the price of oil to be $22.50 a barrel. At $15 a barrel our year will be even better than predicted.

The Minister pointed out that we had a small flip in interest rates which pushed them up for a short term in order to protect our currency. However, interests rates are falling dramatically and will fall even further with the decline in the price of oil. Members of the House will note that on Monday the Government of the United States was able to borrow its treasury bill money at 6.5 per cent. Members will also know that on a 90-day basis the Eurodollar rate is less than 7.5 per cent, the LIBOR rate is less than 7.5 per cent and that our interest rates dropped 105 bases points today. I suggest that the projection of 9.5 per cent for interest rates in the fiscal year commencing April 1 is pessimistic because, with any performance at all that follows the United States, Germany or Japan, our interest rates will be dramatically lower than those forecast by the Minister of Finance. Therefore, it may not be necessary to call upon the borrowing authority required here.

The budgeted borrowing authority is $22.6 billion. I suspect that we will not borrow the total amount which we authorized last year, nor borrow all the money that is authorized in this Bill. I am optimistic. It is the first time I have been able to come to the House, since 1979, and say that we are doing a good job in coming to grips with the problems of the country.

It distresses me to see the Member for Trinity (Miss Nicholson) suggest we are only optimistic when we talk to foreign Governments. Let me tell her that we are optimistic when we talk to Canadians and she should be as optimistic because she should be promoting Canada instead of being negative. We could make Canada grow while solving our problems. That is the attitude that should be taken by Members opposite. That is the kind of attitude Canadians expect and that is the kind of attitude we should have. I am proud that our Government and our foreign offices throughout the world are displaying that attitude.

In his speech last night the Prime Minister (Mr. Mulroney) asked investors to look at Canada closely for business opportunities. It is that kind of speech which we ought to be giving in selling our nation and promoting the possibilities that exist in our great land.

We have heard numerous comments about exchange rates. Let me expand on that for a moment. I do not agree with the use of interest rates to influence the exchange policy of the country. Frankly, I do not always agree with the Minister of Finance, and I profoundly disagree with this particular policy produced by the Minister of Finance and the Governor of the Bank of Canada. In my view, exchange rates are determined by an active and aggressive market, buying and selling currency.

Our trading activity in the market-place with the United States is truly amazing. Indeed, we do well over $100 billion worth of trade with that country, which means the buying, selling and dealing in American exchange is truly phenomenal.

While speculation takes place, we should question why we have an exchange rate for our currency that perhaps is less than what it should actually indicate when we consider the price of goods and services as offered in the market-place. Members will know that the Economic Council of Canada, in making comparisons between goods for sale in New York State and Ontario, has indicated that the Canadian dollar should perhaps be worth 80 cents, on a market price for goods basis, in comparison to the American dollar. I believe that the Economic Council is right.

Some may ask why our exchange rate may drop below 70 cents, certainly not a strong and active rate. The reason is a phenomenon that has not existed in this country until now, and which some people policing our exchange rate have not recognized. That phenomenon is prosperity. There is an economic boom in this country, primarily in Ontario and Quebec. Unfortunately, that boom has not spread throughout the country because such a boom throughout the country would have been better for everyone. Huge regional disparities are detrimental to our economic plan, because we have to maintain certain programs in some parts of the country, yet they may not be necessary in other areas and could become anti-productive. Currently there is a strong boom in southern Ontario and certainly in Quebec. For the first time there are areas in this country where there is, in fact, over-employment. Businessmen are calling constituency offices asking why the Government does not bring in immigrants. They want to know why they cannot yet help when the Government is paying out unemployment insurance. These businessmen are prepared to offer from $8 to $12 an hour.

What effect does this have on the exchange rate front? For example, when Canadians are prosperous they go south in the winter. That affects our exchange because those Canadians convert Canadian dollars into American dollars. Canadians also import more goods when they are prosperous. While we still have a massive trade surplus, our imports are rising as a proportion of trade activity and this increase in imported goods effects our exchange rates.

Finally, as Canadian companies become more prosperous and increase their trade with the United States they have a dramatic increase in inventory in the United States. These companies are increasing their export financing and becoming more active in other countries. Last weekend, three of my constituents told me that their companies were becoming more involved in the United States. One is a computer organized company that was developed in Toronto and carries on research and development. It has had to open branch offices in New York and Los Angeles in order to get business. In order to open those offices and develop its programming it must remove money from Canada. However, it returns profits to Canada which benefits our country.

Another constituent is involved in a foreign exchange banking operation. That operation bought out the American company and is moving the head office from New York to Toronto. What does that do? It means that Canadian dollars have gone out to buy up that company, and that is good for Canada, but, unfortunately, that affects our foreign exchange. I have another situation in a manufacturing operation partly because of the problems we have with liability insurance. The Canadian manufacturer has had to open an American plant so there can be partial manufacturing done down there. In that way it will solve some of the tariff problems, the buy-American problems, the trade problems we still have with the United States and, in fact, the insurance problem. Again, that is an outflow of cash and investment but it is a profitable investment for Canada. It is good for Canada and for Canadian employment.

• (1530)

All of this prosperity affects the trade value for our dollar and we should not be upset with it. The market-place operates the way the market-place ought to operate. It is the discipline of the market-place and we cannot change it by jigabooing around with interest rates.

Mr. Boudria: Jigabooing?

Mr. Nunziata: Is "jigabooing" parliamentary, Mr. Speaker?

Mr. Ellis: Absolutely. It's a good Edmontonian word.

The Acting Speaker (Mr. Paproski): Order, please. There will be a period of questions and comments for Hon. Members. I know the Hon. Member is a very popular Member, and you are very popular Hon. Members, so you will have your questions ready for him. If you would just let him finish, I would appreciate it very much.

Mr. Blenkarn: A lot of times we hear that foreigners are going to bring money into our country to develop business. That is not what we are looking for in Toronto. We are not looking for debt money. We are looking for equity money and new ideas. Businessmen do not just invest money, they invest ideas. When one has an idea or a capacity as a developer, or whatever, and one goes to a foreign country, one takes one's ideas and some money, but mostly the money is borrowed in that foreign country. That is how our developers who have built the office buildings in Houston, Los Angeles and New York and who have developed the subdivisions in Florida, have operated. That is how they have done it. That is our export of services. What we in Toronto are trying to do is to attract people who have the ideas and some of the up-front capital and they can borrow more money in Canada if they wish because Canada has lots of capital. Canada does not need just money, it needs ideas, entrepreneurship and new growth, and we will get that in a trade operation such as is in Toronto right now.

If our people are out doing things, that is good for Canada and if we attract new business into Canada which will make use of Canada's capital, that is all right. We need the new business and the growth. We need the new entrepreneurship. That's how it works.

I would like to speak for a moment about the amount of our debt and the way the debt is held. At the present time, a great deal of our debt is held in what I call "current account" debt, that is, in Canada savings bonds and in Treasury bills. Indeed, about 65 per cent to 70 per cent of our debt is held in that fashion. One of the problems of holding debt in that fashion is the kind of problem the Minister of Finance (Mr. Wilson) faced two, three or four weeks ago when in order to prevent people from cashing Canada savings bonds, he was forced to increase the interest rates on them for a short-term period.

Something we have to do in the management of the national debt is to convert more of that debt into more long-term debt. We must, therefore, as this year goes by, rely less and less upon Canada savings bonds for our debt pattern and more and more on long-term debt instruments. Second, we have to take a look at the whole question of T-bills and stop borrowing as much as we are on T-bills. Some of those people with those high interest T-bill accounts in Canada Trust had better understand that they should load up in a hurry because interest rates are going to drop as we make this economy grow. The Budget is pessimistic in terms of our debt requirement. The Nielsen task force report with its ideas, the Forget Commission which will probably revamp and cut down on the cost of the unemployment insurance scheme, and other things which are going on, will make Canada grow again and grow well. I am happy to speak on this borrowing Bill because for the first time we have turned the economy around.

Mr. Nunziata: Mr. Speaker, I am sure the Hon. Member will agree that the bottom line in any Budget is fairness and equity. We as legislators and as parliamentarians ultimately will not be governed by whether or not books balance but we, as a nation, will ultimately be governed by how we treat the disadvantaged in society and how fair we are to the various sectors. The Hon. Member is chuckling but what we on the Liberal side speak of when we speak of fairness, is economic justice. If one is concerned about reducing the deficit, we believe one must do so in a fair fashion. One should not do so on the backs of the disadvantaged in society.

The Hon. Member referred to some "jigabooing". Perhaps he was referring to the Conservative Party. Perhaps he can advise the House whether the Conservative Party was jigabooing during the last election campaign when it spoke of fairness and equity, when it made so many promises in its thirst for power. Does it mean that the Conservative Party is permitted to make promises during an election campaign—for example, a so-called "sacred trust", the protection of the pensions of senior citizens—and then after the Right Hon. Prime Minister of Canada (Mr. Mulroney) came to power, try to deindex the pensions of senior citizens to reduce the deficit? That was one broken promise.

I would like to ask the Hon. Member if he could tell us what is fair, what is just and what is equitable about a Government trying to reduce the deficit on the backs of the disadvantaged, the senior citizens, the disabled, the unemployed and the young and then almost in the same breath—in the same Budget—give a lifetime cash bonanza to the wealthy to the tune of $500,000 in capital gains exemptions? The Hon. Member claims to be a fair and reasonable individual. Would he tell the House what is fair about a Budget or two Budgets which result in a massive tax increase of 23 per cent for someone earning $15,000 a year compared to a tax increase of 1 per cent for someone earning anywhere from $100,000 to $200,000 a year? Has the definition of "fairness" changed or are we now referring to "jigabooing"?

Mr. Blenkarn: Mr. Speaker, it is amazing how the Hon. Member can be so confused. I am surprised that he, as a Member of Parliament, could come into this House and be so confused in his presentation over a five-minute period in discussing my speech.

First, when we have an increase in employment—at least 580,000 jobs—when we promise "jobs, jobs, jobs" and we deliver them at a rate far in excess of the job creation in all of Europe, it is surprising to be asked questions about fairness. The Hon. Member knows that the programs in terms of social transfers are in place. They have not been injured or harmed. Indeed, they are more fair. For example, I refer to the program with respect to children. We have taken the tax relief away from the well-off and given increased child tax credits to the relatively poor. Not only that, we have made these child tax credits available in November instead of making them

available to some tax discounter after income tax returns have been filed.

● (1540)

I do not know what the problem of the Hon. Member is. He talked about the problem with the capital gains tax, on which there was a provision in the last Budget. It has already shown how it can improve the investment growth of the country. The cost of that capital gains tax relief was minimal. One can see just how minimal it was in terms of the tax collections which were made this year and by the way the Government has been able to perform and come right on track with its Budget. One would think that the Hon. Member would stand up and say: "You've done a tremendous job. You've turned the country around. No longer will we borrow against the wealth of our children because that is not fair". However, the Hon. member seems to have some idea that it is fair. The whole question of Liberal policy has not been concerned with fairness. It has been to borrow, steal, print or do whatever one can to spend money which one does not have. Members of the Liberal Party treat that as some kind of fairness. If that is fairness then I just do not understand members of the Liberal Party. Perhaps the Hon. Member's concept of fairness is to go out and spend money which we do not have and which we have not earned.

Mr. Gagliano: Mr. Speaker, I would like to read a letter which the Hon. Member for Mississauga South (Mr. Blenkarn) sent to the Minister of Finance (Mr. Wilson) with respect to taxation. It reads:

Dear Michael

As you are aware I sat in on most of the hearings in connection with Bill C-80 and have been the recipient of most of the representations made by industrial groups and others in connection with this Bill—

The allegations made by the steel people and by the concrete people are correct and accurate. The observations made by your staff—the same staff that provide scientific and research tax credits and other horror shows conceived in an ivory tower by persons without business experience is no place to receive advice.

I think it is essential that there be a rethink of all of these taxes in your Budget of February. I think that you ought to treat all of the representations made by organizations like the Canadian Prestressed Concrete Institute as a representation with respect to the February Budget.

My question is this: What does the Hon. Member think of the 8 per cent federal sales tax which has been imposed on the construction industry over the last eight months?

Mr. Blenkarn: Mr. Speaker, I am glad that my friend has brought up that piece of correspondence. I do not know how he got hold of my correspondence. However, I suppose he has his ways.

Mr. Nunziata: Wouldn't you like to know!

Mr. Blenkarn: Having said that, I think he will know that that is exactly the type of representation that I as a Member of the House made to the Minister of Finance. He will know that it is a hard-nosed representation. He ought to make the same type of hard-nosed representation. Let me give him the answer to his question. It will be found in the new business transfer tax which will replace what I call the most inequitable kind of tax. I refer to the manufacturer's sales tax which passes on a tax and which carries with it gross margins on top of tax which reach the consumer in many cases. The rate of that tax is not 12 per cent but more in the order of 16 per cent and sometimes 17 per cent.

The Minister has answered the question. He answered it in the Budget. The representations were heard. I am surprised that the Hon. Member cannot make representations about the indecency of measures such as the scientific research tax credits which were put into place by the former Liberal Minister of Finance, the Hon. Marc Lalonde.

Mr. Redway: Mr. Speaker, I wish to congratulate the Hon. Member on setting the facts straight and for making sure that the Canadian public know what the real facts are. The Hon. Member knows that after the Economic Statement of 1984 and the Budget of 1985 the Opposition was highly critical. It was critical when it said that that Economic Statement and that Budget would destroy the country. The Leader of the Opposition (Mr. Turner) said it would put another 50,000 people out of work. The Leader of the New Democratic Party said it would put another 100,000 people out of work. In fact, as the Hon. Member knows, the result of the Economic Statement and the Budget is that we have almost 600,000 more people employed, all of the economic indicators have gone up and the deficit has dropped by about $2 billion. Now that members of the Opposition find that their approach will not work in convincing Canadians—since it is difficult to argue with success, and the last Budget was successful—they are now shifting their ground. They are now trying to say that the present Budget is unfair. They have been citing examples which have been reported in *The Financial Post*. I know that the Hon. Member for Mississauga South (Mr. Blenkarn) is an avid reader of *The Financial Post*. I know he would also like to put the record straight with respect to this subject. I would like to give him the opportunity to do that right now.

Mr. Blenkarn: Mr. Speaker—

Mr. Nunziata: Mr. Speaker, I rise on a point of order. A few moments ago the Hon. Member for Mississauga South (Mr. Blenkarn) used the word "jigaboo" in the House. In a question to the Hon. Member, I used—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member used the word "jigabooing" which means dancing, fooling around or an end-around type of thing. I heard the statement. I do not think it had anything to do with any word which I really know. I did not think it was a racist remark, which is what I think the Hon. Member for York South-Weston (Mr. Nunziata) is trying to say. It is a colloquialism. It was used in the 1930s and the 1940s when they were doing a little bit of jive.

Mr. Nunziata: Mr. Speaker, if I may finish, I used the same word. To avoid any possibility of there being any suggestion whatsoever of anyone misinterpreting the use of that particular word, at this point I would like to withdraw unequivocally the

word which I used on a number of occasions during my question to the Hon. Member.

The Acting Speaker (Mr. Paproski): That is perfectly fine. Would the Hon. Member for Mississauga South (Mr. Blenkarn) like to say the same thing?

Mr. Blenkarn: No, of course not, Mr. Speaker. I do not know what kind—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Blenkarn: It is ridiculous.

The Acting Speaker (Mr. Paproski): Resuming debate.

Mr. Redway: What about the question?

The Acting Speaker (Mr. Paproski): I am afraid that too much time has been taken up now. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) now has the floor on debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have this opportunity to participate in the debate this afternoon. For the information of Hon. Members I call to their attention that Bill C-99 is a very thin Bill. It is a bit like the policy of the present Government in that it has only one page. The Bill asks this House to give to the Tories across the way $22.6 billion as may be required for public works and general purposes.

The first thing I ask you, Mr. Speaker, is: Would you give $22.6 billion to a bunch of Tories? The answer is obviously quite clear. The public has already decided that the majority Government no longer has its confidence. In testimony of what I am telling Hon. Members I would like to cite the results of public opinion polls which were released this morning. I am sure Hon. Members will agree that they are indeed wonderful and accurate. The public opinion polls found that only 36 per cent of the Canadian people want to have this Government in charge of the country. Only one out of every three Canadians think that the Tories know what they are doing. This is only a little over a year and a half after the Tories were elected with the largest majority on record.

● (1550)

As a matter of fact, since April, the popularity of the Tories has decreased from 54 per cent to 36 per cent and the popularity of the Liberal Party has practically doubled in that same period of time. What should that tell us? That should tell us that the people no longer believe that the Government should be governing the affairs of our country. Why have they come to that conclusion? I think we have clearly established that right now, it is the popular opinion that the Tories should not be in charge. Why has this happened?

First, during the election campaign the Conservative Party made several promises to the Canadian people. As a matter of fact, I just happen to have a copy here of a little booklet entitled *338 Tory Promises*. If you want a copy of this booklet, Mr. Speaker, or if anyone who is listening to this wants a copy of *338 Tory Promises*, I would gladly send one. All one has to do is write to me here on Parliament Hill. No postage stamp is required and there is no charge. I will gladly send a copy of *338 Tory Promises*, most of them promises which have been broken.

I see that the Minister of the Environment (Mr. McMillan) is here. He is obviously making giant strides in revamping the Public Service and Parks Canada along with his colleagues.

Let us see what the Tories promised for the young people of Canada. I am turning now to the page on youth unemployment in the booklet entitled *338 Tory Promises*. The Tories promised to supplement the Ministry of State for Youth with a Canada Youth Advisory Council. Did you hear that, Mr. Speaker? The Ministry of State for Youth has disappeared. The only thing left is the Minister and her chauffeur.

The other day, the Hon. Member for Mount Royal (Mrs. Finestone) asked the Minister of State for Youth (Mrs. Champagne), very eloquently, of course, what she could do for the young people of Canada with only a chauffeur and a limousine. I responded to that by saying that the only thing she could do is to hire a young chauffeur. There is only one job that she can offer to the young people of Canada. In fact, that chauffeur would probably end up being a young Tory chauffeur. We have heard of the policy the Minister is trying to advocate for the rest of Cabinet, the policy of promoting young Tories with hard earned taxpayers' dollars. She wanted the Government to dip its hand deep into the taxpayers' cookie jar to dispense funds by giving employment to young Tories over others. That is shameful. That is one of the reasons why the people have lost confidence in the Government.

Let me share another reason with you, Mr. Speaker, because I know that you are very interested in this. In my view, the Prime Minister (Mr. Mulroney) himself does not have faith in the workers of Canada. Why do I say this? I draw your attention, Mr. Speaker, to *Fortune* magazine of March 4, 1985, in which there is an interview with the Prime Minister of Canada. Let me read an excerpt from this interview. It reads as follows:

> On the charge by political opponents that Mulroney "has put Canada up for sale": Who wants to buy it? What is there so compellingly attractive about Canada that causes us to think that anybody is going to rush in simply because someone says, "I'd like to do business with you." We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special?

Mr. Nunziata: Who was that?

Mr. Boudria: That was the Prime Minister of Canada. He was saying that about the workers of this country.

Mr. Nunziata: That's disgraceful.

Mr. Boudria: The Hon. Member for York South-Weston (Mr. Nunziata) has said that that is disgraceful. It is shameful that the Prime Minister of Canada would have that to say about the workers. Is it any wonder that the workers of

Canada do not want to have anything to do with this Government any longer? Is it any wonder that two-thirds of them would turf these Tories out if they had a chance right now? Believe me, they will have a chance in the future and that is exactly what they will do. The people of Canada no longer have confidence in this Government.

The Prime Minister of Canada said to the people that our package of social programs was a sacred trust. Then he turned arond along with the same Minister of Finance (Mr. Wilson) who brought down this Budget and tried to deindex the pensions of our senior citizens. it was the senior citizens together with opposition Members who rallied and fought for this issue. It was Mrs. Solange Denis who came to the steps of Parliament Hill, as she came this week to support our colleague from the other House, and said very clearly to the Prime Minister: "You have lied to us, Prime Minister".

Mr. McKnight: Mr. Speaker, I rise on a point of order. I think the Hon. Member is an experienced parliamentarian and I think he knows that when one refers to statements with that wording, whether they are made by someone else or are verbatim quotes, it is unparliamentary. I am sure the Hon. Member, being an experienced parliamentarian, would like to reconsider his words.

Mr. Nunziata: Mr. Speaker, I rise on the same point of order, if I may. I have reviewed the jurisprudence on this particular matter and I beg to differ. The Minister laughs. It would be my submission that it is quite appropriate to say that Mr. Average Canadian is a hypocrite but it is inappropriate to call a Member of the House of Commons a hypocrite. I think it is quite appropriate for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) to quote someone who has referred to the Prime Minister as a liar.

The Acting Speaker (Mr. Paproski): Order, please. I am going to take a look at the "blues" before I make a decision on this particular issue, but I really feel that when the Hon. Member uses a quotation like that, he is almost using it as his own quotation. I would appreciate it if he would withdraw it and carry on with debate.

Mr. Boudria: Thank you, Mr. Speaker. I will gladly withdraw that reference. When that senior citizen was here, she told the Prime Minister what she thought of him, and every Canadian remembers when she said to him: "Goodbye, Charlie Brown," because he had not lived up to those promises he had made to her and every other citizen of this country. Whether we quote from her directly or indirectly, all Canadians know what it means and they will all remember it the next time around.

Mr. McMillan: Mr. Speaker, I rise on a point of order. Just to set the record straight, I wonder if the Hon. Member would like to confirm the fact that the person he quoted was not in fact a senior citizen.

Mr. Boudria: That's not a point of order.

The Acting Speaker (Mr. Paproski): That is not really a point of order.

Mr. Boudria: Before I was so rudely interrupted, I was just about to say—and by the way, thank you for recognizing that that was not a point of order. I am sure you wuld agree with me that it was not even a good point, Mr. Speaker.

I would like to tell the House about the budgetary policies of the Government and why the Tories should not receive $22.5 billion. If some Hon. Members believe that I am not being 100 per cent objective today, although I am trying to be, let me tell them what others have to say about this Budget. On February 27, *The Toronto Sun* said: "Wilson mugs middle class". Shirley Carr of the Canadian Labour Council said: "The average Canadian has been hit between the eyes". That is plain enough. Marlene Carr, a working mother quoted in *The Gazette* of Montreal on February 27, said the following:

● (1600)

> We work hard to feed our kids and pay back the mortgage. We make an honest buck. Why don't they get after the people who earn over $100,000 who have big expense accounts?

I should like to refer to what others had to say about the Budget, because I know that you are interested in this topic, Mr. Speaker. Bill Nevis of the Canadian Construction Association said that the 1 per cent increase in the federal sales tax, effective April 1, presented a severe problem for the construction industry. The Hon. Member for Saint Léonard-Anjou (Mr. Gagliano) referred to that earlier today. Of course he was quite right, as is usual. Let me quote further.

[*Translation*]

Here is another reaction to the Budget, Mr. Speaker. I quote Mr. Fernand Daoust of the Quebec Federation of Labour:

> Middle income earners are the hardest hit. Ottawa's contribution to job creation is minimal. The Budget is a disappointment.

That is what he had to say.

Let me quote some more just in case you are not quite convinced that I am taking a non-partisan approach. I will have you believe me in two minutes, Mr. Speaker. Here is something from *La Presse* of February 27, and I quote:

> In the end Michael Wilson decided to clobber Canadians with taxes and surtaxes to solve the Government's financial problems.

That is what those taxpayers had to say.

[*English*]

Do you want to know, Mr. Speaker, what the Minister of Finance said about the Budget in May, 1985 just prior to it being brought down? It really proves that we should never believe what a Tory tells us. He said:

> I don't want to increase taxes ... A tax increase, certainly a general tax increase, puts a dampening effect on the economy and I don't want to see us do that.

The 1 per cent increase in the federal sales tax which we will all have to pay, is it not a general tax increase? Is that not exactly what the Minister of Finance said he would not do on

CTV's *Question Period* in May, 1985? If we cannot believe the Minister of Finance, who can we believe? Let me read further.

[*Translation*]

One thing for sure, Mr. Speaker, Canadians will have to pay more and more as a result of the expenditures of this Government and the approach of the Conservatives. For example, youth unemployment—I talked about youth earlier today—stands at 16.5 per cent, yet the Conservative Government has just reduced its Jobs Strategy budget by $100 million. Can you imagine that, Mr. Speaker: 16.5 per cent of young people are idle and the Government slashes budgets right and left. Worse still, the Government intends to reduce education transfer payments to the provinces. And then, as you know, Katimavik has been axed yet this program opened all kinds of opportunities for young Canadians.

Mr. Speaker, what is the impact of this Budget on middle income Canadians. I will tell you. An individual who earns $35,000 a year and who has three dependents stands to lose $835 over the next two years as a result of this Budget. Here is how it works out: $637 less this year, $198 less next year, a total loss of $835 for a family of four trying to make ends meet on an annual income of $35,000. In other words, a middle income family.

Now let us talk about low income earners. A family of four with $10,000 a year. Yes, $10,000 a year, Mr. Speaker, for a family of four, if you can imagine that. How can they manage!

You know, Mr. Speaker, a lot of my constituents earn that kind of money. Well, that family will lose $83. Do you think that a person who is trying to support a family of four on $10,000 a year can afford to lose anything? That person simply cannot do with any less.

Mr. Speaker, a similar family of four earning $15,000 a year will lose $392. Try to imagine a Glengarry-Prescott-Russell constituent earning $15,000 a year and barely able to support a family of four, yet the Conservative Government wants $392 more from them. That is altogether intolerable, Mr. Speaker!

[*English*]

I want to talk about the fairness of the whole system. Of course that should not take long because there is no fairness in the Budget. I will concentrate, therefore, on the unfairness of the present Budget. That should take much longer because there is much more unfairness than anything else in that Budget. I should like to refer to *The Financial Post* of last week. Of course it is not a newspaper which is widely read by my constituents because most of them cannot use the advice given in that newspaper as they are not in those tax brackets. Nevertheless, I think it is an interesting contribution to the process. The article which I have before me is from *The Financial Post*. It is not Liberal material; it is not partisan in any way. It is an article by people whom the Tories, the Minister of Finance and his friends like very much. The article refers to a family earning $40,000 per year. The earnings are comprised of $35,000 in salary, $4,000 in dividends and $1,000 in interest income. In 1984, such a family paid $9,145 in taxes. In 1986, the same family will pay $9,400, and in 1987 it will pay $9,900. That average Canadian family is being zapped by the Tories. Also the article describes another family struggling to get by on $150,000 per year! That income is comprised of $100,000 in salary, $15,000 in dividends, $5,000 in interest and $30,000 in capital gains. One would expect that these folk could manage to pay their taxes; they would be doing all right in my books. In 1984, that family had to pay $53,448 in taxes. Guess who will receive a tax break this year, Mr. Speaker? Will it be the poor people? No, you have guessed wrong, if that is what you guessed. It will be the rich people who paid $53,000 in taxes in 1984. They will be paying $48,000 in 1986 and $47,000 in 1987. They are receiving a tax break. We have a Government of Robin Hood in reverse—take from the poor and give to the rich; take from the middle-class and give to the rich. Why is the Government zapping everyone in favour of the rich? Is that what the Tories promised to Canadians last year in their book of 338 promises? No, the Tories never said: "Vote for us and we will zap you and give it to the rich".

I have come to the conclusion that happiness is never having to say you are Tory. I have come to the conclusion that Disraeli was right when he said that a Tory Government is an organized hypocrisy; that is what Disraeli had to say about the Tory Government. Obviously he was right. He knew best. He knew that such a Government would be unfair. It was unfair then and it is unfair now. Tories have a policy of taking from average Canadians and giving to those who have the most. It is unfair, and the Government should be booted out of office.

Mr. Redway: Mr. Speaker, the Hon. Member talked about fairness and unfairness in terms of the Budget. It devastates me to hear the Hon. Member talk in those terms. The Party of which he is a supporter, the former Government of which he was a supporter, introduced a tax system which was loaded with one tax loophole after another. It was because of those tax loopholes that we did not have a fair taxation system. It was because of those tax loopholes that the people of Canada decided on September 4 to toss out the rascals and bring in a new Government. It was because of all of those tax loopholes that we did not have a fair system.

• (1610)

The Minister of Finance (Mr. Wilson) set out in the last year and a half to create a fair tax system. Let us take a look at this, Mr. Speaker. First, we had scientific research tax credits in the former tax system. The people of Canada knew that that was unfair. We have done away with them. We had tax shelters on yachts, recreational vehicles, hotels and the like. Those were put in place by the former Government of which the Hon. Member was a supporter. Those were unfair and we have done away with them.

Mr. Boudria: No, you have not.

Mr. Redway: There was income splitting through interest free loans put in by the former Government. We have done away with that. That was unfair. There are the carve out provisions for transactions in the oil and gas sector. They were unfair, and were put in place by the former Government, but we have done away with them. There was the use of trust to distribute investment income. That was unfair. We have done away with that.

Supporters of the former Government now tell us that they want to see the deficit reduced. Every time we suggest a method of doing that by cutting some sort of expenditure, they say: "Don't do that. That is wrong". Every time we suggest a tax change, they say: "Don't do that. That is wrong".

Could the Hon. Member tell me specifically today exactly what the Liberal Party policy is at this moment about reducing the deficit?

An Hon. Member: The Liberals haven't got one.

Mr. Boudria: Mr. Speaker, it is always a pleasure to answer a question raised by the Hon. Member to my right—

Mr. Nunziata: Who criticized his own Government for the deindexation issue.

Mr. Boudria: —to my extreme right, I may say.

The Hon. Member talks about loopholes that are unfair. That is a very nice thing to hear from a Tory. The Government in its last Budget tried to remove benefits from seniors and to give a tax break, would you believe it, to those selling off capital gains. In other words, the Member said two loopholes are wrong so let us have more of them. That is the Tory policy.

What he is telling all of us is that under a previous administration buying a yacht was not taxed properly. But do you know what the Tories have done, Mr. Speaker? They are not going to tax them at all. You can sell your yacht, your condo in the south, your castle in Spain, your horse in Kentucky, and there will be no tax at all, no tax at all for the rich people who have those kinds of investments. You can sell off expensive paintings and so on, make oodles of money doing it, and there is no tax at all. That is the Tory policy of fairness. We have just heard it. The Member to my extreme right told us earlier today that he considers loopholes to be unfair and, therefore, to avoid loopholes the Tory policy is to remove all taxes from the rich.

Mr. Horner: What is your policy?

Mr. Boudria: Let me come back to the second part of the Member's question very briefly. He said the Government is trying to tax the rich people, by plugging the loopholes so that they will pay their faire share. Why is it that the rich person making $150,000 a year will be paying $5,000 less in taxes while the average Canadian will be paying thousands of dollars more? Those are the questions which the Member should be asking his own Minister of Finance.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Minister of Labour (Mr. McKnight), the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), the Hon. Member for Comox-Powell River (Mr. Skelly) and then the Hon. Member for York South-Weston (Mr. Nunziata). I ask Members to govern themselves accordingly.

Mr. McKnight: Mr. Speaker, I noticed the Member for Glengarry-Prescott-Russell (Mr. Boudria) did not answer the question put by my colleague as to what the Liberal policy is and where the Liberals would reduce the deficit. I am sure the Member will address that when he has the opportunity, much the same as his Leader has. To paraphrase another Liberal Leader, one revered by most Canadians, deficit reduction if necessary but not necessarily deficit reduction.

The Member continues to talk about patronage. I know that the Hon. Member had the opportunity and availed himself of that opportunity to put forward a contact person in his riding regarding the 1986 census. I know that person was put forward and has been selected as a census commissioner. This is the Member who talks about Tory patronage.

This is hypothetical, Mr. Speaker, but if someone who worked in the 1981 census and the 1976 census did not pass the written part of the test, but passed the verbal part and was selected as a census commissioner, does the Hon. Member feel that that is unfair or that that is patronage?

Mr. Boudria: Mr. Speaker, I will answer that question and I will answer it very quickly to make sure the Hon. Minister understands.

Mr. Nunziata: Write it down for him.

Mr. Boudria: And I will write it down if the Minister wants me to.

The Minister and his colleague, the Minister of Supply and Services (Mr. McInnes), when I complained to this House that unqualified people were being appointed, responded by saying that they had appointed an unqualified person in my riding and that that made it right. Let me tell you, Mr. Speaker, that this only proves that the problem is worse.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, it has nothing to do with the subject under discussion. I wish you would—

[*English*]

The Acting Speaker (Mr. Paproski): I am willing to give the Hon. Member an opportunity to ask a question and make a comment.

Mrs. Bourgault: On the Budget.

The Acting Speaker (Mr. Paproski): We are on Bill C-99, the borrowing authority. If the Hon. Member has a question, she may now put the question. First, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

[*Translation*]

Mr. Malépart: Mr. Speaker, on a point of order. The Hon. Member's comments are entirely beside the point. The Member was answering a question put to him by his colleague. I don't know whether she realizes or understands this, but what my colleague, the Member, was saying was relevant to the debate, although she seemed to think otherwise.

[*English*]

The Acting Speaker (Mr. Paproski): I think the Hon. Member now realizes what the process is here. I would like the Hon. Member for Argenteuil-Papineau to ask a short question so that I can recognize two other people in this Chamber.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) spoke earlier about the Budget. He said that this Government's Budget was not fair, and so on and so forth.

I would like him to answer a question, with a simple yes or no. I know his riding very well. I know that since September 1984, a number of industries have opened their doors in that riding, I am thinking of Hawkesbury—and created many new jobs.

Could the Minister inform the House today, with a simple yes or no, whether the projections he and his party were making at the time of the November economic message and the May Budget of 1985, that 100,000 jobs would be lost in Quebec and Canada, and even more, have come true now that 600,000 jobs have been created?

Could he inform the House that he made a mistake when he made his prediction when the economic message was tabled? Could he say whether or not he made a mistake?

Mr. Boudria: Mr. Speaker, I want to thank the Hon. Member for bringing up the subject of unemployment in Hawkesbury. I was going to refer to it later on. I am really glad she brought it up. In fact, it was the Conservative Government, in last year's Budget, that abolished the CIRB, the Canadian Industrial Renewal Board Program, that was helping the town of Hawkesbury in my riding and made it possible to create a number of new jobs. Now we will not be able to continue. The program was set up by the Liberal Government, and I want to thank the Hon. Member for bringing this to my attention. I hope she will help me persuade her Government and her Minister to re-instate a program that has been so beneficial to her region and mine.

● (1620)

[*English*]

Mr. Skelly: Mr. Speaker, does the previous speaker agree with my observation about the Conservative Government's treatment of members of the Armed Forces with regard to the unemployment insurance issue? Has the Member received any explanation from the Government on this issue? The Forget Commission is not studying the issue of members of the Armed Forces losing their unemployment insurance and having to pay premiums. That benefit has already been lost. The Government is involved in hypocrisy here.

Through the Armed Forces the Government has issued an order to its members that they cannot sign petitions on this matter. This matter is essentially politically neutral. It simply involves family income which has been taken away from members of the Armed Forces and retired members. This kind of hypocrisy must end. Members of the Armed Forces have the right to sign petitions and make representations on politically neutral issues.

Mr. Boudria: Mr. Speaker, I would have some difficulty explaining Tory behaviours. I am not too familiar with the way in which they determine things. Their methods are not always consistent or logical. However, I do think that those actions of the Government are most unfair. A citizen of this country should have the right to petition Parliament regardless of what he or she does for a living. On the forms for petitions which we use in the House there is reference to the ancient and unalienable right of all citizens of Canada to petition Parliament. Why is the Government trying to take that right away from some citizens? That is unfair and should not be happening. I would love to elaborate further, Mr. Speaker, but I think you are indicating that my time has expired.

Mr. Skelly: Mr. Speaker, I rise on a point of order. Does the Member from the Liberal Party understand that the same hypocrisy existed within the Liberal Party which absolutely refused to allow members of the Armed Forces to do the same thing?

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for York South-Weston (Mr. Nunziata) may ask a very short question.

Mr. Nunziata: Mr. Speaker, the New Democratic Party has mastered the art of hypocrisy. I would like to congratulate my good friend, the Member for Glengarry-Prescott-Russell (Mr. Boudria), on one of the finest speeches I have ever heard in this House.

Some Hon. Members: Hear, hear!

Mr. Nunziata: I see Hon. Members opposite applauding as well. I know that in their heart of hearts they agree with the Hon. Member for Glengarry-Prescott-Russell.

Does my colleague agree that the Government has frittered away the mandate which was given to it on September 4, 1984? Today, 18 months later, the Conservative Government is appreciated by only one in three Canadians. Does that dramatic decrease in support for the Conservative Government have anything to do with its policies? The Government has been in office for 18 months and has the audacity to speak of the Liberal record. It has a record of its own now, and that record consists of bank failures, tuna scandals, ministerial resignations, and an attempt to deindex senior citizens' pensions. Does the Hon. Member for Glengarry-Prescott-Russell

agree with me that the Conservative Government has lost the support and respect of the people of Canada?

Mr. Boudria: Mr. Speaker, it is quite evident that the Conservative Party has lost the favour of the large majority of Canadian people.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member's time has expired. The period for questions and comments has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Algoma (Mr. Foster)—Agriculture—Impact on Canadian farmers of proposed United States legislation. (*b*) Request that Prime Minister make representations to United States President; the Hon. Member for Spadina (Mr. Heap)—Refugees—Draft legislation inquiry. (*b*) Content of alleged draft; the Hon. Member for Parkdale-High Park (Mr. Witer)—Unemployment insurance—Collection of benefits by bricklayers.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): At this time, pursuant to Standing Order 55(2) speeches will be a maximum of 10 minutes with no time allotted for questions or comments.

Mr. Dan Heap (Spadina): Mr. Speaker, through this Bill the Government is requesting authority to borrow about $22 billion. I, along with the other members of the New Democratic Party, are opposing this Bill because the Government policy of taxation and spending is so unfair to the people of Canada.

I recently received a letter from the Manitoba Anti-Poverty Organization in Winnipeg. This letter is with regard to the Budget of the Government, for which the Government is now seeking authority to borrow money. The letter reads as follows:

> The Manitoba Anti-Poverty Organization is greatly alarmed at the steady increase of federal taxation. We are also concerned with the carefully hidden chipping away of social programs and dollar value for the poor.

That sums up not only the Budget, but the programs which the Government is engaged in. The letter continues:

> In using a cut-off level of $15,000 income for tax benefits, the federal Government has shown a complete disregard for the 1985 poverty lines estimated by the National Council of Welfare (March, 1985). These figures show that a family of four with an annual income of $20,000 is living on the poverty line. These families are today's working poor, not middle-income earners.

The point is that the people living below that poverty line ought not to be taxed. This point was made by the Leader of the New Democratic Party (Mr. Broadbent) last week when he pointed out that Members on all sides of the House know that, if we were to be fair, no person living in poverty would be pushed further into poverty by being made to pay taxes when there are people in the country who pay no taxes at all because they are rich enough to hire lawyers and accountants to fiddle their reports.

Countries such as Scandinavia have ensured that people who live in poverty pay no taxes. If they can do it, we can do it here. Three decades ago individuals and corporations each paid about half of the income taxes which were collected. After the new Budget individuals will pay 80 per cent and corporations will pay only 20 per cent. That is grossly unfair. In fact, the new Budget has imposed upon working people rates of taxation 10 times higher than those imposed upon corporations. The 3 per cent surtax, the 1 per cent sales increase and the other sales taxes that the Government has imposed will take about $350 per year extra over and beyond the Government's previous $1,000 bite, $350 per year extra for every working family, whereas for the corporations there is a continuation of $500,000 capital gains tax—and for a married couple that is a $1 million. There is no return to the 1981 marginal rates, which charge the rich a higher rate of their income than they charge the poor, and there is no bringing in of a tax expenditure account so that the public can see how much goes to rich individuals and to corporations through the Government's tax expenditures, that is to say through the taxes they owe that the Government remits to them for reasons that are never fully examined in the actual practice.

● (1630)

There are cuts in badly-needed services to the people of Canada. Regional, industrial expansion will be cut by $2 billion. The service to unemployed people, including services for which they have paid by their contributions will be cut by $1.75 billion. Assistance to farmers who are going broke and out of business at a record rate not equalled since the Depression days will be cut by half a billion. Health and Welfare will be cut by $4 billion. Transport, particularly rail and road transport, the sort used by the majority of this country, the poor people, the low-income and low middle-income people in this country, that will be cut by over $3.5 billion.

It is the services to the ordinary people of this country that this Government is cutting, and yet it wants those ordinary people to pay extra taxes to pay for the Government's borrowing.

The Government keeps preaching about the deficit, yet it will do nothing to take the most direct route towards increasing the economic health of this country by increasing employment. There are tens of thousands of jobs that should be created in the reforestation of this country before our wonderful forests have become totally denuded.

There are thousands of jobs also to be created in restoring health to the fisheries of this country. There are farm mortgages for farmers who have not yet gone broke and out of business, farm mortgages which need to be assisted. The Government is not addressing those questions, and yet when the farmers go broke the Government will wonder where the taxes are because the corporations that buy the land will not be paying the taxes at the rate the farmers are, not with the tax system the Government has put in place.

Housing is in a state of crisis. I asked the Government a few months ago to consider a five point housing program. For example, what we need is that all Canadians should be assured of decent, affordable housing. We also need to be assured that publicly-owned and privately-owned rental housing will be rent controlled so that the poorest people and the low middle-income people who have to rent it are not forced to subsidize the rich.

The third principle is that Canada should create a national home-building program to create 50,000 social housing units per year because the Minister of Labour's (Mr. McKnight) housing program is not going to come near to meeting the need of the neediest.

The fourth principle is that there should be renovation of substandard housing, including tens of thousands of apartment units in cities like Toronto and Montreal which have been downgraded by the greed of their owners who did not do the maintenance and whose apartments now stands in need of renovation or destruction. The Government must step in there to prevent the loss of tens of thousands of housing units or else the landlords will jack up their rent from the average of 25 per cent to 30 or 35 or 40 per cent in order to pay for the further enrichment of the owners.

These are some examples of what ought to have been done by this Government to put money into the hands of Canadians who will keep it in Canada instead of what they are doing, which is to transfer money to the banks, to the insurance companies, to the large industrial corporations of this country which are more and more transferring their wealth out of Canada where it makes no jobs for Canadians. That is the essential unfairness and the essential economic folly.

When I visited Chile last year I found what happens when a country pursues the policy of cutting wages, cutting benefits to the poor. The people in Chile are suffering physically. Nearly half the children under the age of six are malnourished. That country is a long way farther down that road than Canada is, but the rate of poverty in Canada is rising, according to the Government's own statistics, and will continue to rise if this Government continues the same policies.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Debate?

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased to participate in the debate on a Government request to borrow money, most of which has already been used to repay wealthy people—people who had $60,000 or more in western Canadian bank accounts—and to enable this Government and the Prime Minister (Mr. Mulroney) to make Canadians carry a heavier tax load.

We must keep in mind that in its previous Budget the Government went after the elderly, the sick and the children, but this time the Progressive Conservative Government's targets are families and workers. The Government has devised it would penalize all Canadian men and women who keep our economy going, be it in plants or in offices. All workers, men and women alike, are penalized by a 3 per cent surtax. All those men and women are penalized by a 1 per cent sales tax hike.

Mr. Speaker, on the subject of sales tax, you will recall that last year, the same Government, the same Prime Minister, the same Minister of Finance (Mr. Wilson) decided—it is all in the papers prepared by Mr. Nielsen's task force—to levy a 10 per cent tax, now 11 per cent, on drugs. This amounts to taking advantage of the state of health of Canadian citizens to reduce the deficit.

Mr. Speaker, at the same time, this very Government decided to spare its friends, the corporations, the multinationals. If the Prime Minister, and today's poll is eloquent . . . and in Quebec the Conservatives have been completely wiped out for several months. They have lost all their credibility. The people don't trust this Prime Minister anymore. They don't trust his word. Today, we have a poll that shows that across the country, even in Western Canada, people are starting to see the true face of this Progressive Conservative Party, this Party which, when it was in the Opposition, Members from that part of the country could tell the people all kinds of stories. But now, the people know the truth. Now, people are starting to draw comparisons between the Prime Minister and the Leader of the Official Opposition (Mr. Turner), and they realize that the Leader of the Official Opposition has a strong point: intellectual honesty. He is always truthful, and he repeats the truth day after day, never contradicting himself.

Mr. Speaker, Conservative Members are probably going to say: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is making a partisan speech.

As an example of what is being said about the Budget, by reporters and by various people in our society, I have here . . .

the Quebec Minister of Finance who says: "A timid attempt at controlling the deficit at the expense of the provinces. I am not impressed."

Mr. Bob Erb, Executive Vice-President of the Canadian Automobile Association: "We are very disappointed that the Government failed to remove the excise tax on gas".

Mrs. Sandy Hall, President of the Consumers' Association of Canada: "The Government is doing the exact opposite of what it should have done to promote consumer spending."

Mr. Speaker, it is clear that the Government is firmly resolved to pick the pockets of all Canadian taxpayers.

Mr. Speaker, the Government has decided to take your dollar, and it says: There, another 3 per cent. That is what the Prime Minister and the Conservative Government have done.

Mr. Speaker, what the Government has done is appalling, and I understand why Conservative members are upset. I understand why the Minister of the Environment (Mr. McMillan) is indignant. But it is true. And I realize that when we tell the truth, it tends to shock the people in power. They would rather keep the truth from this House and from the Canadian people. But it won't work. The people do not go along with that kind of attitude.

Every week, every two weeks, every month, 3 per cent will be taken off our pay cheques to pay for the unbridled spending of this Conservative Government and encourage its friends.

Mr. Speaker, I have here Mr. Gérard Docquier, Canadian director of the American acid workers: The Minister of Finance is blinded—

• (1640)

[*English*]

Mr. McMillan: Mr. Speaker, I rise on a point of order. In view of the fact that literally thousands of Canadians will be witnessing this debate on television and in view of the fact that it is a crime to destroy the currency of the Crown, perhaps the Hon. Member would want to assure everyone that what he ripped up was not in fact real currency.

The Acting Speaker (Mr. Paproski): I do not believe that is a point of order. However, let me say that we are not to use props in the House. Therefore, whether or not it is real money, I hope the Hon. Member will not use props in the Chamber.

[*Translation*]

Mr. Malépart: Mr Speaker, it is appalling and insulting indeed to see the Minister of Environment (Mr. McMillan) show such concern about the kind of paper being torn, yet he wants us to vote in favour of a measure to siphon off 3 per cent of the money of his constituents every week.

Mr. Speaker, the Minister and his Conservative colleagues rise to ask whether I tore up a phoney bill or just a piece of paper, yet they have decided to steal 3 per cent and add 1 per cent to the tax on goods bought by most consumers.

That is where we find out whether those people have any guts. Who are the defenders—

[*English*]

Mr. Valcourt: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): If the Hon. Parliamentary Secretary will take his seat, I might recognize him.

Mr. Valcourt: I am in my seat, Mr. Speaker. Is it permissible in the House to accuse Conservative Members of stealing money from Canadians? Is that parliamentary?

The Acting Speaker (Mr. Paproski): I do not believe that that was a specific allegation. That is not a point of order.

[*Translation*]

Mr. Malépart: To go on with the debate, Mr. Speaker, I would like to show that the Conservative Government has acted deliberately, unless the Hon. Member who has just spoken has decided to vote against the Budget of his Government. All Conservative Members are accomplices and guilty of deciding to exploit the Canadian people and take off 3 per cent of their income every week.

Mr. Speaker, I will quote Alain Dubuc, an economist and a man whose reputation and credibility in Quebec are second to none. He wrote in *La Presse*: "Wilson has failed. All observers stated that the second Budget would be a major test for the Conservative Government. Perhaps the most important Budget of the last twenty years. What a disappointment! After such expectations, the Minister of Finance has almost pulled a tour de force by tabling a stupid and unimaginative Budget."

Mr. Speaker, the man I just quoted is Alain Dubuc and his article was published in *La Presse* of February 27, 1986. He is not a Liberal, a Conservative or a New Democrat. Quebecers know him well.

Mr. Speaker, I will produce figures so as not to be accused of partisanship and so that the people who are listening to us will realize that week after week and month after month every Canadian worker will lose 3 per cent of his or her purchasing power. In addition, Canadian mothers have lost the indexation of family allowances. These people have been penalized.

Mr. Speaker, Alain Dubuc, still in the newspaper *La Presse*, on March 4, had an article entitled "Wilson Budget—Taxes at least $500 higher per family". A worker who received a pay increase of 4 per cent this year should have had enough to protect his purchasing power. However, the income tax, and especially the increases imposed by Mr. Michael Wilson, will take away three-quarters of it. He will therefore be 3 per cent poorer in 1986.

Mr. Speaker, this was not said by a Liberal. If you ask the Quebec Members, they will tell you that Alain Dubuc is a man who has some credibility at *La Presse*. I understand why the Minister of the Environment is angry when we tell the truth in

this place. What can I say? We are Liberals. We tell the truth; we are not Conservatives.

Mr. Speaker, always according to Alain Dubuc, a family with an average income somewhere between $20,000 and $40,000 will have to pay $500 or $650 more in taxes in 1986. Mr. Speaker, I have also these words from the Quebec Premiers: The financial situation of Quebec is still of concern and the federal Budget brought down Wednesday did nothing to improve matters. I see the Minister in charge of housing. It is obvious that the poor will suffer. Unfortunately, his only duty as Minister is to cut the ribbons because the Deputy Prime Minister (Mr. Nielsen) has already made all the decisions as concerns housing. What will happen?

Mr. Speaker, I shall conclude by saying that, even though it is increasing taxes for middle-income Canadians, the Government will try to seem a bit more social conscious by providing a $300 prepayment so that people will not have to go to the tax discounters and the loan sharks. Even in this case, Mr. Speaker, the Government was unable to be fair and decided to grant this privilege only to those with incomes under $15,000, thus penalizing 358,000 families.

Mr. Speaker, I would have had a lot more to say, but unfortunately, my time has expired.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased that my colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) is in the House. I hope he will relay my remarks to some of his colleagues.

With respect to this borrowing authority, I urge the Government to amend the Bill next Monday to increase its borrowing by at least $1 billion. Let me explain why. The Government is deluding itself if it believes it can rely on the private sector to provide essential public and social needs at minimum or no profit. It never has happened and never will.

That is why Governments at all levels must intervene to provide those essential public services and facilities at cost.

Let me say at the outset that I and my Party are fully in favour of efficiency in the administration of Government programs and obtaining full value for every tax dollar spent. However, most of what the Government borrows is used to pay interest charges to banks, investors and foreign lenders. I want us to return to borrowing for those things that are self-liquidating, constructive debts that fulfil the needs of the nation.

Perhaps Hon. Members watched the television news in the past two days and *The Journal* last night on the CBC. If so, they saw concrete evidence of what is happening. In every city of this country there is a waiting list as long as your arm for senior citizen housing, co-op housing, municipal housing, homes for the aged sponsored by church and volunteer agencies, chronic care beds and hospital beds. I had an experience today in the emergency wing of a hospital in this city. There are not enough beds. There are people filling chronic care beds in hospitals. We need a massive investment in this area by federal, provincial and municipal Governments. Even if it requires borrowing for construction of those facilities, and to purchase the equipment needed, it will put tens of thousands to work and the debt will be self-liquidating. The amount of money which could be collected from income taxes, sales taxes and other kinds of revenues available to the three levels of Government could retire those borrowings in one or two years. That is a positive and constructive kind of deficit.

• (1650)

This nation needs the modernization and expansion of those areas. The construction industry alone affects the entire economy. The forest industry, the steel industry, those who manufacture appliances, carpets and drapes, those who install wiring and plumbing as well as those who do the construction of the buildings, are all put to work and all pay taxes. I would like to urge the Minister responsible for Canada Mortgage and Housing to ask his colleagues for an additional $1 billion of borrowing in the coming year, in a joint effort with other levels of Government and with church and volunteer organizations, to give us what we are sadly lacking. There is no excuse for allowing people to sit in a wheelchair in an emergency wing for an entire day and then lie in a bed in an emergency room for three days waiting for a hospital bed. There are people who are chronically ill, who do not require full-time hospital attention, but do require a chronic care bed. There is a chain of terrible treatment and behaviour, and I believe every Hon. Member of this House of every political Party could justify borrowing for that kind of investment if this nation is going to be a little more decent, civilized and humane.

We have to use sound business sense in what we borrow money for. We should have borrowings which are self-liquidating rather than just dead weight in a vicious circle of interest upon interest paid to those who have not contributed anything. That is what is needed. I hope that the Government will amend its own Bill because I cannot do so, nor can my Party.

If there are any borrowings unused from the previous year in excess of $2 billion, the Government should use it for the kinds of things I have just mentioned. We had a debate on Wednesday, an Opposition Day, about youth and youth employment. With another $1 billion worth of borrowing over a five-year period we could put a quarter of a million people, most of them young, to work doing nothing more than cleaning up our air and water. That is an investment. Anyone who sits in this place and thinks for one moment that the private sector will do that on its own, by reducing its profits, is dreaming in technicolour. It cannot and will not do it because of the bottom line syndrome: maximize profit, and the benefits to the shareholders take priority over the welfare and good order of this nation. That is why Governments must intervene. Of course, we can try to persuade the private sector to join in and make their fair share of contribution even if it means some shareholders will have to take 25 cents or a dollar less in dividends on their shares for a year or two. We could pay off our deficit in a much shorter period of time and the private sector should be challenged to do that.

I would like to speak about some of the things I watched on television in the last two days. It costs $5,000 to fly a heart from London, Ontario, to Ottawa for a transplant. I am not sure how much of that is picked up under our present medicare plan. I would be very surprised if it is all picked up. But all of that cost should be picked up. The price one has to pay to hire a private jet to save a life, surely, is perfectly legitimate and must be a cost which is shared by the entire nation. All of us, through our tax system and all levels of Government, have to share. Surely that is what co-operative federalism is all about. Surely, Confederation means that we treat one another fairly and equitably no matter where we live in this nation or what our standing is in the community. That is what this borrowing should be about.

In addition to paying off the interest on the interest on the interest, we should make some constructive borrowings like we did in wartime. If we could do in peacetime what we did in wartime, we could borrow and have deficits for life and for construction instead of for death and for destruction. We can put our people to work and pay off our deficits in two or three years with the returns on those borrowings. That is sound business sense.

I want to say to my colleagues in the Conservative Party that I made the same kind of argument to Ministers of Finance in previous Liberal Governments.

I want to appeal to the Minister in charge of Canada Mortgage and Housing. If he has any weight and muscle in his Cabinet, he will bring in an amendment to the borrowing authority Bill next Monday for an additional $1 billion to put into place the items I have just mentioned.

The Acting Speaker (Mr. Paproski): I regret that the hon. Member's time has expired. May I say that there is a Private Members' Hour to come. We are just going to go on until five o'clock so the Hon. Member for Windsor West (Mr. Gray) can use his own discretion. We have about one minute or so left, so perhaps he would like to call it five o'clock.

Mr. Gray (Windsor West): Thank you for your suggestion, Mr. Speaker. I wonder if the House would agree to call it five o'clock so we can go into Private Members' Hour and I would be able to give my speech on this important Bill without interruption on Monday?

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Windsor West has used no time, and he will be the first one to be recognized on Monday, or whenever Bill C-99 comes up again for debate as far as the Orders of the Day are concerned.

[*Translation*]

Order, please. It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ENTERTAINMENT INDUSTRY

SUGGESTED COMMITTEE STUDY OF STANDARDS FOR RATING AND LABELLING

Mr. W. R. Bud Jardine (Northumberland-Miramichi) moved:

That the Standing Committee on Justice and Legal Affairs be empowered to study the question of consumer standards for rating and labelling in the entertainment industry, particularly with respect to videos, records, cassette tapes and compact discs, and that in undertaking this study, the committee focus on the question of sexually explicit lyrics and the negative moral effect this may be having on the youth of Canada.

He said: Mr. Speaker, on December 3 of last year I had the occasion to make a statement in the House decrying the violent and sexually explicit lyrics in certain types of today's music, music which is directed not so much at the population at large but rather at the most impressionable and vulnerable of our population—the teens and preteens. As I mentioned in my statement, this had been brought to my attention by the New Brunswick Federation of Home and School Associations.

Frankly, as I had to admit at that time, I had not been paying attention to the music and was, therefore, ignoring the words, the words with their almost subliminal message of torture, degradation, rape, rebellion and even suicide. Thankfully, others had been listening, people from coast to coast, parents, teachers, church groups and students who have written to me and who have said quite simply to the recording and video industry and to the provincial and federal representatives: "Enough is enough".

This is not a new issue in North America. I am not crusading for a new cause, a new platform to introduce censorship of any kind. I recognize not just the difficulty but the futility in that, an attempt by anyone to deny anyone what they perceive to be their legitimate rights and freedoms. This issue has been raised before by a number of organizations. Most noticeably and most recently it has been raised by a group of Washington wives of U.S. Congressmen and Senators who have organized themselves into the Parents Music Resource Centre.

What is it that they want? What is it that the New Brunswick federation wants? It wants the recording industry to start policing itself with the same standards along the lines of the film industry's rating system. An industry which will not police itself will be policed. It will be regulated to some degree if it flauts the mores of a society or of a country.

A disc jockey called me in December and told me he had made a point of listening to the words, to the message, of some of the recordings he had been playing for months and months, artists to which I had objected. He admitted quite frankly that he was absolutely shocked at what he had been playing and would therefore refuse to ever play them again. This was not a

radio station in a small rural area but, indeed, a radio station in a rather large urban centre.

Whether by coincidence or by design, on December 3, 1985, the same day I brought this matter up in the House originally, the Canadian Recording Industry Association announced new guidelines for its members on the subject of explicit lyrics in sound recordings. The President of the Association, Mr. Brian Robertson, said that the guidelines which had been accepted by all its members will recommend that future recordings, where contractually admissible and that in the opinion of the record company contain explicit language or lyrics, will carry the inscription: "Explicit Lyrics—Parental Guidance Advisory".

This is a responsible step. I applaud the association for taking it. However, there are still questions which must be asked, questions which must be answered. In the association's press release it was stated that its research had shown that the number of records that might fall under the category requiring a warning label was less than 1 per cent of the recordings released. One would ask: What number of that 1 per cent would be covered by the caveat "contractually permissible"?

Of course, it is not just the recording industry itself which must be brought into perspective here. What of the radio stations which will continue to play these records with the objectionable lyrics warning or not? Indeed, one could well ask: What is the air time of these records which make up less than 1 per cent of the recording industry? Also, and unfortunately so, many of the recording artists who have record sales of several million and fall into this category of sexually explicit music record for companies which do not belong to the Canadian Recording Association.

When we speak of the right of self-expression, the right to express oneself is not always absolute. It is generally acknowledged that some forms of regulation are appropriate and necessary in a democratic society. Other people have a correlative right not to be exposed to certain types of expression if they do not wish to be so exposed. Certain vulnerable members of society, such as children, should be shielded from some types of expression. These limitations on expression are particularly important with respect to certain recorded forms of entertainment such as video cassettes, discs and records. They can be purchased without a full knowledge of their contents. The implication of the potentially wide distribution of such materials was recently reviewed by the Special Committee on Pornography and Prostitution, the Fraser Committee. The report of that committee described the concerns that had been expressed to it on video recordings thus:

> There was strong support at the public hearings for review and classification schemes applicable to video recording sold or rented for private use. The major concern of advocates of this proposal was for the young people. Worried about the kinds of violence, degradation and explicit sex which children might be seeing on videotapes parents and others were concerned that they now have almost no effective way of monitoring children's viewing.
>
> We were told that the covers and advertising of videotapes often do not give accurate clues about the nature of the film. The merchants who rent tapes may not be as vigilant as many would hope in ensuring that young people avoid the worst material. Even where the retailer is watchful, young people may be getting videotapes in the same way that they traditionally got liquor or cigarettes: having an older youth obtain supplies for younger peers.

The ease with which videotapes can be duplicated means that they will be widely and readily accessible. Outlets have proliferated, with videotapes being available anywhere from the largest department store to the corner gas station to the specialized video outlet, be it an adult video club or a neighbourhood family store. Video recorders are now reasonably widely available in private homes across Canada and home viewing means a consumption of the materials can take place in private. For many young people this means away from parental supervision.

The committee found real merit in having a regulatory scheme for sold or rented video recordings. The scheme would include only classification of tapes and their clear designation but not prohibition of sale or deletions. Such prohibition would be reserved for only the most seriously offensive films under the criminal obscenity standard. Accordingly, the Fraser Committee recommended that each province should establish a system of review and classification for video recordings.

The rationale for classification of video recordings would be equally applicable to audio recording. First, there is the concern that people may be offended by the contents of certain recordings of which they have no warning. Further, there is the perception that young people may be harmed by some types of video or audio entertainment. There is the general harmful effect that the depiction of explicit violence or sex is said to have in the development of those who are not sufficiently mature to deal with such forms of stimulus. Unregulated access to materials by children could seriously impair proper socialization and a growth of responsible attitudes and behaviour. Moreover, there is the more disturbing contention that some recordings have the potential to cause direct harm and that already some youth have reacted in a violent fashion to the images and ideas to which they have been exposed as a result of the indiscriminate distribution of such materials.

● (1710)

If these concerns have substance, it is surely arguable that review, classification and labelling of recorded materials is not an over-reaction. This would seem to be one area in which a careful review by the Justice and Legal Affairs Committee of the effect of the broad distribution of video and audio recording could indeed be of use. Such a study could focus the attention of the public and legislators on the specific issue of recorded entertainment and serve to investigage and analyse the supposed harms that flow from its distribution, particularly among youth.

Classification of film is not something that is new in Canada. Eight provinces already have film classification boards which rate films and which, in some cases, have the power to order deletion or forbid the exhibition of films. The two remaining provinces rely on the findings of the boards of other provinces. The power of these boards, however, extends only to films being shown publicly in theatres. Constitutionally, the regulation of such exhibition is considered to be within

provincial competence over matters of a local or private nature in the province and the Supreme Court of Canada has upheld the exercise of that power.

It seems clear that the extension of a classification system to the distribution of recorded material for private use would similarly be within provincial competence. This is not to say, however, that it is not possible for the federal Government to become involved in the matter, principally through the use of the criminal law power.

The classification of privately used video and audio material is becoming a significant issue in other jurisdictions as well as in Canada. As I mentioned earlier, in the United States this issue has also been raised by a number of groups and organizations. A subcommittee of the U.S. Senate Commerce, Science and Transportation Committee recently held hearings into a proposal to require the labelling of phonograph recordings with warnings as to explicit lyrics or certain types of subject matter dealt with in the recording. Witnesses who had supported the proposal acknowledged that popular music has always been disapproved of by other generations but submitted that recently such music has undergone a serious shift in emphasis into so-called porn rock, the glorification of such things as sado-masochism, incest, bondage, indiscriminate killing and, as I have already mentioned, suicide.

Similar concerns have been expressed with respect to video presentations of popular music. Some witnesses urged legislation on that matter while others submit that self-regulation may be possible and that the recording industry should start policing itself along the lines of the film industry's rating system. For example, it could establish a voluntary rating system such as the Motion Picture Association of America has with respect to film.

Two Canadian provinces have taken steps to classify video recordings. In Nova Scotia, the province's Amusements Authority Board has been empowered, pursuant to the Theatres and Amusements Act, to regulate film exhanges, retail outlets which sell, lease, lend, exchange or distribute films to the public. Such exchanges must be licensed before they are permitted to operate. In addition, every video film including video cassettes, video discs and video tapes must be marked with a classification assigned to it by the board both on the container in which it is kept and on any container used for display purposes. That classification can be "general", "adult" or "restricted". The regulation contemplates that some video films may be distributed without having been classified and requires such video films to be marked "unclassified".

Theoretically, through the use of the criminal law power, the federal Government could impose a national system of review and classification of recorded material. However, this would involve significant costs and could serve to alienate the provinces. The federal Government is not limited to a direct role in this area.

An airing of these issues at the national level could serve to encourage the development of review and classification systems across the country. It could also lead to the development of minimum standards of acceptability and uniformity of procedures. In addition, the federal Government has a clear role to play in dealing with the importation of recorded material by virtue of its jurisdiction over customs.

Possibly the most significant federal interest in this matter is to ensure that if a system of review, classification and labelling of recorded material is necessary, it applies in one way or another throughout Canada and in accordance with the Charter. Although the direct participation of the federal Government in the administration of such a system may not be practicable, it is possible for Ottawa to establish a structure whereby the provinces eventually become obligated to act in this area subject to minimum standards.

It is with these thoughts in mind that I bring this matter before the House and ask that the Standing Committee on Justice and Legal Affairs be empowered to study the question of consumer standards for rating and labelling in the entertainment industry, particularly with respect to videos, records, cassette tapes and compact discs, and that in undertaking this study the committee focus on the question of sexually explicit lyrics and the negative moral effect this may be having on the youth of Canada.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a couple of remarks to make on this motion. It is too bad that I cannot ask the Hon. Member questions about his speech so I will pose some of my remarks in terms of questions that I would ask. I do not pretend to be an expert on this subject. I am speaking as an ordinary Member of the House, but I do have some questions.

I should first declare my biases, and I am speaking personally here. I believe in free speech and I do not like censorship. Justice William O. Douglas, the great judge of the Supreme Court of the United States, once gave a judgment when he was defining, as the American Supreme Court had often to do, the notion of free speech. He said that free speech means free speech, period. That was the entire decision. He struck down the law that went against free expression.

The Hon. Member is correct when he says that we do have limits on self-expression in Canada. There are the laws of libel and there are even limits to free speech in this House where libel laws do not apply. However, Canadian libel laws are very restricted, as the Hon. Member knows. For example, one may make comments about a group of people unless it goes against the Criminal Code hate literature sections.

At common law, libel and defamation was very restricted to actually affecting an individual person, his reputation and his standing in the community. Our laws were very restrictive because in a democracy, we want to have as much freedom of expression as possible. That is what a democracy is all about and that is what we believe brings human happiness and progress.

When I looked at this motion, I asked myself what were sexually explicit lyrics. I am a little out of date in my music as I am getting older, but I remember some John Lennon tunes and I have one particular song in mind. I will not sing it but other Hon. Members may. It is the song entitled *Imagine*. I

recall some of the lyrics of that song—"a working class hero is something to be; you are all f-blank peasants as far as I can see". Then the lyrics went on to say: "If you want to be a hero, just follow me". At least the lyrics were to that effect. Is that sexually explicit? It sounds like it. Would that be in fact censored by the Hon. Member? Would some kind of Big Brother federal committee go in and grab the records and discs of kids and say that they could not have that kind of music? I do not like that, and I think it leads to a great deal of abuse. In the long run it is worse than the problem which the Hon. Member is trying to attack.

● (1720)

I agree with some of the comments of the Hon. Member. Obviously parents must have some direction and control over their children. There cannot be pornographic materials, what I prefer to call pornographic materials. That has to be tightly defined, and there is no definition of that in the motion. It would have been better to talk about pornographic material rather than sexually explicit material. Quite frankly, I am not bothered by sexually explicit things. Sex is a part of life. Sometimes I wonder whether in our puritanical traditions in western Canadian society we are a little afraid or Victorian in many ways. I speak as a Scot, and a Scot should know. Scots are pretty Victorian. I know that some people in the other cultures of Canada are less Victorian than we Scots who can be a bit dour and Victorian. Sometimes I think it is a fault. Some of my forefathers, such as John Knox and so on, would have defined everything as sexually explicit, and we would not have been able to make the least reference to things which concerned sex. In any event, it is not a good expression. Pornographic is a better expression but it has to be defined as talking about the exploitation of a person or a group, for example women, by others, usually to make money, to degrade or to exploit. That is worth classifying and worth censoring, if we have to censor, and I have already told the Hon. Member that I do not like the notion of censorship.

The committee already has before it the Fraser Report and I believe the Badgley Report. There is some good material on pornography in the Badgley Report. That is what the committee should be looking at. Also the motion indicates the negative moral effect this may have on the youth of Canada. That sounds like Jerry Falwell of the Moral Majority, speaking about negative moral effect on American youth. Of course he would exclude anything left of Attila the Hun. He would say that any political expression has negative moral effects on the people. I have been told that at one point the White House wanted to bar the music of the Beach Boys, until Nancy Reagan intervened because she liked and knew the Beach Boys. Would this motion ask the committee to make legislation to ban records such as those of the Beach Boys? The Sex Pistols were banned; their song "God Save the Queen—It's a Fascist Regime" was banned in the United Kingdom. How far do we want to go? Do we really want to ban things because they make commentary on our political institutions or our leaders? It seems to me that that should not be done in a democracy.

In Canada we have the notion that the provinces look after this matter. I know the Hon. Member dealt with it somewhat in his speech, but traditionally the provinces have looked after classification and censorship. I acknowledge that there is a Customs problem in the federal Government, that the Criminal Code exists and that it is a federal statute. However, do we really want a federal censorship board to guard over our young people? I look at some of the younger people who assist us in the House and I wonder whether they really want a country where mainly a bunch of old men and a couple of women decide what the youth will see. No, I do not accept that, and I do not think the young people of Canada would accept it either.

When I think of the negative moral effect on Canadian youth, I think of the 24 per cent who are unemployed and about the tragedy of young people who are unable to obtain jobs in the Province of British Columbia. I think of the tragedy of a lost generation out there, for some people; I think they are the really bad moral things. I do not really care what young people over a certain age are seeing or hearing in the privacy of their own apartments or homes. Are we to have a Big Brother who will go in and look at their record collections and take away some of them? What kind of warning will there be on these discs? Will someone have to listen to them? Will there be different kinds of warnings? At some point will they be taken off the shelves and so on? I believe in free speech, but I think it is dangerous to use expressions like "sexually explicit lyrics" and "negative moral effect". Those are the words which were used in the motion. I do not impute bad intentions to the Hon. Member. I suspect he is responding to some of the trash and pornography which society seems to throw up. However, we must be careful. It is easy to step over the fine line to censorship, which I think is backward.

Let me conclude by saying for myself that it is good the committee is considering the problems of various forms of pornography—violent pornography, pornography against women, exploitive pornography, sado-masochism and exploitation of children. Yes, the committee should consider those matters. It has the benefit of material from the Badgley and the Fraser reports, but I do not think we have to send a motion such as this one to the committee. The motion talks in broad terms which in the past could have resulted in the censorship of some of the most interesting music that has come to be accepted in our society.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is a pleasure to speak on Motion No. 251 in the name of the Hon. Member for Northumberland-Miramichi (Mr. Jardine). When I first toyed with the idea of speaking on the topic, I was of a mixed mind. Instinctively I have a natural aversion to government intervention, to excessive Government regulation and to very hard censorship. However, I began to study the issue and realized the sincerity with which the Hon. Member is approaching the particular topic. I viewed a few of the videos currently on television and thought back to the days when I was a school teacher and realized how impressionable are our young people. As a result of that process, I decided to

speak in favour of the Private Member's Motion of the Hon. Member for Northumberland-Miramichi.

Obviously it is not a new thing for parents, home and school associations, educators, church groups or others, to express concerns over the lyrics of songs which are popular with young people. In the 1930s, the lyrics of Cole Porter's song *Love for Sale* caused a bit of a furor. I cannot remember that, Mr. Speaker; perhaps your fond memories will go back that far. It was not vastly unlike what is happening today and when people expressed concern with regard to a visual presentation which I can remember when Elvis Presley first appeared on the *Ed Sullivan Show*. There was a concern that his physical motion was not suitable for a mixed audience. We had a limited form of censorship which was imposed by the cameramen themselves.

• (1730)

Today there is a new development to which we must direct our attention. Over the last few years our Canadian youth have been increasingly exposed to a new form of musical entertainment, the music video. Indeed, there is now a pay TV station that presents these rock videos on a 24-hour a day basis. These videos can be imaginative, colourful and may involve highly technical special effects, in some cases, incorporating computer technology. Many are excellent visual presentations that compliment positive lyrics that convey a certain idea of the entertainer. However, there is increasing concern over the sexual content, and particularly over the elements of violence so graphically displayed in rock videos of today.

It is time to ask ourselves what the effect of these rock music videos is on Canadian youth. Only this week, a national newspaper featured a story on the front page questioning whether teenagers are the top consumers of pornography. It reported that a survey conducted by a Canadian researcher found that young people between the ages of 12 and 17 are the primary consumers of pornography in Canada, and that 37 per cent of them watch sexually explicit videos at least once a month.

There is not only considerable sexual content in these videos, but also elements of violence which may or may not involve a sexual component. We must ask ourselves whether we are monitoring the content of these videos closely enough, and do we know enough about their impact on our children.

Complaints have been brought to my attention about videos that, for example, portray women as animals in cages, fed, kept and led around on leashes by men. Recently I had the misfortune to view one of these videos, one by a group called "The Twisted Sister" that shows a young boy being harangued by his father with clenched teeth. Eventually the boy throws his father out of the bedroom window. Is this the kind of content we want our young children to see, our young children who are relatively impressionable, who enjoy music? Is this the kind of message we want them to get in our society?

As you know, Mr. Speaker, the existing obscenity provisions of the Criminal Code require the undue exploitation of sex or sex and violence, or sex and cruelty, in order for a matter to be obscene. Depictions outside of a sexual context do not fall within the controls of the obscenity provisions. Many of the videos, while they do not contain sexual content, definitely are violent in nature.

In 1978, the Standing Committee of the House of Commons on Justice and Legal Affairs in its report on pornography concluded:

> A society which holds that egalitarianism, non-violence, consensualism and mutuality are basic to any human interaction, whether sexual or other is clearly justified in controlling and prohibiting any medium or depiction, description or advocacy which violates these principles.

The Special Committee on Pornography and Prostitution, the Fraser Committee, was appointed by the former Government to study the problems of pornography in our society. The Minister of Justice (Mr. Crosbie) tabled the report of the Fraser Committee in the House of Commons on April 23, 1985. Officials in the Department of Justice are reviewing the recommendations of this committee, and the Minister of Justice has indicated recently that he intends to announce the Government's response to these recommendations this spring in the House of Commons.

The Fraser Committee recommended repealing the present obscenity provisions in the Criminal Code and replacing them with a three-tier classification of pornography. As I have said, these proposals have been the subject of extensive review by officials in the Department of Justice, who have consulted widely with non-governmental organizations across Canada and with the provinces. The Fraser Committee also recommended that any amendments proposed to the Criminal Code with respect to proscribed pornographic material should be incorporated by reference into regulations passed, or to be passed, by the CRTC pursuant to the Broadcasting Act with respect to all broadcast media. I understand that the Minister of Communications (Mr. Masse), who has the responsibility for the Broadcasting Act, is considering this issue.

There is another recommendation made by the Fraser Committee, which I believe merits our attention. The Fraser Committee was not given a mandate to study the issue of the control of depictions of violence outside of a sexual context. The Fraser Committee did recommend that the federal Government should give immediate consideration to studying this problem of representations of violence in films and through the broadcast media.

The problem of violence in the media has been an issue which parliamentarians over the years have recognized warrants attention. The Royal Commission on Violence in the communications industry, headed by the Hon. Judy V. LaMarsh was established by Order in Council in May, 1975, and published a report in January, 1976. That report took about seven months, a short time frame when you look at the time frame it normally takes task forces or royal commissions to present reports. Obviously the commission felt it was a crucial matter. It is now 10 years later. The past Government took very little action with regard to that report.

The present Government, our Government of today, has announced it is taking action to deal with the long-standing

problems associated with pornography, including pornographic depictions through the broadcast media.

Many Canadians have expressed their concerns, both to the Fraser Committee and through their Members of Parliament, about the increasingly violent content of television shows, rock music videos and phonograph records. This issue should no longer and must no longer be overlooked.

I realize that censorship in the media is a complex sensitive issue involving constitutional questions of division of powers between the federal and provincial Governments and determinations of what constitutes reasonable limits on the freedom of expression guaranteed by Section 2 of our Charter of Rights and Freedoms.

We are at present seeing co-operation between all levels of Government and among all federal Departments to combat the adverse effects of the pervasive burgeoning pornographic influence in our society.

We must also channel this co-operation into looking at the equally pervasive burgeoning depictions of violence in our society, the effects of which on our youth have not been adequately assessed to date.

I urge this House to give the Standing Committee on Justice and Legal Affairs the mandate to study the effects of pornographic or simply violent depictions and descriptions in videos, records, cassette tapes and compact disks, available for sale or rent or through the broadcast media.

By suggesting that I support this, I do not criticize nor condemn the industry that has built up in Canada with regard to rock music videos. It is an important industry and, in many cases, gives Canadian entertainers a vehicle to express their talents and to show their abilities. Certainly in no way would I want my support of this recommendation to be construed as an effort to detract from that viable industry, but instead to add to the credibility of that industry and its product by making sure that we can attempt to monitor exactly what the young people of this country are going to see as a result of watching our entertainers and entertainers from other countries in the presentation of their talents.

This study by the committee should include the question that has been introduced by the Hon. Member for Northumberland-Miramichi concerning consumer standards for rating and labelling in the entertainment industry. The recent increase in the numbers and popularity of the rock music videos viewed by so many of our Canadian youth warrants the attention of the Members of Parliament. I congratulate the Hon. Member for Northumberland-Miramichi for bringing the matter to our attention and introducing his Private Members' Motion so that we as Members of Parliament may address it. I hope that Members of the Standing Committee on Justice and Legal Affairs will be able to give this very serious issue the attention it warrants.

• (1740)

[*Translation*]

Mr. Richard Grisé (Chambly): Mr. Speaker, this motion was moved by the Hon. Member for Northumberland-Miramichi (Mr. Jardine) who, while representing the Northumberland-Miramichi riding, knows the Chambly riding very well, having lived there for several years. As the elected representative of the Chambly riding, I am pleased to tell the House what I think of this motion on a basic issue which affects Canadian people generally and, of course, my Chambly constituents. However, I would not waste the time of the House by discussing the substance of the motion which seeks to authorize the Standing Committee on Justice and Legal Affairs to study various aspects of the pornography problem.

It's a fact that the pornography problem today is extremely serious and affects all Canadians, including my Chambly constituents.

We are all aware that this question is important and arouses much interest. I am convinced that my colleague's initiative stems from his conviction that a study of this aspect of pornography is necessary for the well-being of the Canadian public. Concerning the well-being of the Canadian public and, especially, that of my Chambly constituents, it is clear that through the Budget it has just tabled, our Government is trying to improve the well-being of this and future generations, since by reducing the deficit, it is automatically easing the burden our young people will have to bear tomorrow. It is therefore evident that the purpose of our Budget and this motion is to improve the well-being of our society, our population.

I do not intend to discuss the validity of this conviction, not because I lack strong feelings about it. Quite the contrary! Just like my fellow Canadians, recent events such as the publication of the Badgley report on child abuse, as well as the Fraser report on pornography and prostitution in Canada have caused me to reflect on the pornography issue.

During the next few minutes, Mr. Speaker, I should like to deal generally with the pornography problem which, as I said earlier, is very serious. In fact, the Criminal Code of Canada makes it an offense to write, publish, distribute or posses obscene material. Of course, contrary to my friend the Hon. Member for Saint-Denis (Mr. Prud'homme), I lack the necessary training and experience to address the House with ease and eloquence. But surely, Mr. Speaker, my comments now are quite relevant.

As I said, Mr. Speaker, a publication is deemed to be obscene if its main feature is the undue exploitation of sexual aspects of one or more subjects such as crime, horror, cruelty or violence. The Canadian courts have been using a test that reflects common moral standards to determine what must be viewed as "undue exploitation", based on what the Canadian public as a whole is willing to tolerate.

The decisions rendered by Canadian courts have proved that current Code provisions concerning obscenity are difficult to enforce. The result is generall public confusion and disarray.

Retailers, distributors as well as police officers, sollicitors, defense counsels and judges, consistently find it difficult to enforce a statute directly.

The current uncertainty concerning the interpretation of the law has helped change the current nature of pornography and widen its market. It can therefore be observed that in recent years we have seen an alarming growth in the availability of violent, degrading and increasingly explicit pornographic material. The means by which that material is made available also are much more varied. Video cassettes, films and satellite broadcasting have come to supplement traditional media like books and magazines. I would not want to overlook Mr. Speaker, the records and audio cassettes we hear today. As we know, Mr. Speaker, in the Montreal area, we had a teenager who unfortunately took his own life after listening to a cassette recording, and if you will forgive me, its title is *Heavy Metal*. After listening to a cassette of that kind of music, that young man committed suicide. I think this also could be considered as a kind of pornography available to our Canadian youth.

All that is now available in an ever increasing number of shops and stores. The public expressed their concern about the use of children in new forms of pornography and the availability of that kind of material to the young.

Mr. Speaker, the example I just gave of that teenager who could very easily obtain a cassette from a *Heavy Metal* record, shows how easy it is for these young people to lay their hands on that kind of material.

Mr. Speaker, if you will allow me, I would like incidentally to emphasize the exceptional community work done by organizations in my constituency of Chambly to protect our young people against all kinds of pornography, and especially all kinds of kidnapping.

Indeed, with the support of the Lions' Clubs in my constituency, some of the municipalities, in co-operation with the police forces in the constituency, have set up program, a voluntary one of course, for the identification of our young people, by means of an index card system that is kept by the parents, with the fingerprints of their own children. And so, if a child does disappear, which is something families cannot easily deal with at the best of times, with the fingerprints, finding these children will be easier and quicker, and as a result, we may be able to keep these children from getting caught up in the child pornography network.

• (1750)

An Hon. Member: Excellent proposal, Chambly!

Mr. Grisé: While considering the problem of pornography, the Committee decided to make a distinction between two broad categories of pornography that have aroused public concern: sexually explicit productions, characterized both by sexual content and by the stated or apparent intention to bring about sexual stimulation of the customer; and productions characterized by sexual content, combined with violence, degradation or exploitation in such a way as to give these aspects legitimacy.

Mr. Speaker, when we consider what I just mentioned, and a study was published this week, it is this kind of pornography that is aimed most often at young people between the ages of 12 and 17. Mr. Speaker, it is our teenagers who are most interested in this kind of pornography. It is incredible and unacceptable in a modern society such as ours today.

As for the impact of pornography, the Committee noted that most of the intervenors at the hearings shared the following concerns: pornography degrades women, deprives them of their dignity as human beings and equal partners within a human relationship, and treats them as instruments of pleasure for men. The violence of men towards women is judged socially acceptable, and the spectator becomes insensitive to the sufferings of others.

Mr. Speaker, to deal with the unfortunate situations that result, in my riding, the riding of Chambly, thanks to our Government's job development programs, we have been able to set up two shelters for battered women, and I can assure you that when I met with the directors of these agencies and when I visited their premises and met with these women and heard them talk about their experiences . . . It was incredible, Mr. Speaker. I felt I was not in the twentieth or twenty-first century. I felt I had gone back to the Stone Age. And again, thanks to our Government's action, we will be able to . . . That problem has not been solved but at least we offer shelter to those people, mostly women who have been beaten up, have walked out of their home and have lived in squalor until they are left with only one possible source of income, Mr. Speaker, prostitution of course, the oldest trade in the world. Once in the prostitution racket, the next easy step leads to pornography.

Again I say that is the kind of programs we can set up to help women who find themselves in such dire straits.

Of course, Mr. Speaker, such serious problems as violence at home and battered women have a very harmful and very negative impact on the children and the family, and then the principle of family life does not last very long.

An in-depth study of the problem was deemed desirable. A special committee was established by the Department of Justice under the chairmanship of Mr. Paul Fraser who was asked to report on matters related to pornography, among others. The committee released its report in April last year. The Fraser Committee recommended a full review of provisions on pornography and their replacement by a classification based on the type of acts depicted. Three levels have been set, each with its own penal provisions and a control mechanism.

The most severe penal sanctions would apply to first level productions which include visual representation of an individual under age 18 taking part in explicit sexual activities.

Mr. Speaker, it stands to reason that if we want to solve those problems we should not begin by directing our efforts towards the adult population. The way to proceed is to strike at the root, and by that I mean the young people of today who are directly involved in pornography. The first level would also include productions which promote, endorse or depict as being normal any sexual attack against children, as well as others that could not have been produced without inflicting severe physical lesions on the individuals portrayed.

Mr. Speaker, these words do not need to be explained further. It is clear that these young people will have recorded in their subconscious these acts of extreme physical violence and they will develop them into some sort of automatic response, a means of defence, release and expression, something unbelievable for those who will have to administer our society of tomorrow.

Mr. Speaker, the productions of the second level should be subject to less severe penalties. The second level would comprise material or shows which describe or represent violent sexual behaviour, bestiality, incest or necrophilia. When I say less severe penalties, I do not mean full absolution, for is there any human act which is more bestial and degrading than incest? It is aberrant and inexplicable. Mr. Speaker, as the happy father of a son and daughter, I just cannot accept that parents could be involved in an incestuous relationship with their children.

Mr. Speaker, the productions of the third level would be subject to penalties, because they are exposed in public, without warning, or sold or made available to people under 18 years of age. This third level would comprise visual pornographic presentations or shows not involving people under 18 years of age.

• (1800)

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—IMPACT ON CANADIAN FARMERS OF PROPOSED UNITED STATES LEGISLATION. (B) REQUEST THAT PRIME MINISTER MAKE REPRESENTATIONS TO UNITED STATES PRESIDENT

Mr. Maurice Foster (Algoma): Mr. Speaker, earlier this week I put a question to the Minister of Agriculture (Mr. Wise) concerning the situation which exists in the Canadian farm community with regard to the United States farm legislation bill that was passed a few weeks ago.

A recent study by Chase Econometrics indicates that it will cause a net reduction of 20 per cent for farm incomes across the country due to the lower prices of grain, corn and other commodities. I asked what action the Minister would take in light of this American farm bill. Of course, the impact of the Bill is not only the reduction in the commodity prices. It will also have a negative impact because the legislation has a massive system of bonuses for export sales.

The response I received from the Parliamentary Secretary was very inadequate. He never indicated what action would be taken to assist the farmers in this country as a result of the very adverse and negative impact of this U.S. farm bill. He did not seem to realize that it would reduce farm incomes 20 per cent below the 1984 level.

In my supplementary question to the Secretary of State for External Affairs (Mr. Clark), I asked if the Prime Minister (Mr. Mulroney) would personally intervene with President Reagan this weekend at the Washington Summit to ask that some consideration be given to Canada in the way the U.S. Farm Bill is applied. I received essentially no response or commitment from the Minister that the Prime Minister would personally intervene to ask that the American $1.5 billion bonus program for export sales would not be used in markets into which Canada has traditionally sold grain. The Secretary of State simply said that the Prime Minister will speak for all interests of Canada at the Summit with the President.

Last evening, I received this background paper entitled "The Washington Summit March 18-19". The very disconcerting result I expected took place because there is nary a word on the agenda of issues to be discussed by the Prime Minister and the President this weekend about this U.S. Farm Bill which will have the greatest and most severe impact on Canadian agriculture of any initiative taken in the United States. The agenda includes other important issues such as softwood lumber; the fish countervailing duty investigation; sugar-containing products; steel; asbestos and others under Section 201. However, the whole question about the negative impact of the U.S. Farm Bill is not even included on the agenda. Therefore, we are continuing to seek assurances.

• (1805)

I hope the Parliamentary Secretary, in responding this evening, will be able to give an ironclad commitment that the Prime Minister will raise this matter, and that he will push it as forcefully as possible with the President this weekend to ensure that the negative impact of the United States Farm Bill, with its commodity prices, will be lessened, and that the

United States will not use a subsidy bonus program for sales of wheat and grain into Canada's traditional markets.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I am happy to be able to reply to my hon. colleague on behalf of the Minister of State for the Canadian Wheat Board, who would have liked to reply himself, but who is unfortunately unable to be here. He is on his way back from Japan, where he discussed this important matter with his foreign counterparts. This, by itself, is a very good indication of the will of this Government to remain competitive on the market and to ensure the best possible share of the international market for our grain.

The Minister wants our market to remain competitive and to continue to develop. He is quite familiar with the U.S. Farm Bill and intends to discuss it with his counterparts. This is the way that our Minister has decided to handle the issue.

[*English*]

For instance, we know the loan rate to American grain producers has been lowered 27 per cent, from $3.30 U.S. to $2.40 U.S. per bushel. This will result in downward pressure on the world price of wheat, which is essentially set by the United States, the world's largest grain trader.

We also know that American grain growers will be protected from falling prices. Subsidies will cushion the blow. Some predict that farm subsidies, overall, will cost the U.S. Treasury as much as $70 billion over the next three years. A large part of this amount is earmarked for export programs. The United States intends to recapture its market share and reduce its burdensome stocks.

[*Translation*]

Mr. Speaker, we all know that, each year, the European Economic Community countries spend $18 billion, or 70 per cent of their budget, to support their grain industry as well as stocks which are becoming increasingly large.

In the short term, Mr. Speaker, neither the American legislation nor the action taken by the European Economic Community are useful in the present situation.

However, our Minister has decided to sit down with representatives from Australia, Argentina, the United States and the European Economic Community with a common purpose to find an equitable solution. I can assure you that this matter will be raised during the coming week when our Prime Minister (Mr. Mulroney) meets with the American President.

[*English*]

REFUGEES—DRAFT LEGISLATION INQUIRY. (B) CONTENT OF ALLEGED DRAFT

Mr. Dan Heap (Spadina): Mr. Speaker, on February 6 during Question Period, I asked the Minister of Employment and Immigration (Miss MacDonald) whether she would confirm that she recently approved a draft authorizing immigration officials to expel within 72 hours most refugee claimants who, in fleeing their country, passed through another country. She evaded the question. She would not confirm nor deny that there was such a document authorized by her. She said I was wrong, which was an evasion of a direct answer. Yet, I have it on the best authority that such a draft was circulated with ministerial support.

That draft would exclude from Canada most refugees who might arrive once the draft was adopted. There is a known crisis in the matter of refugee claimants within Canada. The crisis has been created by the misconduct of the immigration bureaucracy and the neglect of a succession of Ministers.

• (1810)

In addition to people who came here claiming refugee status, there were others who claimed other types of hardship under the humanitartian and compassionate sections of our immigration law. They were quite improperly put into the refugee stream, and thus they bloated the refugee stream.

There were other delays caused by the staff simply not providing typists to type the transcripts after the interviews. The length of time between each stage of the refugee process lengthened. What once took a year took two years, and it now takes five or six years.

The Immigration Appeal Board was slow and often incompetent. It was the cause of many appeals. It was finally the cause of the grand appeal to the Supreme Court one year ago next month, which finally made clear that a person is entitled to an oral hearing before his life is to be jeopardized by being deported as a refugee claimant.

The delays have caused hardship to refugee claimants and their families, and cost to the Government. Yet the Minister herself caused delay a year ago when she delayed for six months the reception and publication of the report of Rabbi Plaut, which had been asked for in the previous year by the then Government. She stalled further the action on that report by asking the committee to study it. When the committee studied it and tabled its reports in Parliament in November and December, after many hundreds of hours of painstaking work, instead of acting on it, even within the rules of the House, the Minister of State for Immigration (Mr. McLean) violated the rules last Friday by refusing to respond to the report of the committee which was tabled in November in the House. On the 120-day limit, he was supposed to give an answer, and he just refused to do it. He said instead that he would couple it with an answer to a later report some weeks down the road. That report which he refused to answer was the report that would have provided a legislative plan for correcting the errors and weaknesses of our present refugee system. Therefore, the errors and weaknesses continued to accumulate.

What has happened during this past year is that certain sharks, certain shysters, consultants and some lawyers brought in hundreds of Portuguese people last year, and more this year, to abuse the situation of backlog and delay. They claim they are Jehovah's Witnesses and would be persecuted if they returned to Portugual. Nobody believes the claim. It does not

matter. By making the claim, they must be allowed to stay for the refugee process because the Minister and the bureaucrats have delayed any action to correct the law to close that loophole.

These claims could still be expeditiously disposed of by a report our committee delivered in December, just before Christmas. It is not 120 days, but no law prevents the Minister from acting upon the report before 120 days. That report showed ways that could be followed without legislative change on the basis of the present Immigration Act. By some adjustment of regulations to meet the crisis, most of the claimants, whether they are Portuguese, Guyanese, Iranian, Sikh, Bangladeshi, African, Latin American, no matter from where they come, most of them, according to the officials' admission, could be settled here on grounds of family reunification, on grounds of effective integration into Canada, or on grounds of extreme hardship and compassionate consideration. That would have saved untold human hardship and would have saved many millions of dollars to this Government. Instead, the Minister still delays, is building up the hardship and the cause and building up bitterness. Unscrupulous journalists are using false figures to slander these refugee claimants. They are likely to destroy Canada's good refugee determination system which needs improvement, but not destruction. Perhaps what is sought is a way of bringing in cheap, illegal labour for the labour market in Canada and returning to the bad old days of the worst immigration policies we have had.

● (1815)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity to reply to the question on behalf of the Minister.

However, I would like to start in a lighter vein. Last week I accused my Liberal friends and colleagues of being a "bottoms-up gang" because they could always be found burrowing in some waste basket or other, looking for letters and papers to bring before the public eye. I think my hon. colleague has caught the same habit: it must be contagious on that side of the House. And always the intimations that a series of assumptions and documents will be forthcoming.

Mr. Speaker, from my experience as Parliamentary Secretary to the Minister of Employment and Immigration (Ms. MacDonald) for almost a year, I can say that every week, the Minister receives tens, and when it is really busy even hundreds, of proposals varying from the most complex to the most farfetched.

We signed the Geneva Convention, and according to the Convention which was in fact ratified in 1951, it is strictly prohibited to expel anyone before entry. We signed the Convention and we intend to observe our international commitments.

Regarding the crux of the Hon. Member's question, Mr. Speaker, it is absurd to imply that the Canadian Government could be endangering the lives of refugees by expelling people who, in fleeing their country, pass through another country.

Mr. Speaker, it is a fact that in the legislative committee and in this House we had a debate on a Bill to increase the number of appeal commissioners from 18 to 50, which was vehemently opposed. Keep in mind that we now have 20,000 cases. Admitedly these are not all refugee cases, but you know there is no distinction between refugee cases and regular immigration cases. Twenty thousand cases are pending and we simply must find a way to give them a hearing.

With respect to the implementation of the Geneva Convention, as I said a moment ago there is a well established principle whereby the summary expulsion of a refugee to a third country which in turn deports the refugee to his or her country of origin constitutes an expulsion. The expulsion or forced return of a refugee to the country where he was persecuted is a procedure to which convention signatories are not allowed to resort. Canada happens to be among the signatories, Mr. Speaker, and it has no intention of using such tactics. Obviously we have never authorized the drafting or publication of proposals which would breach that non-expulsion principle and which would be unfair to Canadians and others who may wish to become Canadian citizens.

[*English*]

UNEMPLOYMENT INSURANCE—COLLECTION OF BENEFITS BY BRICKLAYERS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I welcome the opportunity to expand on my question regarding unemployed Metro Toronto bricklayers. I feel that the issue raised in the question is one which goes beyond bricklayers and hiring hall agreements to the very core of the unemployment insurance system. The issue is now to ensure that only those who are genuinely unable to find work receive benefits.

My intent is not to single out bricklayers as abusers. In fact, I would think that the ratio of abusers among bricklayers is likely no higher than that among any other occupation. I merely wish to illustrate the problems that exist within the program.

According to recent reports, 1,400 bricklayers in the Metropolitan Toronto area are presently receiving unemployment insurance benefits. Yet builders have set up an emergency manpower committee to try to locate qualified bricklayers to fill the urgent demand for their services.

Bricklayers have countered charges of abuse by stating that weather conditions are such that they cannot perform the work. When builders are asked about this, they state that tenting building sites with tarpaulin creates adequate conditions for laying bricks.

If the builders are correct, then some 1,400 individuals are collecting benefits to which they should not legally be entitled. If they are wrong, then bricklayers' work would appear to be seasonal and under unemployment insurance regulations, they

would be required to seek work in other fields during those months when they cannot work in construction.

● (1820)

I am not questioning the bricklayers' belief that working conditions are not adequate during winter months. Only an investigation of conditions could determine the validity of their concerns. However, assuming that their concerns are valid, I am anxious to be reassured that adequate checks are being made to determine that claimants covered by hiring hall agreements are actively pursuing work in other fields during those winter months. I believe that any investigation by departmental officials should address these questions.

If one accepts the builders' belief that working conditions are acceptable, then there appears to be no adequate reason that these jobs are going unfilled, and benefits should be cut off to anyone not accepting the work offered. The Chairman of the Emergency Manpower Committee set up by the Toronto Home-Builders Association has stated that if even all 1,400 of the individuals now collecting benefits reported for work, there would still be a shortfall.

These jobs are not just statistical figments of someone's imagination. They are very real, and the current housing boom has made builders desperate to locate skilled workers. The jobs are there. The labour to fill the positions is and should be available, yet jobs go vacant. This is a major problem which needs to be resolved before taxpayers are asked to pay out one more dime in benefits.

It must be determined if working conditions are acceptable or not. If they are not acceptable, then I would like assurances that adequate measures will be put in place to determine that claimants are actively seeking other employment during the winter months. If conditions are found to be acceptable, then I request an immediate stop to benefits for anyone found unwilling to accept work. Should the problem prove to be one of communication between the builders and the hiring halls, then installation of an effective communications system should be a first priority.

The integrity and credibility of the entire unemployment insurance system in Canada is at stake. Taxpayers have been asked for an ever increasing share of their hard-earned dollars over the years to finance the program. All that is asked in return is that those dollars be effectively directed to those who are willing and able to work but cannot find it. If funds continue to be directed to individuals who do not work by choice, the entire system cannot help but fall into further disrepute.

Since its inception, the Unemployment Insurance Commission has helped millions of Canadians to stay afloat until they were able to get back on their feet and working. However, financial resources are limited, and it has become increasingly important to ensure that available resources are directed only to those who are genuinely deserving of assistance. It should be remembered that unemployment insurance is an insurance against loss of job income and is designed to bridge the gap between one position and another, and it should be treated as such.

While I expect the Minister's investigation will deal with these immediate problems, I look forward to the report of the Forget Commission to address the wider range of problems which plague the Unemployment Insurance Commission. While the unemployment insurance system must remain flexible in order to accommodate compassionate circumstances, we must be rigid in our efforts to prevent abuse. I look forward to the reply of the Parliamentary Secretary. I am sure it will shed significant light on the problems I have outlined.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, you should say the Parliamentary Secretary speaking for other Parliamentary Secretaries who are at the convention in Montreal.

Mr. Speaker, I am happy to reply to the question asked by my hon. colleague, especially as I worked in this Department for nearly a year. All Canadians, as well, naturally, as the Unemployment Insurance Commission and the Department of Employment and Immigration, recognize the collective agreements between labour and management which are at the basis of certain general working or hiring conditions. In this particular case, the employers had agreed to make job offers through the union hiring offices. Thus, the workers under the jurisdiction of a designated union hiring office are exempt from registering at the employment centre for periods of employment of up to sixteen weeks, and this is the cause of the problem.

In the Toronto region, 1,400 bricklayers have applied for unemployment insurance benefits. On the other hand, there are three union hiring offices to facilitate the placement of workers. According to these offices they are having problems referring workers because of a shortage of bricklayers in their sector.

Four employers when to the Canada Employment Centre to fill vacancies. Beginning on February 24, 1986, all CEC's in the Hamilton and Oshawa regions started to contact their clients with bricklaying skills. Those who refuse a job without a valid reason will have their entitlement reviewed.

On March 7, Department officials visited the three union hiring offices in the Toronto region to ensure compliance with the terms of the agreements signed with the union.

These offices of the Bricklayers' International Union are keeping to the terms of the agreement between the Commission and the hiring offices. However, the Commission is also checking to see whether the independent union of bricklayers is complying with its agreement.

The purpose of all this is to ensure that the Unemployment Insurance Plan works adequately and that the agreements signed are also working.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House Stands adjourned until next Monday at 11 a.m., pursuant to the motion adopted earlier today and to Standing Order 3(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Monday, March 17, 1986

The House met at 11 a.m.

[*English*]

Mr. Speaker: I would like to inform Hon. Members that the noise coming through the interpretation system is being investigated.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

INTERIM REPORT OF CANADIAN SECTION OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Pat Nowlan (Annapolis Valley-Hants): Pursuant to Standing Order 101, I have the honour, as co-chairman of the Canadian delegation, to table in the House in both official languages, the interim report of the Canadian section of the Canada-U.S. Interparliamentary Group, which met in Tucson, Arizona, from February 27 to March 3, 1986.

The report summarizes the discussion in the plenary meeting of the two delegations which was devoted to the subject of enhanced trade with the United States. As Members are doubtless aware, Congress presently holds the key as to whether or not President Reagan will be granted authority to negotiate such an agreement with Canada. The U.S. Trade Act establishes a rather complicated procedure. If, within 60 working days, Congress does not explicitly act to deny the President such authority, negotiations between the two countries may commence. The 60-day period expires about mid-April, so our meeting was held at a critical phase of the Congressional review. Adding to the significance of our discussion, the Congressional delegation included Members of the House Ways and Means Committee and the Senate Finance Committee who have the principal responsibility for reviewing the request.

Many Hon. Members of the House will be aware of the vigorous campaign which has been mounted in the U.S. Congress to restrict Canadian softwood lumber exports to the United States. Voices have been raised in the Congress arguing that the President should be denied approval to negotiate a comprehensive trade arrangement with Canada until Canadian lumber exports have been cut back. Our delegation warned our American counterparts of the very serious consequences of adopting such a procedure. If Hon. Members have the time to read the report, which I encourage them to do, they will see that we got our message across, we believe, to the American participants.

The report I am tabling today deals only with the plenary discussion. We had extensive discussions in three committees on subjects as varied as softwood lumber exports, the U.S. Farm Bill, the proposed U.S. oil import tax, acid rain and Arctic sovereignty. The detailed report of the three Committees' discussions will be made available to all Hon. Members as soon as it has been completed.

Canada has no more important relationship than our relationship with the United States. The U.S. Congress has a direct and substantial influence on the development of that relationship. These annual meetings, which were initiated in 1959 by Prime Minister Diefenbaker, provide an exceptional opportunity for Canadian Members of Parliament to put Canadian concerns directly to Senators and Congressmen. I believe that the House can be proud of the effective way in which our delegates represented Canadian interests.

* * *

PETITIONS

BILATERAL AID PROGRAM

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it is my pleasure and duty, particularly on this day, to honour St. Patrick, a man of peace, to present a petition from the Rideau Park United Church in my riding signed by 92 of my constituents who humbly pray and call upon Parliament to assign a high priority in its bilateral aid program to small-scale agricultural projects which build the confidence, skills and material resources needed to overcome hunger, and to commit itself to gradual and steady steps to untie its bilateral aid program.

OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour to present to this honourable House this morning, four petitions. Three petitions are signed by some hundreds of residents of Balmertown, Red Lake, Madsen, Emo, Dryden and Barclay, in my riding, and call upon Parliament to do everything in its power to prevent the operation of the premises known as the Morgentaler Clinic in the city of Toronto.

LOWER GASOLINE PRICES

Mr. John Parry (Kenora-Rainy River): I have a fourth petition which is again signed by some 100 or so residents of my riding. It calls upon Parliament to ensure that Petro-Canada passes on lower prices to consumers of gasoline in Canada.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. Gilbert Chartrand (Verdun-Saint-Paul) moved for leave to introduce Bill C-285, an Act to change the name of the Electoral District of Verdun-Saint-Paul.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Chartrand: Mr. Speaker, I simply want to say that considering the fact that my riding consists of three very distinct areas, namely, the town of Verdun, a part of Montreal which is called Côte-Saint-Paul, and third, the very controversial area of Île-des-Sœurs, I believe it would be normal to give the people of Île-des-Sœurs the right to have the name of their area included in the riding of Verdun-Saint-Paul, which as I hope, would then become Verdun-Saint-Paul-Île-des-Sœurs.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 495 will be answered today.

[*Text*]

TOBACCO SMOKE

Question No. 495—**Ms. McDonald:**

Has the Canadian Transport Commission, taken measures to protect the public and employees against tobacco smoke, pursuant to (*a*) paragraph 227(1)(*l*) of the Railways Act (*b*) sub-section 16(6) of the Aeronautics Act and, if so, what measures?

Hon. Don Mazankowski (Minister of Transport): The Canadian Transport Commission advises as follows:

(*a*) Although there are no Railway Transport Committee orders or Canadian Transport Commission regulations which purport to protect the public or employees against tobacco smoke, CTC 1985-1 Rail, Regulations respecting Hygiene in relation to railways, Section 2(*b*) requires the maintenance of proper ventilation in passenger carrying cars. Operating Employees' Safety and Health Regulations, CTC 1983-7 Rail, Sections 57 to 61 inclusive, apply to employees engaged in the running and operations of trains and deal with airborne contaminants. Railway companies have their own bylaws which are pertinent to this issue.

(*b*) As smoking on board aircraft may affect the health and safety of passengers, the Air Transport Committee is of the view that the matter more appropriately falls under the jurisdiction of Health and Welfare Canada and Transport Canada. Accordingly, the committee has not initiated any action in respect of this matter under subsection 16(6) of the Aeronautics Act.

[*Translation*]

Mr. Lewis: Mr. Speaker, would you be so kind as to call starred question No. 480?

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered.

Starred question No. 480: The Parliamentary Secretary.

* * *

[*Text*]

STARRED QUESTION

*SMOKING IN THE WORK PLACE

Question No. 480—**Ms. McDonald:**

1. Are measures being taken to eliminate toxins due to cigarette smoking from (*a*) the Department of National Health and Welfare buildings (*b*) the Ottawa Airport expansion (*c*) other federal buildings and, if so, in each case, what are they?

2. Are measures being taken to ensure that separate ventilation is given to smoking areas and, if so, what are they?

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to answer the question put by the Hon. Member for Broadview-Greenwood (Ms. McDonald), namely: Are measures being taken to eliminate toxins due to cigarette smoking?

In answer to (*a*) of the first question: An opinion survey of all employees of the Department of National Health and Welfare was carried out in August 1985 on the matter of cigarette smoking by employees. Subsequently a new "Smoking in the Workplace" policy was approved. In essence, the policy designates the workplace as a smoke-free area, provides specific locations in which smoking will be permitted during break periods, and provides a phasing-in period during which smoking employees will be offered cessation programs, a policy in force since January 1, 1986.

As for Ottawa Airport, the Department of National Health and Welfare has held extensive consultations with the air carriers and their associations and the provinces regarding smoking in public places. Air carriers have voluntarily designated separate areas for smokers and non-smokers. The proportion of non-smoking seats continues to increase. With respect to the Ottawa Airport, it is our understanding that Transport Canada is considering designating air terminals primarily "non-smoking" areas.

As for other federal buildings, two other departments, the Department of Regional Industrial Expansion and the Auditor General, have smoking policies in place at this time. Treasury Board has indicated they are in favour of smoking restrictions and have asked the Medical Services Branch of the Department of National Health and Welfare to provide smoking cessation programs for federal employees.

As for the question: Are measures being taken to ensure that separate ventilation is given to smoking areas? The provision of separate ventilation for smoking areas is a complex issue because of the costs involved, the variation of building design and the fact that buildings are often shared with other departments. Officials of National Health and Welfare have been directed to investigate the possibility of separate ventilation systems in department facilities.

• (1110)

Mr. Lewis: I ask, Mr. Speaker, that the remainning questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTION TO ADJOURN UNDER S.O. 29

CANADIAN FORESTRY INDUSTRY

Mr. Speaker: The Chair is in receipt of an application under Standing Order 29 from the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I regret that my letter was delivered late. However, it being Monday, and with the changes to the Standing Orders, it made it a little difficult for us.

As Your Honour knows, we filed with you the following letter:

Mr. Speaker:

Given the impending action of the U.S. Congress, scheduled for Wednesday of this week against the interests of the Canadian Forestry Industry and the inevitable crisis such action poses, we believe it imperative that the House of Commons make its views known immediately to the U.S. Congress.

We request your permission, under Standing Order 29, for a special debate.

If I could, Mr. Speaker, I would like to add one comment to the end of the letter. This would be a matter which might normally be delt with under opposition day motions. However, my concern in that regard is that because a motion put on an opposition day is inevitably a motion of non-confidence, it would be extremely difficult to encourage members of the Government to support such an action. As Your Honour knows, it is not possible to waive the non-confidence nature of a motion on an opposition day—at least it does not appear to be, even though the Standing Orders might allow it. Although it is possible to have a debate, it is not possible to have it concluded with any type of action taken by the House of Commons.

Mr. Speaker: First, I would like to say to the Hon. Member that the application was received somewhat late. For reasons which will become clear in what I have to say, I chose to accept it and say something today precisely because of the reason the Hon. Member raises. That is to say that if the Chair is to say something it seemed useful to say it today, before tomorrow and the next day, given what I think is the accepted importance of the subject.

I think the Hon. Member anticipates what the Chair will have to say in this situation, that is, the Chair has to cope with two issues. First, there is the genuine emergency of the subject. Second, there is the urgency of debate for Members; or, in other words, the opportunity for a debate on the subject. As the Hon. Member well knows there are two days scheduled—tomorrow and the next—for the Opposition to determine the subject of debate.

While I appreciate what the Hon. Member is saying about a votable opposition day, he will know that an application under Standing Order 29 merely produces a motion to adjourn. Therefore, it seems to the Chair that even with the constraints imposed, perhaps on a votable opposition day, even a non-votable opposition day is a better proceeding for the Hon. Member's purpose than is a simple motion to adjourn.

On that basis and, more important, on the basis of the question of the urgency of debate, the Chair is inclined to reject the application under Standing Order 29.

Mr. Deans: Mr. Speaker, on a related but separate matter, then, will the Chair permit me to request of the House of Commons its unanimous consent to move the following motion:

That this House express its grave concern over the action proposed to be taken by the U.S. Congress against the importation of Canadian softwood and request the Prime Minister convey our concern to the U.S. administration.

If there were unanimous consent for such a motion to be moved, then I would be pleased to move it.

Mr. Speaker: That is apparently a request to revert to Motions. The Hon. Member knows that I appreciate his dilemma since he had to wait for a decision with respect to his request under Standing Order 29. There is a request of the House for unanimous consent to revert to Motions.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we on the Government side have great interest in the issue raised by the Hon. Member for Hamilton Mountain (Mr. Deans). I think he would expect me to consult him in advance of such a motion asking for unanimous consent, as well as consulting with the House Leader of the Official Opposition. Under the circumstances, I think that would be the more appropriate way to proceed prior to giving unanimous consent. Accordingly, I am not in a position to do that since I have not had a chance to discuss the matter with the Hon. Member.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed from Thursday, March 13, consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Bill before us asks Parliament to authorize the borrowing by the Government of $22.6 billion. I wish to ask the House the following question. How can we of the Official Opposition, or Members generally, support this Bill when its purpose is to enable the Government to borrow money in order to have the Government carry out its budgetary and general economic policies?

As the months go by what is wrong with these policies is becoming increasingly and painfully obvious. During the last general election campaign the Conservatives made a number of promises to win the support of Canadians. I would say that the Economic Statement of last November, 1984, and the two Budgets of this Government, have not in any positive way reflected the types of promises the Conservatives made in order to win the support of Canadians. For example, during the last election campaign the present Minister of Finance (Mr. Wilson) made an explicit commitment not to increase income taxes. The present Prime Minister (Mr. Mulroney) pledged to reform the personal income tax system. He said that he wanted to make it "more fair, more progressive and more productive". However, it is clear that, in spite of these promises by the Minister of Finance and by the Prime Minister, middle and lower-income Canadians have become the victims of the most unfair, regressive and economically stifling tax increases on record, brought about by the Budget of last May and the Budget of last February presented to the House by this Conservative Government.

• (1120)

The Leader of the Opposition (Mr. Turner) spoke very forcefully in the House of Commons debate on the Budget a few days ago. In that debate, he said:

> We will take this Budget as the second phase of the Budget last May. Phase one was the Budget of last May and phase two is the Budget of February. Together these two Budgets constitute the greatest, cumulative, hidden, regressive tax increase in Canadian history. They attack the average Canadian family earning between $15,000 and $40,000 in a brutal fashion.
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> We have reached the stage . . . where the person between 35 and 55 years old finds himself or herself in a position, with the added burden of tax slapped upon him or her, that it is . . . impossible to maintain a standard of living because the cash flow available to the average Canadian has been absolutely crippled.

This is confirmed as each individual Canadian looks at his or her pay cheque each week.

An indication of the growing concern of middle and lower income Canadians is the fact that just one request by the business editor of *The Toronto Sun*, a paper which is generally supportive of the Conservative Government, has in the course of only 10 days brought into that newspaper some 15,000 coupons protesting vigorously the unfair increase in the burden on middle and lower income Canadians caused by the Budgets of this Conservative Government.

After only one request by a newspaper which is supposed to be a supporter of the Progressive Conservative Government, 15,000 coupons from individual Canadians were sent to the newspaper.

Any objective measure of the impact of these two Conservative Budgets on middle and lower income Canadians shows the undeniable reality of their unfairness and injustice. The tax burden is not equally distributed. Over the next three years, according to the Budget figures of the Minister of Finance, the federal Government will impose an additional $12.5 million in personal income taxes, and corporate taxes will increase by only $1 million. Over the next four years, a family of four living below the poverty line on an income of only $15,000 per year will suffer a 23 per cent tax increase, while a family of four with an income of $35,000 will suffer a 13 per cent tax increase. Yet a family of the same size earning $200,000 will suffer only a 1 per cent tax increase. This is not fair.

The $500,000 unconditional lifetime capital gains tax exemption provided by the May, 1985 Budget is still in place and middle and lower income Canadians are still hurting. That hurt is going to increase as the measures proposed by the Budget of February click into place and show up over and over again in the pay cheques of middle and lower income Canadians. The Leader of the Opposition provided a clear example of this continuing inequity when he said in the House the following:

> An individual with an income of $40,000, based on a salary of $35,000, plus $4,000 in dividends, plus interest of $1,000 faces a tax increase from 1986 to 1987 to 9.4 per cent. An individual with an income of $150,000 . . . based on a salary of $100,000, $15,000 in dividends, $5,000 in interest and $30,000 in capital gains, in the same period has an overall tax decrease of 1.4 per cent.

Again, this is not fair.

Since the Conservative Government has been in power, the federal sales tax has increased from 9 per cent to 12 per cent.

Not only has this particularly regressive tax been increased, but its application has been broadened to include non-prescription health care products, soap, shampoo, candy and even pet food. These measures hit hardest at lower income Canadians. The truth of the matter regarding the proposed $50 sales tax rebate for low income Canadians is that the Conservative Government is providing the false impression that it is granting these lower income Canadians an escape from the negative impact of its sales tax increases. This paltry political gesture is completely overwhelmed by the much greater increases in sales tax, on gasoline for example. In fact, sales taxes are increased on cigarettes and alcohol and the sales tax portion is increased on every larger ticket item required to furnish a home.

For example, a poorer family needing a refrigerator, a stove or a washer costing approximately $600 is going to pay 12 per cent in federal sales tax and that amounts to $72 for just one item. That is a lot more than the sales tax rebate for which the Conservatives are trying to take such credit as being something that will wipe out the negative impact of these unfair increases in sales tax. Obviously the sales tax rebate, this sales tax credit, will only help wipe out the negative effect of the sales tax increases to a very minor degree.

Furthermore, only income earners below the $15,000 level are eligible for this tax credit. A four-person family living below the poverty line with an annual income of $15,000 to $20,000 will not receive this $50 sales tax rebate. In other words, the federal Government has unilaterally redefined the poverty line. Statistics, Canada, the federal Government's own objective statistical analysis agency, has said that the poverty line is in the area of $20,000 to $21,000 annually. What is happening to families earning between $15,000 and $20,000? Why are they not getting the sales tax rebate? Poverty exists at the $20,000 level whether or not Conservatives are willing to admit it. The Minister of Finance and the Prime Minister are exhibiting an unparallelled insensitivity and profound carelessness about the economic plight of middle and lower income Canadians.

The May, 1985 Budget inflicted such gross injustice on senior citizens that the Minister of Finance and his heartless Conservative Government were forced by public outrage and the pressure exerted by Liberals and other Opposition Members to back down and withdraw the measure to deindex the Old Age Security benefits system. Just as it was our duty to protect Canadian pensioners, it is now our responsibility to protect Canadian families and indeed the entire middle class from the Conservative Government's contemptuous disregard for the principle of fairness.

With the continued presence before the House of the unfair and regressive Conservative Budget of last May, and with the voting into law by the Conservative majority of the unfair and regressive measures in the Budget of February, we should not allow the Conservative Government to get the authority to borrow sought by this Bill, because it will only use it to carry forward economic policies which have already been demonstrated to be unfair and heartless to middle income Canadians. We should reject the Budget of last February and we should reject this Bill which is so closely linked to it in its unfairness and regressive impact on middle and lower income Canadians.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to comment on the Borrowing Authority Bill, particularly because it was brought before us last week, as was the Nielsen Task Force Report, presented by the Government as one of the means by which it intends to counter the deficit and bring down Government spending. I wish to comment on that because of a couple of things which concern many Members of the House and people across the country as well.

One of these things is a matter which touches on the credibility of all of us. I speak specifically of the fact that all of us participated in the election campaign of 1984 and perhaps in previous election campaigns. We made promises. When I and members of my Party make promises we do so with the intention of keeping those promises. But when the Nielsen Task Force Report came out last week we found that it contained many options and recommendations which directly conflicted with promises that were made by the Progressive Conservatives when they were running for office in 1984.

• (1130)

We asked in the House whether the Government would be prepared simply to announce or indicate that options put forward by the task force which conflicted with Conservative promises would not be put on the table or would not be proceeded with. We asked that because we wanted to try to find out the worth of a Conservative promise. We are greatly concerned about the speed and the degree to which the Government has appeared to have forgotten promises which it made in 1984; in fact, it has gone directly against them. Unfortunately, rather than saying that it understood our concerns and that any options which conflict with announced Conservative policy would not be proceeded with, the Government remained silent. The Deputy Prime Minister (Mr. Nielsen) indicated that everything was on the table, that all these matters would go before the parliamentary committee which would consider the various recommendations of the Nielsen report. This means that the Conservatives, no matter what they promised in 1984 to gain power, are prepared to throw it away and think that the Nielsen task force has a better idea.

I raise this almost as a matter of privilege. When a Government breaks promises, as blatantly and as wantonly as has this Government, when it indicates that any promise is up for grabs if a bunch of outside, non-elected experts from the private sector and from Government think they have a better idea, it puts into jeopardy the credibility of promises made by any politician. Also it leaves the public increasingly up in the air and increasingly cynical about politics. People are justified in thinking that when they elect a Government, they give it a mandate to do certain things or not to do certain things. If the Party for which they vote makes particular promises, they are justified in feeling there is a good chance that the promises will be fulfilled. The electorate is realistic enough to realize that circumstances change and that perhaps some promises cannot be fulfilled. However, it is reasonable for them to feel that for

the most part the promises made will be fulfilled, or that a Government elected to fulfil certain promises will do its utmost to fulfil them, even if all of them cannot be fulfilled within the four-year period between elections. Unfortunately we see something quite opposite as far as the Government is concerned.

I should like to turn to the question of services and subsidies to business, the most substantial part of the Nielsen task force report. The task force indicated that that one area accounted for about $16 billion of tax expenditures and of direct Government expenditures, a major part of Government spending. As we pointed out, the concessions and tax expenditures made to business in fact exceed by about $7 million or $8 million the amount which is now being received from the corporate sector in tax revenues. It seems to me that this puts the whole situation of Government topsy-turvy. One would have thought that they would have been making a contribution to other services rather than taking away from it.

I should like to refer to another important matter. Even though the figures of the Nielsen task force are somewhat suspect, it is estimated that some $36 billion in tax expenditures is made by the Government of Canada every year and should be very seriously considered in looking at ways of restoring Government revenues or bringing down the deficit. On behalf of all New Democrats I should like to say that we, like most Canadians, favour means which present themselves for eliminating inefficiency in Government and for saving money.

I have been an alternate member of the Standing Committee on Public Accounts. On matters such as defence contracting and government management of its real estate in Ottawa, this non-partisan or all-Party committee has been very tough and effective in terms of protecting taxpayers, working with the Auditor General, and finding ways by which things can be done more efficiently and effectively. However, last week we had the recommendations of the Nielsen task force, which was supposedly to promote efficiency and effectiveness. Instead, it seemed to devote itself mainly to cutting services, which affected a wide range of Canadians, such as a number of grant programs, among other things, that benefited small and medium-sized businesses. At the same time it ignored a lot of tax expenditures and major concessions which, for the most part, benefited very large corporations. We have some real difficulties with those matters.

I should like to refer to the process by which opposition Parties were given a chance to comment upon the Nielsen task force report. I do not find it to be satisfactory. It contained 15,000 pages and goodness knows how many zillions of words. I think we received two copies of the report in my caucus an hour before the documents were tabled in the House of Commons. In that period of time we had to look at these matters and try to come up with some early conclusions. Realistically, we all know that the press looks for response from the Opposition Parties and that because of its deadlines it is not prepared to tolerate an opposition Party which says that the report is very interesting and that it intends to lock itself up for two or three days in order to look through the documents before returning with a reasoned response; we could not do that. The Government is just as aware as members of the Opposition of the way information passes through this Parliament. It should have been aware that effectively it was aiding and abetting; it was encouraging what inevitably had to be a somewhat superficial and sketchy overview of the Nielsen task force report when the opposition Parties first had a look at it.

Since last Tuesday I have had a chance to look at the documents a bit more carefully. I want to comment on the portion relating to services and subsidies to business. Some of the press and academic commentators have suggested that we New Democrats were perhaps a bit quick off the mark in condemning the particular report because of its general comments suggesting that grants and tax concessions were piled on top of each other, that Canadian businesses had become program junkies and that something should be done about reducing the over-all level of the various subsidies to a more reasonable amount. When it comes down to the evaluation of specific programs, some of them are matters with which we as New Democrats agree. Now that I have had a chance to look at the report in more depth, I should indicate that our problem is that it was a task force review, a study team which looked at the mote but not at the beams, if I can use the biblical analogy. It looked at the small things quite carefully and in some cases quite helpfully. For example, I cite the study team's review of the Government's real property management. I found it to be quite constructive and in fact to contain a great deal of useful suggestions.

However, when it came to subsidies and services to business, we began with the major programs of tax expenditures which are devoted to accelerated depreciation, investment tax credit and a number of other areas. In those areas which are worth many billions of dollars, the study team simply did a job that in my view was inadequate. For example, on page 73 the task force admitted in relation to accelerated depreciation: "We are advised by the Department of Finance that there are no accurate means of measuring the incremental effect of this tax measure. While most difficult for Finance to evaluate, our impression based on discussions with them is that they believe this objective is reasonably satisfied". That is the sum total of the scientific evaluation evidence on which the study team made the following decision: "The study team recommends to the task force that the Government consider retaining the concept of accelerated depreciation". According to its figures which are in fact mostly out of date, it reckoned that in 1980-81 that particular concession cost taxpayers about $5 billion. It used six or seven pages to deal with that particular concession. The study team looked at it in a superficial way but did not really consider whether there were better ways of doing it more efficiently and more effectively.

I know my time is up, but I come back to my comment. If the study team had dealt as seriously with the big programs that have made program junkies of big business as it dealt with grants and subsidies, which if taken away would jeopardize regional development or small business, then I think the report

could be taken much more seriously. We intend to be pursuing these themes in the coming weeks as we get a chance to look in more detail at the Nielsen Report as one of the ways to reduce the Government's need for deficit financing.

• (1140)

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Liberals cannot let this Bill go by without doing everything possible to bring to the attention of the Canadian people what is wrong with the policies of the Government in this area.

This Bill is to authorize the borrowing of $22.6 billion. Of course, a borrowing Bill cannot be examined as an item alone, but with two other streams; one being the Budget in which the Government indicates how, through the tax system, it intends to raise money, and the second being the plans of the Government to reduce its spending by cut-backs in social and other programs. When you look at these three streams together, I think you can see the difference.

I hope it will not pass unnoticed by Canadians the important differences between the way in which the Liberals and the Conservatives would operate and the way in which the Conservatives are handling the responsibility they have to govern the country.

To begin with it should be recognized that we are in a period of economic growth in Canada and in the United States. While the Canadian Government today would want us to believe that it is totally the result of its own activities and policies, I think more moderate and reasonable observers would have to say it has quite a lot to do with the economic cycle in general and with international development. In any event, at a time of economic growth it is appropriate for a Governmnt to address its deficit and to try to bring in policies to assist in managing the deficit.

We see in this Budget, in this borrowing Bill and in the announcements made about cutting back programs, that the Government is addressing the problem of bringing down the deficit. At this time, a Liberal Government, if there were a Liberal Government in power, would also have to put forth programs to address the problem of the deficit that would tend to control it. However, the way in which the Government is reducing the deficit needs to be noted. What the Government is attempting to do through the tax system is to bring in a very large tax increase.

I began by indicating that if there were a Liberal Government in office there might also be a need and a recognition of a need to increase taxes, but the kind of tax increase that is being brought in by the Government is one which could never be brought in by a Liberal Government. It is a tax increase which bears very unfairly on middle and lower-income Canadians, while at the same time it has the effect of reducing and progressively reducing the tax burden on those in the Canadian economy who are the most able to shoulder an increase.

It is as if the Minister of Finance (Mr. Wilson) had taken his philosophy of there not being enough rich people in Canada and using the tax system to assist the rich to get even richer. How else can the Government explain the across the board capital gains tax exemption of $500,000 per taxpayer introduced in the previous Budget? The Minister of Finance tried to defend that measure by saying it would add to job creation, and that if it helped the rich it would also help the poor by creating more jobs.

Mr. Blenkarn: It has.

Mr. Kaplan: As our leader, the Leader of the Opposition (Mr. Turner) noted, this measure also benefits the individual who wants to sell a home in Florida or on the Riviera or who wants to sell oil paintings. The tax benefit is so broad that it almost discourages job creation by providing an incentive to the person to take advantage of a capital gains exemption. I see the Hon. Member for Mississauga South (Mr. Blenkarn) disagreeing with me, but I think he too would have to agree that that measure is more of an incentive to sell a business, if you own one, than to build one. When the statistics are available I am sure they will show that, far from creating jobs, the exemption encouraged people who could benefit from it to sell and convert their assets into less productive assets than business assets and the kind of assets that would increase the number of jobs in Canada. That is why the Liberals can say to Canadians that the tax increase introduced by the Government, however necessary a tax increase was, was not a fair one.

I want also to point to a second element of that tax increase, which was to increase the sales tax from 9 per cent to 12 per cent. Economists agree about very little, but they do agree that a sales tax is a regressive and an inflationary tax. The lower your income, the higher the proportion of your income you have to devote to consumption, to maintaining your family and yourself. Because this tax burden is on sales and is increased so dramatically, it too falls more heavily on middle and lower-income Canadians. People who want to buy a refrigerator or a washing machine, the ordinary things of life for middle and lower-income Canadians, will be more heavily taxed by the increased sales tax. An unacceptable burden is placed through the increase in sales tax from 9 per cent to 12 per cent. The tax also bears on gasoline. It has already been indentified that gasoline is a commodity which is too heavily taxed in Canada. Rather than recognizing that, the Government has stepped right in and increased the burden. It may at one point in our history have been viewed as a kind of an excise tax, a tax on luxuries, but tax on gasoline cannot be viewed in any sense of the word as a luxury. Automobiles have been scaled down over the last few years so they consume much less gasoline than they used to. Even the larger automobiles consume less gasoline that they did. In Canada the automobile is mass transportation. You tend to think of mass transportation as public vehicles, buses, streetcars and subways. But that is only true for a very small minority of Canadians. For most Canadians, and for the average Canadian, an automobile is mass transportation. To increase the cost of gasoline through the sales tax increase is to increase the cost of living for average and lower income Canadians. Cars are a necessity of life for most Canadians.

There is an increase in the sales tax on diesel fuel as well. Food, products in stores, all of these things have a large transportation component and the Government is watching inflation escalate and multiply as it increases the tax on gasoline and diesel fuel.

Perhaps most recently identified is the impact that gasoline prices have on tourism. The Government has launched a fresh initiative to try to attract more tourists to Canada. We wish the Government well with that initiative. With gasoline in Canada so much more expensive than it is in the United States, how can the Government hope to attract the level of American tourism which it feels we need without recognizing that what the Government has done to the price of gasoline will be a very big factor in making it difficult to sell Canada as a tourist destination.

• (1150)

In conclusion, Mr. Speaker, the borrowing Bill is not acceptable because it is part of a package of measures which decreased the burden on those who are better off and increased the burden on the rest of Canadian society. That is unacceptable to the Liberals.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I do not stand before this House to support this borrowing Bill. The reasons for that have been indicated by previous speakers in varying degrees. It is necessary to once again call attention to the general thrust of the Government's policy as reflected in its Budget and Estimates. They indicate the degree to which it has failed to fulfil its responsibilities to the Canadian people. As a new member of the House I am greatly concerned to see so much evidence of the fact that politicians are driven with too much momentum to respond to immediate concerns in the short term and fail to regard the importance of long-term policy for the future of the country.

The Government rushes to develop policies which will attract attention and gain immediate plaudits, yet fails to consider the future. The Government constantly claims to be concerned about Canada's destiny. Yet, among the important considerations for the future of a country are the problems of young people. The Government has not seen fit to develop a positive focus of policy for youth. To the contrary, it seems to have chosen youth as a target.

I do not intend to belabour points which have previously been made and which are now being dramatically illustrated by other events, a process which I hope will continue. Due to all that has happened over the last few weeks, perhaps at long last the Government will be driven to provide the focus on youth policy which so many young people in the country are seeking.

It is important to work with, and not on, young people. It is necessary to develop a sound educational system in the country and to develop a policy with respect to the funding of post-secondary education. There is an urgent need for the federal and provincial Governments to work out a means by which funding can be provided to create a university system which will reflect the intended status of the country in the economic world, and will as well ensure that all young people in the country have the opportunity to develop skills which will provide them with a role in our economy, and a basis upon which they can contribute to that economy and achieve personal success and achievement.

Instead of arriving at a reasonable understanding with the provinces, the Government has in fact cut back its over-all contribution to post-secondary education over the next five years, by reducing the rate of escalation of transfer payments. This issue has been discussed in other contexts to which we gave some attention in our previous intervention.

This morning I want to discuss the utter failure of the Government to live up to its promises with respect to the funding of research and development. I indicated previously that perhaps the Government is on a hastened trek to become second to Monaco in international research. We are already far behind all other industrial nations in the world in our commitment to research. The Prime Minister (Mr. Mulroney) recognized this. He said long ago that it would be necessary to double the proportion of our Gross National Product which we contribute to research. Over the last several months a number of sources have articulated the need for Canada to do much more to provide an educated and trained workforce and, as well, to ensure that the research community in the country can play its proper role in ensuring that Canada will achieve the economic development which the Government claims to be pursuing.

The Government is concerned about the deficit but, as has been indicated so frequently, has taken the wrong route to dealing with it. Our deficit will continue to exist for as long as we fail to achieve the level of economic growth of which we are capable. In fact, the Minister of Finance (Mr. Wilson) said that for 100 years we depended upon our resources and in the next decade we will have to depend upon our wits and intelligence. It is too bad that the wit and intelligence of the Government does not reflect what is required for the future.

Numerous studies have identified our short-comings in the area of research. If we are ever to achieve first-rate status as a country beyond our resource-based past, we must develop educated and trained personnel in a number of areas. We must make a far more significant effort to ensure that our universities are capable of supporting excellence in scientific social research.

The response to this has been illusion, delusion, and prevarication. The Secretary of State for External Affairs (Mr. Clark) announced grandiosely that the Government was going to provide an additional $1 billion for research. This is against a background of the National Science and Engineering Research Council alone identifying, in its five-year plan, a need for an additional $1.4 billion. The Social Sciences and Humanities Research Council identified the need for an additional nearly $200 million.

In fact, the National Sciences and Engineering Research Council was provided with an additional $126 million up to 1990. Where is the additional $1 billion for research to come

from? The Government has provided a pig in a poke. It has committed itself to trivial amounts. If industry provides an additional $350 million, the Government will add another $350 million. Adding that to the basic increment which has been promised, the total is $1 billion. They are not going to get it. While all this is going on, science and technology research grants to universities have been cut by 4 per cent. Equipment grants have been cut by nearly 50 per cent. Our best university has now been described as almost second rate.

• (1200)

This Government is failing to live up to the very needs it has articulated. It has to fulfil its promises and come to grips with the need as it exists. If it does not, it will have disgraced this country and, as has been said by so many people, we will become a Third World nation economically, and the deficit we will have then will make today's deficit blush in comparison.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, through Bill C-99 the Government is asking permission to borrow $22 billion. I really do not think we can trust this Government with $22 billion. When it comes to money this Government gets very confused. Members of the Government really do not know where they are or what they want. They do not know how they are going to get it, where they should get it, where they should spend it or where they should cut it. They do not really know why they should cut it. They do not know what they are doing. Look at the numbers on which this Government has based its budget forecasts. Dare I say it, it is a bit of the Minister of Finance's and Prime Minister's blarney.

In the budget document entitled *Towards A Sustained Expansion: Canada's Economic Prospects, 1986-1991* the Government has contradicted itself. On page 23 the Government says:

> In the Economic Outlook and Fiscal Plan documents presented with this budget, the assumption made is that the average selling price for a barrel of oil of quality equivalent to Sauda Arabian light will be U.S. $22.50 over the rest of 1986.

However, if you look at page 20 and Table 4 entitled "International Economic Prospects", under the column 1986 oil price you see the price for Sauda Arabian light crude petroleum at U.S. $23.88 a barrel. Within four pages of the same document the Government has predicted two different prices as the average price for 1986. Aside from that, the price has already been much lower than those figures. We are almost one-quarter of the way through 1986, so in order to get that U.S. $23.88 a barrel price, it will have to be much higher on average for the remainder of the year. Today, March 17, we are looking at oil at U.S. $12 a barrel. These figures are completely out of whack. They are ridiculous, and this from a Government which is asking us now for another $22 billion. I ask you, Mr. Speaker, can we trust this Government with any money, let alone an additional $22 billion?

Members opposite should check today's newspapers to find out what the current predictions are for the price of oil. As I am sure many Members are aware, the OPEC countries met over the weekend but were unable to agree on a way of stopping falling world oil prices. The Sauda Arabian Oil Minister, Sheikh Yamani, has predicted oil prices may go down to U.S. $8 a barrel, a far cry from the estimate the Minister of Finance (Mr. Wilson) presented in the *Budget Papers*. That price would mean the Government is underestimating the deficit by billions of dollars.

As well, on page 27 of this same document it says:

> —it is assumed that the recent downward pressure on the Canadian dollar will be temporary so that, in conjunction with the widespread view that U.S. interest rates will decline somewhat in 1986, the level of short-term interest rates is assumed to average 9.5 per cent in 1986—

Interest rates today are considerably higher than that. Once again, he is saying that for the balance of the year interest rates are going to be considerably below 9.5 per cent in order to average out at that figure. However, that is not going to happen under the policies of this Government.

What does all this mean? It means the inadequacies of this Government will exacerbate our financial problems and reduce even further the confidence other countries have in the Government and economy of Canada. The results will be disastrous for Canada.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased that the Government has taken some action on the procedures this House follows in dealing with the Budget, borrowing authority and our financial structure. Bringing in the Budget, the Estimates and Borrowing Bill all at the same time is something that seems worth while and does give Canadians in this Parliament a better opportunity to look at the structure of finances. The Government is to be congratulated on making that move.

• (1210)

Having said that, I and other members of my Party have supported this move and feel that it will be of some value. It becomes obvious that you can put the procedure in place properly and not have much effect on the actual structure of financial planning that the Government makes. In this particular case it is not helping us a great deal that we have gone through the procedure of putting the Borrowing Bill before the House at the same time as the Budget and the Estimates. We still do not have in place the policies and the financial planning necessary to eliminate the deficit, which this Government has so obviously made a central issue in this case.

When the people of Canada can look at the whole package they are better able to judge the cause and the effects of the measures taken by the Government. That might be a very good thing when the Minister of State for Finance (Mrs. McDougall) and other members of the Government are moving across the country attempting to sell the Budget, to sell confidence in what the Government is doing. The Government has been travelling across the country selling its product, but that selling of its product has become a little suspicious.

A couple of Cabinet Ministers have visited my constituency in the last few weeks, giving probably more attention than Prince Albert has gotten since that unsuccessful invasion

during the last election when 57 members of the Conservative caucus appeared in Prince Albert, several of them several times. The Minister of Transport (Mr. Mazankowski) and the Minister of External Affairs (Mr. Clark) were in my constituency several times during the election.

This time the Government is trying to do two things. It is trying to sell the Government decision. It is trying to put across a fairy tale about the effect of its Budget. The Minister of Labour (Mr. McKnight) visited Prince Albert and several other Saskatchewan points, and in Prince Albert he announced the construction of a federal building, a project for which no money is provided in the Estimates and for which no plans are apparently ready. However, it is going to proceed. There is a commitment anyway, and I thank the Minister for that commitment. It may proceed in 1987-1988, and we hope he gets the money in the Estimates at that time. This move is obviously an attempt to sell something the Government didn't really have. It made this move in Saskatchewan to indicate that it had something for Saskatchewan, something to sell. The Minister of Agriculture (Mr. Wise) was in Saskatchewan also, again to sell the Budget and to apologize for the great increases in the deficit; again, to tell the fairy tale about how much he has done for farmers.

The Conservative manifesto which came out of that Prince Albert visit by the caucus before the election stated very specifically that there were some things the Government intended to do. There were three points basically. It was to abolish capital gains, which it has done to some extent, but which it is suggesting it might renege on. In fact, the Nielsen report suggests maybe the Government has gone too far and it should start backing up. The second was that the Conservative Government would reduce the price of farm fuels by 20 cents per gallon by removing the federal sales tax and not collecting the current excise tax. The Government did start a rebate system of 3 cents per litre, but there is now approximately 9 cents per litre federal tax on gasoline, so it has touched approximately one-third of the taxes levied on farm fuels. Again, the Nielsen report suggests that it should back off on this.

We are getting very different signals from the Government, at the same time and even from the same people. It has been saying it is going to give the farmers a better deal by eliminating taxes. The Government promised that in 1984. The Government gave a 3-cent rebate, but it added four and a half cents in taxes over the same period of time so the farmer pays a cent and a half a litre less than he did before.

The Government also promised agri-bonds in the election. Those were shuffled under the rug. The Government promised that the Progressive Conservative Government would expand and revitalize the Prairie Farm Rehabilitation Act. Just the other day when the Nielsen report was tabled in the House one of the recommendations was the dismantling of the Prairie Farm Rehabilitation Act, passing it off as much as possible to the provincial Governments. The record shows that in respect of these three promises the Government made back in 1984 it has only done something about one, and it is now attempting to renege.

We have been told very often that 20 per cent of farmers are in financial trouble. If you will pardon the use of the word, I think that is a conservative estimate. There have been many words from the Minister of Agriculture and other members of the Government about the survival of the family farm, about what would be good for the family farm, but it is obvious that the Government is not going to do anything, or has not thrown any support behind the family farm. What is in the Budget actually indicates that the Government has thrown in the towel as far as the family farm is concerned. It would much rather spend money on getting people out of agriculture than helping them stay in.

Another Conservative promise was tax reform. There is not a word in this Budget about tax reform, because that would mean less taxes paid by the people who can afford it and more taxes paid by those who cannot afford to pay. That progressive movement of taxation is what we all looked forward to when the Government said it was going to have a simple and fair tax system.

The Financial Post gives three examples. The first relates to an income of $40,000 comprised of a salary, dividends and interest. It shows an income tax increase of $812 for a $60,000 income. It shows an income tax decrease of $1,201 for a $150,000 income, with a decrease in income tax over the next three years of $5,470. This is an indication of what the Government thinks is a fair tax. There is an increase in taxes for the middle-class and the lower-income people and a decrease in taxes for the higher-income earners. Therefore, it may not be a good idea to pass a Borrowing Bill at the level of $22.6 billion.

• (1220)

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, whenever a Government comes to the House of Commons to borrow a very large sum of money, I believe it is appropriate for Hon. Members to ask how this money is going to be spent and whether we are going to receive value for our money. It is on that basis that I would like to say a few words about Indian and native economic development.

If we examine the departmental Estimates for 1986-87 we will discover that economic development has been determined to be a priority of the Department of Indian Affairs; that is, strengthening Indian economic development programs aimed at improving self-reliance and reducing the need for maintenance-oriented programs. In other words, what the Government is saying to the Department is that it wants to get people off welfare and social assistance and into a work-oriented situation or environment. Everyone agrees with that. It is what the Government wants and it is what the political Parties, represented in the Standing Committee on Indian Affairs and Northern Development, want. It is what the Indian people themselves want. They have stated on more than one occasion that they want to break free from this dependency cycle which gives the Government of Canada, through the Department of

Indian Affairs and Northern Development, so much authority and control over every single aspect of their lives. It is what everyone wants, but we somehow cannot achieve it despite the fact that large amounts of money are being spent.

Last year, for example, in fiscal 1985-86, $56.5 million was set aside by the Parliament of Canada for Indian economic development. This year there is to be an increase to nearly $63 million. I believe the people of Canada would be interested in knowing that out of that designated $63 million, $50 million will be transferred in the form of grants and contributions for economic development, but there is another $13 million which will be held by the Department for its operating costs in economic development.

Economic development through the Department of Indian Affairs and Northern Development is really a story which fails to deliver much in the way of success. It has a discouraging and depressing record. We begin to wonder whether in fact the Department of Indian Affairs and Northern Development should be involved in economic development at all.

While not much of value can be found in the reports of the study team or task force on Indians and natives—the so-called Nielsen Task Force—they do make this passing observation. In talking about the Department of Indian Affairs and Northern Devrlopment, it is stated, and I quote:

> In a department which assumes responsibility for womb-to-tomb care, the pressures to provide social assistance are more irresistable than the economic ones.

For a long while there has been in the minds of the Parliamentarians who sit on the standing committee a suspicion that the Department probably would prefer to have the people under its domination and control in a state of dependency rather than to have them set free through successful workable economic development programs. When the Special Committee on Indian Self-Government travelled across Canada some years ago, it received much testimony which indicated that Indian people want to get out of this dependency cycle, out of this welfare society, but at the same time that every turn they appear to be frustrated in all of their efforts toward economic development.

Perhaps Hon. Members would be interested in just one example which the special committee encountered in the province of Alberta. We learned from testimony that Indian Governments should be allowed to establish their own priorities and guidelines. One of the leaders gave us this example. An Indian band in northeastern Alberta took over the social development program, that is the welfare dollars. They received the dollars and they were going to administer the program. They were told to undertake the program according to the guidelines established by the Department of Indian Affairs and Northern Development in consultation with the provincial Government. The Indian people of that reserve, instead of wanting welfare, *per se*, wanted employment. When that particular band council undertook the program, it established its own guidelines based on its own priorities. It made people go to work, for instance. If an individual was entitled to $100 worth of welfare a month, the band asked that the individual be put to work. The council, in its wisdom, put those people to work on community improvement projects. The implications were far reaching. They extended even to the children themselves. When the children saw their parents going to work the attendance rate of those children in school increased dramatically. This went on for quite some time until someone in the hierarchy of the Department told the band that it could not make people work for welfare. What a contradiction in terms!

At the federal level we have job creation programs so that people will not have to ask for social assistance. We have had these programs for a long while and they continue to exist under different names. But when we come to deal with Indian people and transfer social development dollars under their care, we then disallow them from having the job creation programs they want. With respect to the particular Indian band in Alberta, it was told by the Department that it was violating Treasury Board guidelines and to cease and desist. It stopped the program. The contract for the transfer of social development dollars was ripped up, and once again the cheques just came automatically in the mail from Ottawa to the individuals in that particular band. That is an example of how economic development is constantly frustrated at the reserve level.

That is why a number of years ago, before the current administration took power, there was a lot of debate in this country about what we could do to break out of this poverty cycle in which Indian and native people found themselves. It was suggested that a significant amount of money expended over a relatively short period of time—in this case it was five years and the amount was $345 million—was to be put in a native economic development program. It took a long time for the previous administration to make up its mind. There was delay after delay after delay before it was finally agreed that the program would go forward. There were one or two carefully determined rules about the program. The first was that we should get it out of the Department of Indian Affairs and Northern Development. I think I have given some clues as to why we wanted to get it out of the Department entirely. The program went to the Ministry of State for Small Businesses. Then it was thought that it would be a good idea to get it out of Ottawa altogether, because there is sometimes a kind of mentality and approach in the nation's capital which does not fit the regions of the country. So the program was to be administered out of Winnipeg. It was to have a Board of Directors made up of Indian and native people. It was to have a degree of independence which had not been practised in economic development up to that time.

• (1230)

I wish to conclude by telling Hon. Members what happened. Last year Parliament, under the new administration, allocated $110 million to the program. The Minister of State for Small Businesses (Mr. Bissonnette) expended only $20 million of that allocation. Out of that $20 million $11 million was spent on operating costs, overhead and administration. Only $9

million actually went to Indian and native projects in the country—only $9 million.

In the next fiscal year there is supposed to be some $57 million allocated. We do not know how much of that amount will be spent for administration and overhead. We do not know how much will actually go to Indian people and native development projects. We simply do not know. However, I wish to tell Hon. Members that in speaking to this borrowing authority measure the people of Canada should know that we are doing a terribly poor job in getting economic development for Indian and native people off the ground. They want it to work. We should want it to work because this welfare syndrome is destroying them heart, soul and mind. We need something better. We had better face up to that quickly and move ahead.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Government has before us today a proposal to borrow some $22.6 billion. That is an enormous sum of money to be asking the House of Commons to approve for borrowing purposes. By implication the Government is asking for an approval of its budgetary and economic policies. It is as a result of its economic policies that it is forced to come before us today asking for authority to borrow some $22.6 billion.

I would like to ask Hon. Members to consider the Government's economic policy, particularly the policy as outlined in the Budget brought down just a few weeks ago. Consideration of the matter will give us an indication of whether or not the authority which it is seeking today should receive approval, or that this request should be turned back to the Government calling upon it to re-examine its economic and budgetary policies.

The last Budget raised the taxes of the average Canadian family by about $350 a year. This is on top of the previous increases in taxes which the Government imposed in its last two budgetary measures. This is also on top of $1,000 a year in additional taxes which families were hit with in 1985. The total comes to $1,350 a year of additional taxes, just since the Government came to office in 1984.

How do ordinary Canadians view this increase in taxes? The Government asks us to take the perspective that this is the price which has to be paid, that the Liberals created a large deficit and the Conservatives will pay it down. Thus ordinary Canadians will simply have to pay through the nose in order to get the deficit down. If ordinary Canadians are being asked to pay we have to ask who else is paying the burden with respect to the deficit. Who else has the Government chosen to pay for this burdensome deficit?

What we find is that taxes imposed on individual Canadians are increasing four times faster than those imposed on corporations. The last Budget actually imposed measures to lower the tax rate of corporations. As a result of the economic, taxation and borrowing policies of the Government taxes for individual Canadians are rising four times faster than those of corporations in this year alone. This means that individual Canadians will be asked to pay $1.1 billion more compared to the $380 million which the corporations are being asked to pay. How can the Government present such a policy expecting approval when it is asking individuals to pay four times as much as that paid by corporations? How can the Government justify such a move?

An increase four times greater sounds pretty bad. However, if we look into the future we will find that by the year 1990 the Government will be taxing individuals ten times as much as it taxes corporations. This is to say that individuals will be paying an additional burden of some $2.9 billion. That is almost $3 billion, whereas corporations will be asked to pay an increase of just $295 million.

We must fundamentally question the economic policy the Government has put before the House. We have to question the Government's temerity in coming before us today asking for authority to borrow some $22.6 billion, particularly in light of the fact that it lowered the corporate tax rate in its last Budget. In one breath it has asked to borrow billions of dollars and lower the tax burden on corporations.

Some Hon. Members: Shame!

Mr. Keeper: Yes, Mr. Speaker, it is a shame. It is simply unfair.

In the most recent Budget the Government continued the capital gains write-off measure whereby if the capital an individual owns increases in value up to $500,000 that individual does not have to pay any tax on it. This capital gains write-off has been continued in the latest Budget. How can the Government advocate a tax write-off for wealthy Canadians while at the same time it hits ordinary Canadians with a tax increase of $350 per year and is asking ordinary Canadians to support and approve its borrowing of some $22.6 billion? It does not make sense.

If the Government wishes to borrow money we must ask what it is borrowing it for. Is it borrowing this money in order to put ordinary Canadians to work? Is it borrowing this money so that the unemployed—now well over one million—can obtain useful employment, a decent income and make a contribution to society? The facts indicate that that is simply not the case.

The Government is actually borrowing this money in order to continue the types of tax write-offs which I have already mentioned. The Government lowers the corporate tax rate while at the same time it cuts back on funds which are allocated to employment programs. In the last Budget the Government cut a couple of hundred million dollars in terms of employment programs over the next two-year period. The significant fact is that in this time of high unemployment, the Government is cutting back on employment programs so it cannot be borrowing in order to support those programs.

• (1240)

Is the Government borrowing money to support the youth of Canada? Clearly not, Mr. Speaker. It has taken the heartless action of cutting out the Katimavik program, a program which offered a real opportunity for young people to serve in com-

munities across Canada, to gain some work experience and to see the country. It was a way of extending opportunities to young people. Yet the Government has chosen to cut that program, and it still remains deaf to the needs of young people in spite of the fact that one of the members of the other place has chosen to undertake a hunger strike in order to bring the message home to the Government that young Canadians have needs and that any program that exists to meet those needs should be supported rather than undercut.

Could the borrowing be justified because it is helping out those who are unemployed or retiring? Clearly not. The Government has recently announced that those who retire can no longer receive the unemployment insurance benefits to which they were once entitled. Having paid into the unemployment insurance fund for 20 or 30 years, one should expect to receive unemployment insurance benefits for a period of time upon retirement. I see, Mr. Speaker, that you are signalling that I have one minute left. I will wind up.

I really question why the Government is coming before us to ask to borrow $22.6 billion, not because I am against borrowing in principle but because of the reasons for which the Government is borrowing the money and because of the economic policies it is following, economic policies which favour corporations and place a heavy tax burden on ordinary Canadians while at the same time services to ordinary Canadians are being cut back. That is simply unacceptable to members of this Party.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Government of Canada is keeping Canadians in the dark about its legislative program for this year, next year and the year after. It is also keeping Canadians in the dark as to the exact figures that relate to borrowing and the national debt.

When one looks at the figures from the speech made by the Minister of Finance (Mr. Wilson) last month, and when one reads the booklets that came with it, one begins to wonder just where the Minister of Finance is getting his figures and how he draws his conclusions. It is an inescapable fact that the Government is simply floundering. It is wasting money here, there and everywhere. There was the bank fiasco and there have been examples of exhorbitant spending in Ministers' offices. There have been numerous examples of waste in spending the taxpayers money. Yet the same Government says it has an enormous problem on its hands, but does not revise its spending patterns at all.

When looking at the actual figures it is interesting to note that as of today the Government, since it came to power 18 months ago, has been responsible for accumulating some 24 per cent of the total national debt that is on our shoulders today. If that were not bad enough, the projected deficit for this coming year and the year after indicates that they will be not only the highest deficits but the second highest deficits, and the third highest deficits. According to the projections of the Minister of finance, by the year 1990, if the Government remains in power, which it will not—it would have been responsible—

Mr. Kilgour: Wait and see.

Mr. Baker: Now Government Members do not like what I am saying because I am using the words of the Minister of finance. The Government would have accumulated 50 per cent of the total national debt of Canada. All the deficits since Confederation would be accumulated throughout the term of the Government which is presently in power.

We know where the waste is. We all know about the $2 billion here and the $1 billion there. We all know about the attempted bank bail-out and its outcome. The Minister of State for Finance (Mrs. McDougall) was totally responsible, and on her shoulders lies the blame for the $1 billion sum in this year's Budget for pay-outs to uninsured depositors. We know all about the Government.

We begin to wonder about the Government's projections. When we look at the actual figures released just last week we find that the Minister of Finance is really not on target at all. The deficit is the same as it was last year for the first nine months of this financial year, give or take a half a billion dollars, and that sum means nothing at all to the Government. So the Government has decided to make Canadians pay for it. It will punish Canadians because of its own mistakes.

If that were not bad enough, there was a ministerial task force composed of the Deputy Prime Minister (Mr. Nielsen), the Minister of Finance, the former Minister of Finance and the President of the Treasury Board (Mr. de Cotret). These were the four Ministers who, when the Budget was presented last May, presented their Cabinet decisions on the first five reports of the study groups. They told us what the Government was doing with the recommendations of the study groups.

What did we see happen the other day? We saw only 21 reports of the study groups presented. That makes 26 books altogether. As you know, Mr. Speaker, there are 26 books in the New Testament. However, today I am referring to the 26 unholy books that were presented by the Deputy Prime Minister.

We do not know what the ministerial task force has done because it will not tell us. I can assure you of one thing, Mr. Speaker. The task force has already sent all of its recommendations from the study groups to the Planning and Priorities Committee of Cabinet. In other words, the Cabinet approved the last set of recommendations this past Thursday. The Government has decided what to accept from the 21 most recent books presented by the study groups. Now the Government of Canada wants us to approve its borrowing pattern, and for what, we do not know.

I have it on good authority that some of the recommendations of the study groups have been followed. Let me outline very briefly what the ministerial task force has recommended as it relates to Newfoundland. It recommended, for example, that the Government cut the entire coastal boat service along the Labrador coast. It recommends the ending of all subsidies to Canadian National in Newfoundland. It decided—

Mr. Blenkarn: Good.

Mr. Baker: I hear an Hon. Member from the Conservative benches saying that that is good. Then it recommended to seek judicial clarification on federal constitutional obligations concerning all subsidies to Newfoundland and the provision of the Newfoundland and Labrador coastal services. They have actually said they will obtain a judicial decision on the terms of union between Newfoundland and Canada after making the reductions they are to make. It is a slap in the face to all Newfoundlanders.

● (1250)

Let us look at the recommendations which the federal Cabinet has accepted, for example, in environment. They recommend the closure of the weather office in Gander through the transfer of the weather centre to St. John's. Air Canada made an application to move its international flights to St. John's. If the Government approves, it will mean that St. John's airport would require about $4 million or $5 million of expenditure just to meet the standard federal requirements of space for security reasons. The Department of Immigration and the Customs Department have told the Minister of Transport (Mr. Mazankowski) that he cannot approve the application unless the Government spends $4 million or $5 million.

The Minister of Justice (Mr. Crosbie) threatened Air Canada by saying: "You go to St. John's or else". Now the task force is recommending moving the weather office from Gander to St. John's, which will result in an additional cost to the federal Treasury. Is it any wonder that one of the persons on the ministerial task force was the Hon. Member for St. John's West in whose riding St. John's airport is located? We see throughout the documents the vested political interest and the short-term political gain. The Government is trying to obtain some political influence for the former Minister of Finance, the Hon. Member for St. John's West, and is trying to prop up the Hon. Member for St. John's East (Mr. McGrath). The Government of Canada will not get away with it. It will be put on the spot on every move it makes in an attempt to rob from Newfoundland for the benefit of its Members' ridings.

The Acting Speaker (Mr. Charest): The Hon. Member for Hamilton Mountain (Mr. Deans) on debate.

An Hon. Member: Him too?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I hear a voice from the wilderness on the other side. Let me say to him: "Yes, me too".

I have listened to the debate the last few times this matter has been before the House. As I heard the arguments being made, I thought to myself how it reminded me of the arguments made during the period from 1980 to 1984. At that time Conservative Members sitting on this side of the House, when the previous Liberal administration was in power, rose one after another, *ad nauseam*, arguing that there was no necessity for that amount of borrowing, that the borrowing was founded on wrong information and misguided policy, and that the borrowing was inappropriate. In fact, any number of arguments were put forward, each one of which has been advanced again during the course of this debate. As I thought about that, I could not help but feel that the Conservative Party in its new capacity has not changed very much. The only thing its Members have not yet done, though I warn you, Mr. Speaker, that it is not outside the realm of possibility, is muster their numbers to charge the Speaker's chair during this Parliament. That is about all that has not been pursued.

Mr. Turner (Ottawa-Carleton): Not yet.

Mr. Deans: As the Hon. Member for Ottawa-Carleton (Mr. Turner) just said, it has not happened yet but it may. I would not be at all surprised if he led the charge, after having listened to him, without fully understanding the undermining effects such a charge would have on the authority of the Chair. That is what the Conservatives did in the early 1980s when they attempted to intimidate the Speaker of the day with their obnoxious, boorish behaviour.

However, I see in the Government much of what I saw in the Conservative Party when it was in Opposition. Its Members argued on both sides of every issue, just as they are doing today. In fact, I remember rising in the House at one point and making some comments about that very fact. It made no difference what was before Parliament or what issue was being discussed across the land, people could find a Conservative Member to speak for them no matter what side of the issue they were on. At one point—and in fact I am not even sure now, but I thought it was by design—they had decided that since they did not have a clear policy on anything and since they did not really stand for very much, they would find out on purpose what was the public view on each issue. There is always more than one view held by the public at large, so they would make sure that every aspect of the issue was covered by one or another of their speakers. Then if a Canadian asked for the Tory view on almost anything—

Mr. Riis: Give me some examples.

Mr. Deans: I hear my colleague; I will in a moment. However, if a Canadian wanted to find out where the Conservatives stood on the testing of the Cruise missile there would be a Conservative who had spoken in the House of Commons against it and one who had spoken in favour of it. Then they could check to find out what side the person was on and ship out the appropriate piece of propaganda. If one happened to be in favour of the universality, for example, there would be a Tory speaking for him or her. If one were opposed to universality, one could find a Conservative who had spoken on that side of the issue, and therefore be provided with the appropriate piece of propaganda. This seems to continue all the way into Government.

I remember when the Minister of Finance (Mr. Wilson) stood in the House of Commons and argued vehemently against the necessity for borrowing. In fact, the Conservatives put up speaker after speaker—perhaps as many as 90, sometimes—to castigate the then Government for its audacity in introducing time allocation to terminate the debate and to

argue against the necessity for borrowing. What did they do after assuming office? They brought in borrowing Bills at least as large if not larger than those brought in by the previous administration.

I know, Mr. Speaker, that you will be fascinated by the following. I remember a debate in the early part of the 1980s when the then finance critic, the present Minister of Finance, said that interest rates were okay at the high level. He went to Montreal and made a speech to its board of trade. He said there was nothing the Government could do about high interest rates, that they were just a product of the economy and that we had to live with them. At the very same time, Conservative Members sitting beside him were rising in the House of Commons and demanding of the Government of the day that it bring down interest rates. If some poor soul from the outback in Canada wanted to get the Tory position, he or she could either have the "Michael Wilson" position on interest rates, being high out of necessity, or some other position put by another Conservative Member, requiring that interest rates be brought down. This tells us something about the Government.

No sooner did the Conservatives move into Government and we were confronted by the spectacle of the argument over universality. The Minister of Veterans Affairs (Mr. Hees), my good friend and colleague, will remember this well. On the one hand, we had the Minister of Finance arguing that we could not afford universality. On the other hand, we had another fellow who was saying that universality was a sacred trust. Who was that?

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Member for Hamilton Mountain.

Mr. Deans: I will be back.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

TOURISM

IMPACT OF GOVERNMENT ACTIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, several sectors have been hit hard by the Wilson Budget, particularly the tourist industry. At least ten-odd measures

will affect tourism: the excise tax increase, 4 per cent on alcohol and 6 per cent on tobacco; the 1 per cent sales tax increase which again applies to alcohol, tobacco and, in addition, gasoline; the air transportation tax from 9 to 10 per cent; the $100 million cut-back in VIA Rail's budget; the new 3 per cent income surtax, which erodes the purchasing power of Canadian tourists; $100 million less for the Canadian Jobs Strategy program and Challenge 86 and their many tourism-oriented jobs.

Those are so many measures which will drive into the ground an industry which happens to be vital to Canada's economy and whose progress entails untold efforts to overcome all obstacles—

Mr. Speaker: Order. The 60 seconds have expired.

* * *

[*English*]

AGRICULTURE

DOMESTIC SUGAR INDUSTRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, producers have been waiting for over a year for a strong commitment to maintaining a domestic sugar industry in Canada.

We recognize and appreciate the efforts made by the Minister of State (Canadian Wheat Board) (Mr. Mayer) which finally resulted in a commitment, however vague, and a preliminary announcement. But it is only a preliminary announcement.

What about the $30 million in stabilization still owed to Alberta producers? What about the variable levies and temporary floor prices? What about the corn syrup industry, which was barely mentioned? What about the details of the stabilization scheme that has still not been negotiated? Surely this vague pronouncement is not the final result of 18 months' work.

We look forward to a genuine long-term commitment to the industry, and we hope that today's optimism will not have been misplaced.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S PERFORMANCE

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, much has been said about the need to reduce the deficit. Here are statements made by a senior member of the Liberal Government during the election campaign.

In July 1984, he stated: "Government expenditures must come down. There is a lot of room for cut-backs in expenses and duplication. I think those reduced expenditures would enable us to save billions of dollars."

He went on to say: "Some programs are sheer duplication, others are not profitable, and certain administrative activities are a complete waste. Some programs are no longer of any use at all and I will axe them."

Here is what he said in May 1984: "We must find ways to restore a more efficient public administration."

Mr. Speaker, I just quoted the Leader of the Liberal Party (Mr. Turner). Canadians heard him loud and clear, so they elected the Progressive Conservative Party in September 1984, and they were right. We should not talk about it anymore, that is exactly what the Government has done.

* * *

[*English*]

THE ECONOMY

MAINTENANCE OF GOVERNMENT COMMITMENT

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, we are putting our financial house in order. Since we became the Government in September, 1984, we have seen a steady change toward fiscal responsibility. Not only are we spending less but we are spending smarter. The recent Budget is a clear indication of this.

My constituents, who are owners of small businesses and are agricultural producers, understand the necessity of controlling the deficit. They welcome the provisions for increased employment opportunities as well as the programs for hard-pressed agricultural producers.

Confidence is growing daily as the provisions of the Budget take effect. Look at the falling rates of interest and unemployment, Mr. Speaker.

We said we were going to set Canada on a new course. We have kept that commitment. We said we were going to reduce runaway spending. We have kept the commitment. Indications are that we will have eliminated the deficit by 1990.

My constituents join with me in congratulating the Minister of Finance (Mr. Wilson).

* * *

● (1405)

[*Translation*]

THE PRIME MINISTER

ALLEGED COMMENTS CONCERNING FORMER MEMBER FOR SAINT-MAURICE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the comments made on the weekend by the Prime Minister (Mr. Mulroney) about the circumstances of the resignation of the former Member for Saint-Maurice (Mr. Chrétien) really cannot be taken seriously.

No one in the political history of our country can equal the Prime Minister's expertise in back-stabbing. Just ask Joe. He can show you the scars. Compared to the Prime Minister, Judas who as innoncent as a newborn babe. Poor Brian, he is trying every possible trick to win back the ground he lost in Quebec, and he is prepared to stab anyone who gets in his way. Mr. Prime Minister Brian, this is pitiful but not very smart.

* * *

[*English*]

AIR TRANSPORT

CITY EXPRESS—FAILURE TO PROVIDE SERVICE FOR HAMILTON-WENTWORTH

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as you know, Hamilton-Wentworth has a brand new air terminal. However, a terminal without a proper airline makes very little sense. Last Thursday I arrived at the air terminal in an effort to come to Ottawa at 6.30 in the morning hoping to catch the City Express, a non-stop flight. I discovered when I got there that the City Express had not sent an aircraft to Hamilton, that in fact there was no aircraft there, nor was there likely going to be any.

We ended up having to be trucked, as usual, from Hamilton to Toronto by taxi in order to try to make connections.

City Express not only does not provide an adequate service, it does not even have the courtesy to inform its passengers that the airline is not going to be operating on certain days of the week. I suggest that the Government take a serious look at the mandate given to that airline to see if it cannot be changed.

* * *

[*Translation*]

THE ECONOMY

INVESTMENT IN ENTERPRISES

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, in the fourth quarter of 1985, the optimism of heads of businesses was at record levels, according to a survey by the Conference Board of business attitudes and investment plans.

The percentage of entrepreneurs who feel that the current period is favourable for investment has risen abruptly from the previous high rate of 42.8 per cent in the third quarter to 49.7 per cent in the fourth.

This is the highest rate of optimistic responses since the second quarter of 1979. According to the Conference Board, business heads are also more optimistic than they were before about the prospects for our economy.

Mr. Speaker, what a change since the last quarter of the Liberal administration in 1984, when in fact 45.9 per cent of respondents to the same question did not think it was the right time to invest in Canada!

[*English*]

CURRENCY

INTRODUCTION OF NEW BANK NOTES—CONSIDERATION FOR VISUALLY IMPAIRED

Mr. Joe Reid (St. Catharines): Mr. Speaker, there are probably many reasons to introduce a new series of Canadian bank notes at this time. However, none is more important than the opportunity this gives the Bank of Canada to make the different denominations of those notes distinguishable by the blind and visually impaired. The visually impaired welcome the larger, more distinct numerals, as well as the distinct dominating colour of each denomination.

For years the sightless have wanted these notes made distinguishable by the use of Braille, an economic system which they will all use. They do not need to speak to the note, nor do they have to be burdened with the use of a separate electronic scanner. It is to be hoped that the machine-age for the handling of our money does not, in itself, become the major deciding factor. In the end result, the Bank of Canada is to be commended on its consideration for this disadvantaged sector in our Canadian populace.

* * *

THE ECONOMY

EXPRESSION OF CONFIDENCE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, last Thursday's 1 per cent drop in the bank rate is further evidence of the strength of the country's economy and the success of the Government's policies. Together with lowering interest rates, a quick survey of today's economic indicators will reveal further good news: 4 per cent inflation, 9.8 per cent unemployment, and 5 per cent GNP growth.

Numbers alone cannot truly reflect the true spirit of confidence and optimism that has swept the country from coast to coast. Last weekend I had the opportunity to meet many Canadians from every region of the country. In one way or another each one of them expressed to me the same message—Canada is working again. That, Mr. Speaker, is an economic indicator which cannot be assigned a number, but nevertheless speaks volumes of the confidence Canadians have in their economy and their Government.

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THE DISABLED AND THE HANDICAPPED

EFFECT OF PUBLIC SERVICE LAY-OFFS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I am deeply concerned about employment opportunities for the disabled in the federal Public Service. It is hard to find a permanent job these days, and it is even more difficult for the disabled. In 1984-85 the vast majority of disabled persons hired by the Public Service Commission were hired in limited

or term positions. With Tory Government cut-backs, term positions are among the first to go, thus leaving many disabled unemployed. I personally know of some of these disabled people being laid off at the end of this very month.

• (1410)

It is obvious that all the Tory Government does about employment equity is talk about it. Once again the Government continues to place a higher priority on the deficit and statistics and numbers, as did the last speaker, than on people.

* * *

THE PRESS

IMPORTANCE OF WEEKLY NEWSPAPERS—COMPETITION POSED BY CANADA POST CORPORATION

Mr. Arnold Malone (Crowfoot): Mr. Speaker, no sector of the media is as cherished as our weekly newspapers. They have served rural Canada for a century. Filled with tidbits of local interest, most weekly newspapers stay in the house until they are completely read from front to back. Unfortunately, the small entrepreneurs who provide the nation's weekly newspapers are in a mean and unfair fight with Canada Post.

Community newspapers are perpetually losing subscriptions because the Post Office cannot deliver the papers in a respectable time. Yet in spite of that, and irrespective of the fact it causes financial hardship for publishers, Canada Post has the gall to assume the privilege to undercut these papers in marketing ad mail. How legitimately angry the publishers must be to realize that their tax dollars are used to subsidize Canada Post in an unfair competition for ad mail services.

* * *

FINANCE

TAX TREATMENT OF LAID-OFF NORTHERN MINERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, workers at Stelco's Griffth Mine in the Ear Falls-Red Lake region of northwest Ontario have suffered a double blow. First they were told the mine would close at the end of this month. Secondly, they cannot get an answer from the Minister of Finance (Mr. Wilson). The Minister twice in this House committed the Government to give tax relief to laid-off workers in isolated communities. He said this on November 8, 1984, in the economic statement, and in the May 23, 1985, Budget. The Minister of State for Mines (Mr. Layton) specifically promised equal treatment for Griffith Mine workers on November 16, 1984.

At a meeting in June, 1985, nine months ago, Stelco executives met with Ministry of Finance officials to present the need for a tax remission. Yet as of today no remission order has been issued. The mine closes in two weeks. When will the Minister make good his word and spare the workers of the Griffith Mine this unfair and frustrating delay?

S.O. 21

TRADE

CANADA-UNITED STATES NEGOTIATIONS—BENEFITS OF FREE TRADE

Mr. Gordon Taylor (Bow River): Mr. Speaker, some Liberals, the NDP, and some labour leaders are trying to frighten Canadians by saying if we have free trade with the U.S. the Americans will dominate us, or we will lose our sovereignty, or our social programs will be in jeopardy. Such statements are sheer nonsense.

The Canadian red meat industry has had, and still has, virtually free trade with the U.S. in finished products. We have not lost one social program. We have not lost one iota of sovereignty. We have not dominated. In fact I know of no adverse results, only benefits for Canadians and Americans. The Western Stockgrowers Association supports free trade with the U.S. as well as the rest of the world.

As the Irishman said: "When we get free trade I will be thankful for the rest of my life, if I live that long."

* * *

THE DISABLED AND THE HANDICAPPED

EFFECT OF PUBLIC SERVICE LAY-OFFS

Mr. Neil Young (Beaches): Mr. Speaker, there are several hundred disabled persons employed by the federal Government who are currently being cut through the public service freeze and downsizing actions of the Government. Most of these people are in term positions, some after going through the Government's Access Program for Disabled Persons. Several have already received notice of the Government's intent not to renew their terms, some as early as March 27 of this year.

The Government committed itself not to hurt disabled people and make the Public Service of Canada more representative of target groups. You will be interested to know that of the six employees in the Minister of State's Department's program for disabled employment opportunities, two are disabled and both are about to be terminated at the end of this month. If the Government has a real commitment toward the disabled, those are the last people who should be attacked in its fiscal restraint program.

* * *

YOUTH

PROVISION OF PROGRAMS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Secretary of State (Mr. Bouchard) is wrong when he claims that he needs weeks and months before he can produce a policy on youth employment. The Minister had time during the whole of 1985, during Youth Year, to prepare a policy for youth. A whole year. Yesterday on *Cross Country Check-Up* he had the nerve to say that he needs more time to come forward with something. In addition, while he had been warned that the Senate report was going to recommend projects like Katimavik in the future, he still had the nerve to kill Katimavik.

● (1415)

The Secretary of State said there is no money to provide youth programs. The money was found for the Nielsen Report which cost millions of dollars, it was found to bail out the banks which cost hundreds of millions of dollars. We are asking the Secretary of State—

Mr. Speaker: Please, 60 seconds.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW ZEALAND MINISTER OF AGRICULTURE AND FISHERIES

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of the Hon. Colin James Mole, Minister of Agriculture and Fisheries of New Zealand.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—AID TO CONTRAS—PLEA BY UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I note the Secretary of State for External Affairs is not in the House. I hope he would be, given the summit beginning today. In the absence of the Prime Minister I will go to the Deputy Prime Minister. Is the Deputy Prime Minister able to tell us what the Government's response is to President Reagan's national television message to Americans last night? What is our response to his plea for increased aids to the Contras in Nicaragua?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The immediate response, Sir, is that the activities of the U.S. Congress on this question are a purely domestic affair. It would be inappropriate for there to be a response. Having said that, let me repeat what the Secretary of State for External Affairs said on the thirteenth of the month as reported at page 11507 of *Hansard*:

—Canada can advance that progress—

That is the process of seeking a peaceful solution in Nicaragua—

—best by pursuing and strengthening the Contadora process, as we have been doing, and by resisting the temptation to reduce our influence in the United States and elsewhere by offering gratuitous advice which we can neither defend nor enforce.

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): My next question is also directed to the Deputy Prime Minister. If the policy is to strengthen the Contadora process, then the response surely has to be to President Reagan in the strongest terms that Canada disagrees with this initiative. That view certainly should be expressed—I would hope the Prime Minister would agree—now that the Prime Minister has the opportunity of sitting down with the President in Washington this evening. Can he give us some assurance that the Prime Minister will make sure that item is on the agenda and that Canada's views are made known.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not think there is anyone in the House who is unaware of the fact that the discussions between the President and the Prime Minister are going to be very broad ranging indeed. Again, let me point out to him the response of the Secretary of State for External Affairs of last March 13, to the Member for New Westminster-Coquitlam:

> We believe—
>
> That is this Government,
>
> —that actions speak louder than words in Central America as elsewhere. Our Government has tripled its development assistance in Central America because we believe the problem there is an economic problem and not a military problem to be solved by military means.

UNITED STATES DUTY ON CANADIAN FISH EXPORTS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Surely a summit is a time for straight talk, and we hope to see some from the Prime Minister to the President, not only on the Nicaragua issue, but on other major issues such as the countervail on Atlantic fish products, where there has been a modest reduction of 1 per cent. If the Government does not agree with that decision, namely that 1 per cent is insufficient, surely the Prime Minister will take this opportunity of advising the President that that countervail has to be removed.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): There is no question that will be a subject of discussion, Mr. Speaker.

PRIME MINISTER'S VISIT TO WASHINGTON—ACID RAIN DISCUSSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs my question is also for the Deputy Prime Minister and it has to do with the summit meeting. What we want to know from the Deputy Prime Minister is whether the Prime Minister will be asking the President merely to endorse the acid rain envoys' recommendation for five more years of research, or whether he will instead formally request that an emission control program be instituted in the U.S. rather than more research.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman knows that that is high on the agenda for discussion in the United States. He will recall, as well, the response which was given by the Minister of the Environment, in answer to one of his previous questions, that more has been accomplished by this Government in the area of acid rain in 18 months than by the Hon. Member's Government in 18 years.

● (1420)

Mr. Caccia: Mr. Speaker, I was expecting a more serious reply on this kind of subject from the Deputy Prime Minister than the one he just gave.

CANADIAN POSITION

Hon. Chas L. Caccia (Davenport): We want to know from the Deputy Prime Minister whether the Prime Minister will explain to President Reagan that more research over the next five years is unacceptable to Canada, especially so because the proposal of the acid rain envoys is simply one which leaves the initiatives to the industries which are the source of acid rain pollution. Will this be what the Prime Minister will put to the President?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Twist as he might, the Hon. Member must recognize the fact that there has been no more eloquent a supporter of the elimination of the acid rain problem on this continent and in this country than the Prime Minister. The Hon. Member knows full well that those views, which have been expressed so often, and publicly, will be expressed by the Prime Minister in his meetings with the President.

NICARAGUA—VIEWS OF CENTRAL AMERICAN COUNTRIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister and it concerns President Reagan's proposed escalation of military involvement in Nicaragua. I would like to say that, unlike the Deputy Prime Minister, most Canadians do not think such action is purely a domestic matter, just as we did not think action of a similar kind in Afghanistan and Vietnam were domestic matters.

Considering such countries as Costa Rica, Colombia, Peru and Mexico have made it clear that outside intervention of the kind now being advocated by the President of the United States is entirely wrong, will the Government of Canada, specifically through the Prime Minister in the meetings he is about to have on the eve of an important vote in Congress, also indicate clearly that this proposed action by the President of the United States is wrong?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Leader of the New Democratic Party is attempting to misconstrue what I said. If I did not say it clearly, let me do so now. We do not believe, as

a Government, that the affairs, as they are developing in South America, are domestic in that international sense. What I did say referred to the last part of the Hon. Member's question when he was speaking about a vote of the Congress in the United States. That is a domestic affair. We are just as vitally concerned about political and military unrest in any South American country, indeed, around the world, as he is.

Mr. Broadbent: Mr. Speaker, what really is domestic is what goes on in Nicaragua, and the President of the United States should understand that it is a domestic matter and that he should keep his nose out.

FUNDING OF MILITARY ACTIVITY AGAINST NICARAGUA

Hon. Edward Broadbent (Oshawa): Following what the Deputy Prime Minister has now said, which is to clarify the position of the Government of Canada, namely, that we presumably would oppose any escalation of military activity in that region or anywhere else, and since the Deputy Prime Minister has said that, and since an important—

Mr. Speaker: Order, please. This is becoming a very long preamble. Is there a question?

Mr. Broadbent: Given the importance of this issue to world peace, would the Government of Canada now make its views publicly known that it opposes the funding of military activity directed against the existing Government of Nicaragua?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the position of the Government has been made abundantly clear on more than one occasion. However, just to refresh the memory of the hon. gentleman, let me quote from *Hansard* of March 13, 1986. In reply to the Hon. Member's own critic, the Secretary of State for External Affairs had this to say, and I quote from page 11515:

> We have contributed constructively to the Contadora process. We have discussed the possibility of contributing constructively to the resolution of border disputes. We intend to take an active role in working to bring peace and stability and—"

Mr. Speaker: Order, please. The answer is too long.

● (1425)

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Government will not criticize the proposed action, will the Deputy Prime Minister confirm whether or not it is the Government's view that the proposed action by the President of the United States constitutes a violation of international law?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not purport to provide legal advice with respect to international law to the hon. gentleman on the floor of the House of Commons.

CONSUMER AND CORPORATE AFFAIRS

LICENSING OF PRESCRIPTION DRUGS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who, on Friday, told a coalition of groups representing consumers, senior citizens, women and labour that, as a concession to the United States, his Government will repeal our present law on compulsory licensing of prescription drugs, a law which saves consumers some $200 million a year. Will the Government be repealing this law? If so, how will it protect Canadians against higher drug prices if this law is changed?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to answer quite simply that we are concluding our consultation process. As soon as the Government has considered the various views that were expressed, we will submit a decision to Cabinet for consideration, and as soon as it is ratified, we will make an announcement in the House.

[*English*]

GOVERNMENT POLICY

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Minister not say now whether the Government will change the law? If so, will he limit any changes to those recommended in the Eastman Report, since those recommendations, according to Mr. Eastman, will protect both consumers, something which is important, and the industry?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I have said many times that whatever the policy will be it will not be carried out on the backs of the consumers but we will ensure that it creates jobs and brings investment to Canada.

* * *

ENERGY

PRICE OF CRUDE OIL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources who will know that just a few hours ago the Saudi oil Minister said that oil prices could conceivably move to $8 a barrel in the months ahead. Recognizing the crisis situation which is now developing in the West, particularly in the Province of Alberta where there have been hundreds of lay-offs and where there is a potential for thousands, will the Minister explain to us what she plans to do? What policy does the Government have to come to the rescue of this ailing industry and the thousands of people who face impending lay-offs?

Mr. McDermid: What a bunch of hypocrites!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is aware of the fact that we are experiencing disruption caused by a global price war which is being carried out for political reasons by Saudi Aradia and other countries. It is affecting the world price of oil. With respect to what I am doing about it, as the Hon. Member has asked, I am in constant touch with the industry and with the Ministers and the Premiers of the producing provinces to ensure that we are kept informed of what is happening.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I think we are all well informed on what is happening. My question to the Minister who is responsible for this industry is simply this. Right now the Government is asking hundreds and perhaps thousands of Albertans to bleed, while it sits back in inaction. Rather than sitting back and letting the free market forces destroy the Albertan economy, thus putting thousands of workers on the unemployment rolls, what does the Minister of Energy plan to do?

Mr. McDermid: NDP flip-flop!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the free market forces to which the Hon. Member refers were responsible for record drilling being undertaken in western Canada last year after we brought in the Western Accord. As I have told—

Mr. Riis: Let's talk about the future.

Mr. Broadbent: That was when prices were high. What about now?

Miss Carney: I am really amused by the spectacle of the NDP supporting the producers.

Mr. Broadbent: It's your own ignorance, lady!

Mr. Speaker: Order, please. The Hon. Member for Eglinton-Lawrence (Mr. de Corneille).

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EDUCATION

FUNDING OF POST-SECONDARY EDUCATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is for the Secretary of State. The Nielsen Report flatly stated that there is no evidence that post-secondary education is underfunded. As the Government's expert in these matters, and in justification of his recent cut-back to the formula for federal funding of Canada's universities and colleges, does the Secretary of State agree with the assessment that post-secondary education is not underfunded?

• (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as you well know, these study team reports have all been referred to the respective standing committees. That is where the voluminous options of the study team reports should be examined. That is where the kind of question put by the Hon. Member should be asked of whatever witnesses the committee deems to call before it, in whatever mode it wishes to examine the reports. That is the opportunity in which he is invited to participate.

MINISTER'S POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I thank the Hon. Member for his reply, but that does not cut it off at the pass. I am asking the Secretary of State a simple question. Does he agree that the post-secondary educational system is not underfunded?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, the Acting Prime Minister has said several times, as he did just now, that the reports will be referred to the committees concerned. Furthermore, the task force's recommendations contain a number of items that we will take time to consider, if you don't mind, and subsequently, we will be able to inform the House how they will be implemented, which will basically depend on the results of the studies that will be made.

* * *

YOUTH

ANNOUNCEMENT OF PROGRAM FOR YOUNG PEOPLE—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Secretary of State. Does the Government intend to announce a program for youth before Easter, as promised by the Prime Minister a few days ago, yes or no?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, when the Prime Minister said that we would be announcing a new program for youth, which, incidentally, is not necessarily a job creation program, since the two are not necessarily connected, he never said that he would announce it before Easter. The time frame for announcing Government programs is determined not by chance or by pressures from outside but by the Government itself, which will decide when these new programs are to be announced.

[*English*]

TIMING OF GOVERNMENT ANNOUNCEMENT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, is the Secretary of State not aware that the Prime Minister said that there would be programs introduced for youth before the beginning of March and that the Minister of State for Youth said that, after studying the Senate committee report on youth and the New Democratic Party report on youth, there would be programs introduced by the Government in spite of his contradiction of that fact some days ago? Are we dealing with the promise of programs or mere propaganda?

Mr. Speaker: Order, please. That was three questions.

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I will repeat what I just said, since the question is the same. We said that we were going to announce a new program for youth, but again, we will do so when we feel the time has come to announce the program.

KATIMAVIK PROGRAM—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is also directed to the Secretary of State. I may remind him that the Special Senate Committee was unanimous in its recommendation for setting up "Youth", a national community service volunteer program, for all young Canadians between the ages of 17 and 24, a program very similar to Katimavik. I would like to ask the Minister, since this was a unanimous report, if he is now prepared to reconsider his decision,—a controversial one, I may add,—to terminate the very popular Katimavik program.

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I have said time and time again that reversing this decision is out of the question. However, I am glad you referred to the Senate Committee. The Committee's first recommendation is to create jobs and provide appropriate training, something the Minister of Employment and Immigration has been doing so well, and that is what you should keep in mind, and no matter what you say, the Government's priority is to create jobs, and this kind of question is not going to make us change our minds.

SENATE RECOMMENDATION CONCERNING RESTRICTIVE MEASURES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Senate Committee's first recommendation is as follows: that before implementing restrictive measures, the Government should examine their immediate and indirect impact—

Mr. Speaker: Order. A question only!

Mr. Guilbault (Saint-Jacques): —is that what led the Government to make those drastic cuts in the last Budget? Is that following the recommendations of the Senate Committee?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, does the Hon. Member for Saint-Jacques mean that investing $700 million in job creation is a restrictive measure? I find that hard to believe! We are investing money in job creation, and just because we have terminated a $20 million program that was costing $10,000 per young person, you are accusing us of taking restrictive measures. Measure for measure, I think I prefer those I am implementing to yours which have made hundreds of thousands of young people jobless in this country.

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[*English*]

NATIONAL REVENUE

SCIENTIFIC RESEARCH TAX CREDIT—AMOUNT OF WRITE-OFF

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue and concerns the Scientific Research Tax Credit. We learned last week that only 172 companies have been audited out of a total of 1,800 and that the Department has already written off some $900 million. Why has the Government so quickly written off $900 million, and what special measures is the Government taking to minimize the public rip-off and recover as much as possible?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, as the Hon. Member knows, as a knowledgeable critic, the residue of this program has created tremendous problems. The Deputy Minister of National Revenue recently appeared before the relevant committee and gave a very good account of the current situation.

I can assure the Hon. Member and the House that our Department is not writing off any of these accounts for which there is a reasonable chance to protect the taxpayers' interests and all appropriate measures will be taken to make sure the taxpayers' interests are protected.

GOVERNMENT APPROVAL OF APPLICATIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is directed to the same Minister. I want to know why the Government approved some $3 billion in SRTC applications after October 10, 1984, when it knew that many of the deals were at least suspect?

Hon. Elmer M. MacKay (Minister of National Revenue): Again, Mr. Speaker, the Hon. Member probably realizes that much of the program which lacked so much control was beyond the specific knowledge of the Department because in many cases the Department had no record, because of the way the program had been set up, as to who had taken advantage of it. When it was necessary to terminate the program there

had to be a certain element of fairness involved because within the program, which that did contain so many fraudulent schemes, or unfortunate instances of people taking advantage of the public purse, there was a certain modicum of proper investment. We could not be arbitrary because we would have disadvantaged innocent taxpayers who had acted in good faith.

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CANADA SHIPPING ACT

NON APPLICATION TO PLEASURE BOATS AND CANOES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Transport. The Canadian Council for Boating Organizations in Canada and many thousands of individual Canadians are very concerned about amendments to the Canada Shipping Act. Could the Minister tell the House whether or not every individual boat and canoe will be levied with an annual fee and whether or not single boat owners will have to meet the standards of the Canada Shipping Act?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the short answer to that question is no. I am aware of the statements that have been made by pleasure boat operators and members of the boating public arising from some erroneous and misleading statements perpetrated by the boat lobby. I think it is fair to say that the vast majority of pleasure boats will be excluded from those provisions of Bill C-75. I was before the committee to make that clarification, and I am sure that the Hon. Member will see that in the final legislative form.

Mr. Shields: I have a supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Cape Breton-The Sydneys.

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ENERGY

PRICE OF CRUDE OIL

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister said that she wants to wait and see what happens to world oil prices before she takes action to help the Canadian oil industry. While she is waiting, western companies like Husky Oil, and Ontario companies like Algoma Steel, are laying off hundreds of employees. What does the Minister plan to do to save these jobs and to save the Canadian oil industry now facing devastation?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that we will not engage in the kind of knee-jerk reaction to price changes in which the Liberal Party engaged when it was in government, a reaction which led to the National Energy Program which devastated western Canada.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, it is the Minister's own policies that have created this uncertainty and feeling of panic in the energy industry.

Some Hon. Members: Hear, hear!

• (1440)

Mr. MacLellan: Is she now going to turn her back on the energy industry and set it up for take-overs or even closure, Mr. Speaker?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the kind of panic and hysteria which the Hon. Member is exhibiting is just the kind of hysteric reaction the Governments of the producing provinces and our Government are attempting to avoid in this price war.

May I point out to the Hon. Member that neither the Governments of the producing provinces nor the industry are asking us to reregulate the industry as the Liberals did. None of them are asking us to go back to reregulation because deregulation of the industry has led to record drilling, record activity, and lower prices for consumers.

Mr. Blenkarn: I have a supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Hamilton Mountain.

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EXTERNAL AFFAIRS

NICARAGUA—STATEMENT MADE BY UNITED STATES PRESIDENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister. Does the Deputy Prime Minister have any information which would lead the Canadian Government to agree with the President of the United States when he says that Nicaragua poses a mounting danger which threatens the security of the United States?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have to repeat the previous answers that I gave to the Official Opposition and to the Member's own Leader. I can do no better than refer the Hon. Member to *Hansard* for March 13 and to prior occasions with respect to the official position of the Government vis-a-vis Central America.

SUGGESTED THREAT TO SECURITY OF UNITED STATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a supplementary question. I asked the Deputy Prime Minister

to bear in mind that this statement was made last night by the President of the United States.

I ask again: Does the Canadian Government have any information of any kind which would bear out the suggestion by the President of the United States that Nicaragua poses a mounting threat to the security of the United States and, presumably, if that be the case, to the security of Canada? Have we checked that out? Do we have any information in that regard, and if so, what is it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it does not make any difference to the formulation of Canadian policy, made in Canada by a Canadian Government, whether the President of the United States spoke last night, last week, last month or a year ago. Our policy has not altered one iota. It is as I have stated it today, and as has been stated by the Prime Minister and by the Secretary of State for External Affairs on so many previous occasions.

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BANKS AND BANKING

LEVEL OF INTEREST RATES CHARGED BY CHARTERED BANKS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of State for Finance. When the Bank of Canada rate was going up in January, the chartered banks put their lending rates up very quickly. Now that the Bank of Canada rate is falling, the chartered banks have been very slow to drop their lending rates. Will the Minister lean on the chartered banks to get them to bring their rates down?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to point out to the Hon. Member that last week the chartered banks' prime rate moved down in anticipation of a Bank of Canada rate cut. I do not think the situation is quite as uneven as the Hon. Member is suggesting.

As you know, Mr. Speaker, there was a full percentage point drop in the bank rate. From what I read from corporate analysts and banking analysts, I am sure that rates will come down further, which simply proves that our budget policies are working in the market-place.

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EQUALITY RIGHTS

GOVERNMENT COMMITMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Justice my question is for the Deputy Prime Minister.

Having followed the strong objections expressed by Conservative delegates in Montreal over the weekend to many of the equality recommendations which were already endorsed by the Government, can the Deputy Prime Minister give his assurance that the commitment of the Government will not be weakened by that convention, especially on matters dealing with affirmative action, with women in the Armed Forces, and with sexual orientation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the response of the Government has been tabled. It is there for the hon. gentleman to read and for the public to see.

Mr. Blackburn (Brant): Lead your Party; don't follow.

Mr. Nielsen: That is the Government's response.

WOMEN IN THE CANADIAN ARMED FORCES

Hon. Bob Kaplan (York Centre): Mr. Speaker, if the Government intends to ignore the Conservative Party, can the Deputy Prime Minister tell us when there will be a clear statement by the Government on its policy about what changes will occur for women in the Armed Forces? When will we get that statement clearly from the Government as a result of the agreement it made to implement the equality provisions?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, first the Government's response has been tabled. Second, the internal consideration that has to be given by the Department of National Defence with respect to reconciling its policies with that response is under way, and will be announced as soon as possible.

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AGRICULTURE

TAX ON FARM FUELS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. The Budget has increased farm costs considerably through the imposition of taxes on most farm inputs. The Budget did announce an extension of the 3 cents per litre fuel tax rebate, but this rebate is a far cry from the Conservatives promise to eliminate—

Mr. Speaker: Order, please. Just a question.

Mr. Hovdebo: When will the Minister be bringing in legislation to eliminate taxes on farm fuels?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I hope that the House of Commons sound system is working more effectively than my own voice is today. I want to correct the Hon. Member and remind him to reread our campaign commitment. We did not make a commitment to remove all of the tax on farm fuels.

I am surprised, Mr. Speaker, because of the substantial package in the Budget, that the Hon. Member is still critical of the financial transfer from our Government to the farming community.

PRIVATE MEMBER'S MOTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, since the Minister is unwilling to bring in legislation for the elimination of farm fuel taxes, will he support my Private Member's Motion, which would require the Government to do just that?

Mr. Blackburn (Brant): Save your voice and say yes.

Hon. John Wise (Minister of Agriculture): The short answer to that question would be no, Mr. Speaker.

* * *

AUTOMOTIVE INDUSTRY

GENERAL MOTORS' INVESTMENT INTENTIONS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister responsible for Regional Industrial Expansion.

It is reported that General Motors will be making an investment of $2 billion to automate and improve the Oshawa assembly plant.

Mr. Broadbent: It is more than $2 billion.

Mr. Reid: Since jobs in the auto industry are basically located in the auto parts manufacturing sector, what proportion of Canadian content will go into parts sourcing for that assembly operation?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member is quite correct. General Motors is planning to make an announcement later this month. The tone of the announcement will be very upbeat. It will be talking about the investment of hundreds of millions of dollars in Canada.

I want to assure the Hon. Member that some of that investment may also spill into his area, and I will be very pleased to see that.

* * *

INDIAN AFFAIRS

HOUSING CONDITIONS ON RESERVES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Is he familiar with the view expressed in the task force report on Indians and natives that government housing programs should not serve as an incentive to encourage Indian people to continue living in their communities?

Does the Minister think that Indian people should be forced out of their communities and into cities where for them prospects for employment are next to nil, and where for them adequate and affordable housing is nearly impossible to obtain?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the Hon. Member may want to look at that section again to see the context of it. Having said that, I think the Member is well aware that he has the opportunity to bring his views before the committee when that matter is discussed.

TASK FORCE'S VIEW

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I am interested in the Minister's views. He is the man responsible.

Does he accept the task force view that isolated Indian communities should be satisfied with substandard quality in their housing?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the Hon. Member is aware that this Minister does not believe that Indian people should be satisfied with substandard quality in anything.

* * *

TRADE

LUMBER EXPORTS—PROPOSED UNITED STATES LEGISLATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister responsible for Forestry. He will know that the Gibbons Bill is presently before the U.S. Congress with a very good chance of passing before the summer.

In view of the fact that this measure will have devastating consequences for many British Columbia communities and, in particular, for hundreds of thousands of forest workers in the IWA and other forest unions, when will the Minister get behind the forest industry in British Columbia and show some decisive leadership to ensure that Canadian softwood lumber exports will enjoy continued access to American markets?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I do not know where the Hon. Member has been. He must be aware, of course, that even as late as last week our officials were working with the U.S. administration officials. There is an additional meeting in the middle of April. We have been working with provincial Governments, with industry and labour in dealing with this issue for many, many months.

• (1450)

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, in view of the fundamental importance of this question to B.C. forest workers, as well as other forest workers across Canada, will the Minister assure the House and the people of Canada that the matter will be raised directly by the Prime Minister with the President of the United States during the upcoming summit meetings in Washington?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I assure the Hon. Member that ithas already been raised with the Secretary of Trade of the United States, with various officials in the U.S. administration, and with Congressmen. It will be raised by the Prime Minister and the President.

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AIRPORTS

PEARSON INTERNATIONAL AIRPORT—TREATMENT OF SKYCAP EMPLOYEES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. He is aware of the 17th Century feudal labour practices of All Cap Baggage Service being practised at Pearson International Airport in respect of skycaps. What is the Minister doing to put an end to this modern day feudal experiment being conducted on the property of Canadian taxpayers by a company at Pearson International Airport?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, regional officials are looking into and investigating the matter. I should also advise the Hon. Member that some 30 of 40 of the individuals involved sent a petition to me in support of the arrangements which have been made there and did not want to be associated with the dissenting group to those arrangements.

INQUIRY OF THE MINISTER

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, is the Minister of Transport telling the Parliament of Canada that he endorses or supports a policy at the airports or in any other field where individuals have to pay hard cash, up front, for the right to work?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I did not say that at all. I was just trying to provide the Hon. Member with some information. I wish he would pay attention to my answers.

* * *

PUBLIC SERVICE

TASK FORCE ON PROGRAM REVIEW—LAY-OFFS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the President of the Treasury Board. Ten days ago employees of the Public Service Staff Relations Board were informed that Cabinet had decided to cut 35 jobs in their agency "following recommendations made by the Nielsen Task Force on Program Review". Will the Minister inform the House how many additional public service jobs are at risk as a consequence of the Nielsen task force report on top of the 15,000 public service jobs which were announced to be cut last spring?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, obviously the Hon. Member has failed to listen to many of my answers to the very same question over the last few months. I return to a press release which I made public on January 17 and on which I stand firm. At that point I said: "Reductions resulting from the implementation of recommendations of the ministerial task force on program review are included in the 15,000 person-year reduction figure over five years". That is what I have been saying to the House ever since, and before. I wish the Hon. Member would pay attention to my answers.

REQUEST FOR GOVERNMENT GUARANTEE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, perhaps I could nail this down. Is the Minister aware of the widespread concern among members of the Public Service because of the cuts and compression in public spending, the $500 million in cuts announced at the time of the Budget, and now the Nielsen task force review? Could the Government give us an unequivocal guarantee that there will be no further job cuts in the Public Service as a consequence of the Nielsen task force beyond the 15,000 cuts over five years announced last year?

Mr. Speaker: Order, please.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the widespread unease comes largely from the Hon. Member opposite.

Some Hon. Members: Hear, hear!

Mr. de Cotret: That is panic politics. It is gutter politics. We have said all along that we would reduce, since last May—

Some Hon. Members: Oh, oh!

Mr. Penner: Bad language; you made a mistake.

Some Hon. Members: Withdraw.

Mr. Speaker: Order, please. The comment I heard was about politics, but I think it was inappropriate. Therefore, the next question.

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CANADIAN JOBS STRATEGY

JOB ENTRY PROGRAM—TRAINING OF YOUNG PEOPLE FOR EMPLOYMENT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. With reference to the Minister's Canadian Jobs Strategy, she has a Job Entry Program.

Ms. Copps: What about the Canadian unemployment strategy?

Some Hon. Members: Sh-h-h!

Mr. Blenkarn: Would the Minister tell us how much money she has in the Job Entry Program in respect of young people who desire to enter the workforce, and how many young people will be involved in that program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Job Entry Program of the Canadian Jobs Strategy to date has approved 285 projects involving some 9,000 young people. These are projects in places like St. John's, Newfoundland, where young people are being trained for jobs in the broadcasting industry; in Sydney, Cape Breton, where young people are being trained for jobs with a local electronics firm; in Halifax, Nova Scotia, where black youth are being trained for jobs in the computer industry—

Mr. Speaker: Order, please.

Some Hon. Members: More! More!

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IMMIGRATION

VISA FEES—REQUEST FOR REVOCATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. On January 27 I raised opposition to the Government's imposition of new immigration visa fees. The Canadian Helsinki Watch Group has now stated that this contravenes and violates the Helsinki Accord. Given that the imposition of fees has met with disapproval here at home and now threatens our standing within the international community—

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

Mr. Marchi: —will he immediately revoke the imposition of fees and return to a policy based upon compassion and some sense of progressiveness?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I assure my colleague that the user fees do not in any way violate the intention of the Helsinki Accord which, as the Hon. Member will know, provides for freedom of movement of immigrants. The fee is only a portion of the cost, approximately a quarter of the total cost. Also, the Hon. Member will know that it does not apply to refugees or those in designated classes.

MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, does the Minister care about what Canadians are saying and what the world is trying to tell us before next month's international conference? If so, is he prepared to have the courage to revoke immediately these fees which are contrary to the spirit of the conference we will be attending next month?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I assure the Hon. Member that the principles of universality and non-discrimination are key to our Canadian policies and are not in question. I should also inform him that within the Helsinki signatory countries there are in many cases fees which are greater than those imposed by Canada, including those of our neighbour, the United States, and of West Germany.

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CHILD CARE

FUNDING OF SERVICES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister responsible for the Status of Women. Given that 75 women's organizations are meeting in Ottawa today with the Advisory Council on the Status of Women, would the Minister not agree that this event provides the Government with the perfect opportunity to fulfil its election campaign promises to provide additional funds for child care services?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I thank the Hon. Member for raising the matter and drawing to our attention that the Government has made funds available so that the Advisory Council on the Status of Women can bring together some 75 leaders of national groups to talk about the economic impact of policies in Canada on the lives of women. I assure the Hon. Member, having attended the opening session this morning, that the vital economic importance of child care was signalled.

REQUEST FOR ADDITIONAL FUNDING

Mr. Neil Young (Beaches): Mr. Speaker, that is nice to hear, but would the Minister not agree that in order to keep some semblance of good faith with Canadian families, now is the time to fulfil election campaign promises by providing additional moneys for day care and child care?

• (1500)

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member knows that today the task force named by the House is opening its hearings in Atlantic Canada. We have before us a substantive document in the Katie Cooke Task Force Report, and we will have recommendations from the House task force before the end of the year, after which the Government will be in a position to look at a number of options to deal with this vital issue.

POINT OF ORDER

ALLEGED UNPARLIAMENTARY LANGUAGE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise on a point of order. During Question Period the President of the Treasury Board (Mr. de Cotret) said: "That is gutter politics", in response to a question which I asked. I find that unparliamentary and I believe that you did too, Mr. Speaker, because you asked the Minister to desist from completing his answer. I ask you to review the matter and, in effect, ask the Hon. Minister to withdraw the unparliamentary language which was used in the House.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, whether they are unparliamentary or not, I will be very happy to withdraw the words.

SUPPLEMENTARY QUESTIONS

Mr. Jack Shields (Athabasca): Mr. Speaker, with all respect, I would seek clarification of the situation when a Member stands for a supplementary question and yells "supplementary", and the Speaker is not inclined to give him a supplementary question at that time, and the Member sits down. Are we now changing the rules such that if the Speaker looks at a Member when he is sitting, encouraging him to stand up, the Member should then stand? Are you going to call the shots?

Some Hon. Members: Order.

Mr. Speaker: The Hon. Member for Athabasca (Mr. Shields) claimed a supplementary question. At that time I had already begun to recognize the Member for Cape Breton-The Sydneys (Mr. MacLellan). As it seemed to me appropriate, I looked to see if the Hon. Member for Athabasca was rising again. The Hon. Member for Athabasca chose not to rise again. Therefore, I recognized another Member. The Hon. Member for Athabasca knows that Members rise continually seeking the eye of the Chair if they wish the Chair to recognize them for a question.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, just before the lunch break I was pointing out that there was a certain consistency evident with regard to what the Conservative Party was like when it was in Opposition and what it is now like in Government. The recent comment of the Member for Athabasca (Mr. Shields) is consistent with what I was talking about. I was expecting that at any minute he would be joined by other back-benchers who would charge the Speaker's chair in anger over something which was, in fact, done quite properly.

There is a necessity for the Government to establish for itself some consistency in the way in which it approaches public policy. It cannot have it every which way. The Government cannot on one day be for the concept of universality, and on the next day argue against it. The Government cannot, through the Prime Minister (Mr. Mulroney), claim that universality is a sacred trust and then, in its very next Budget, say that universal access is really what it is talking about. I think it is fair to say that those of us who have followed that debate are able to distinguish quite clearly between universality as it has been practised in Canada, and something called "universal access", which may or may not make available to those who need it the kind of help they need.

This Bill ought not to be passed now, Mr. Speaker. It is based on information contained in the budget papers which is clearly faulty. They contain references to interest rates and oil prices which are clearly not sustainable in today's society. Therefore, I move, seconded by the Member for Saint-Denis (Mr. Prud'homme):

That this Bill be not now read a second time but be read a second time this day six months hence.

Mr. Speaker: The debate will now be on the amendment, it being in order.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to rise in my place in support of the amendment proposed by the Hon. Member for Hamilton Mountain (Mr. Deans) who was his normal articulate self for the minute or so that he took to complete his debate.

There is a very good reason why Bill C-99 ought to be given a six-month hoist. As a matter of fact, inasmuch as the Bill is symbolic of the Government's financial plan, more than the six-month hoist, it ought to be given the boot.

The Government of Canada today has a fiscal plan which represents the vision of the Party in power. The other day, with a great deal of exasperation and disbelief, we heard the Prime Minister (Mr. Mulroney) say, while appearing before some of his friends in Montreal: "I have a vision". He went on to talk about that vision. He assured us that if we would be patient until the year 2020 or 2030, he would get around to delivering on that vision. I do not think the Government's vision will not be realized until the year 2030. I think the vision is much more short-sighted. It is a very clear vision which they understand and have mapped out. However, they are not prepared to talk about it in plain language with the people of Canada.

This reminds me a little of the kind of frenzied paranoia of Howard Hughes locked away in the penthouse of the hotel he bought in Las Vegas, Nevada. He was shut away from the real

world, refusing to acknowledge its existence, but attempting to pull some strings to shape that world in the way in which he thought most appropriate. That is the kind of bunker mentality which has gripped the Government after a shockingly short period of time. The Government has a vision which it discusses only in the back rooms, locked away from the light of day.

If one looks closely, one can begin to discern that vision in the February 26 Budget. That Budget imposes upon middle and low-income Canadians the largest single tax increase in the history of the country. Inasmuch as deficit reduction is real rather than manufactured in the Minister's mind, by playing with the numbers the Budget takes fully two-thirds of any deficit reduction there is out of the pockets of consumers and only one-third out of the Government's own pocket through controlled spending. While the Government is accomplishing a highwayman's raid on the pockets of middle and low-income Canadians, it has given the corporate sector a 22 per cent reduction in its tax rate over the next four years.

While all of this is being achieved, the Government continues the vulgar policy of the capital gains tax exemption, which policy gives a new definition to the meaning of "greed". That exemption gives a new definition to the meaning of "vulgarity" and "greed", because it gives $125,000 of taxpayers' money tax free to an individual with the wealth required to go to the Barbados, Florida, or Europe, and to speculate in real estate without creating a single job in the country. That is why it is vulgar and represents a brand new dimension of greed.

It is a policy which does not reward success but abuses the concept of free enterprise. That policy spoils the basis of capitalism practised in a sound and responsible manner. I am a Liberal. I believe in the free enterprise system.

Some Hon. Members: Oh, oh!

• (1510)

Mr. Tobin: I believe in a system which allows individuals to achieve their full potential. I believe the free enterprise system does that. However, as much as I defend that system, I recognize as well that it has to work for all of our citizens. When you have a Government which represents an elitist minority, which abuses the system in a vulgar manner and rips off the taxpayers, then the intrinsic support which our citizens should have for a free enterprise system, because it ultimately is the best, is going to be dissipated.

Mr. Redway: There is no rip-off.

Mr. Tobin: When you abuse people, when you ask them on one hand to accept the biggest single tax increase in Canadian history—

Mr. Redway: What is your philosophy?

Mr. Tobin: —as part of their share of reducing the deficit, and at the same time continue this vulgar—

Mr. Redway: What is your policy?

Mr. Tobin: —capital gains tax exemption and a $125,000 gift to those who need it least, then you lose support for the free enterprise system. I come to this House in defence of the system. I come to this House to speak on the Budget in defence of average Canadians. I do not see a free enterprise system as something to benefit only those who have the most wealth. I do not find it necessary, as do Members opposite, to below like a jackal in the night when someone dares to stand up and suggest the system works best when it benefits all of our citizens, not just those who already have. Members opposite would do well to speak to the working men and women who continue to build this country. They should pay less attention to those who, through their own hard work, God bless them, have achieved success and who now, in some paranoid frenzy like Mr. Howard Hughes in his last years, God rest his soul, want to devise a means to reduce the deficit. You have to do it, but God forbid, do not touch this colossal arsenal of wealth I have acquired. It gives them the power to send Conservative Members of Parliament to protect their interests. That is what is going on and it is time to call a spade a spade.

The people of this country have a vision, not the Prime Minister (Mr. Mulroney). They have a vision of a free enterprise system which rewards success and hard work. They and their children can progress. Through all the ups and downs, domestically and internationally, we can build a Canada that all Canadians can be proud of. They have a vision where they are prepared to do their part to improve the economy; yes, even to reduce the deficit, even in my own riding with 25 per cent unemployment. We are prepared to do our share but we will be damned if we are going to be taxed with the biggest single increase this country has ever seen at a time when Members opposite gloat and smile and laugh at a vulgar tax exemption which gives those who already have an unfair $125,000 tax gift. It raises my Irish ire on this sacred day, St. Paddy's Day. It is a wonder I can stand still.

What about the hidden agenda this Government has? The Nielsen task force report is the hidden agenda. The Government, even though it released the report in the House of Commons bearing the seal of the Government of Canada, does not have the courage to call it as its own. What does it recommend? It recommends the abandonment of regional development policy, the treating of Atlantic Canada as if it were some Third World appendage, stuck off at the end of Quebec. It recommends that services be cut and people be penalized for choosing to live in that part of this country. It recommends that people who live in the North, who do far more to protect our interests and sovereignty than a $500 million polar ice-breaker, be cut off from the services they now receive from the Government. It is a short-sighted policy, one which will destroy our sense of national unity and pride of country from one end of this land to the other.

I beg Members opposite to go out and put your finger on the pulse of the land. Talk to our citizens where they live. They will see that a revolt is brewing because taxpayers are saying: "I have had enough and I will not take it anymore."

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, wish to join in the debate on the amendment to delay the borrowing authority for some six months. The Government is asking this House to allow it to borrow some $22 billion. We have often heard, particularly from Members opposite, about the importance of tackling the deficit and the evil sub-deficit. In many ways I agree. The deficit is harmful. Certainly the billions of dollars we have to spend every year just to pay interest on our debt cuts back on the ability of Government to provide the goods and services so badly needed. Yet I am very disturbed by the way government Members, and I must say a fair number of newspaper columnists, present the debate.

The Government is talking about options. The Nielsen task force report, the Government claims, deals with options. We will have to decide which of these options to accept. The Government has also presented Parliament and the public with two options on how to deal with the deficit: Cut back on our programs and Government expenditures, or increase taxes. In this Budget the Government cut back on a variety of programs the effects of which we will feel in years to come. As well, walloping new tax levys have been added to the average wage earner. When you take out your pencil and little calculator you will note that those in the higher income brackets and the larger corporations are not being called upon to make the same kind of sacrifices. Again the wage earners are being asked to fork over a little more in the name of fighting the deficit. When we add all the new taxes this Government has levied they come to close to $1,300 a year for your average family.

Of course we are beginning to hear the hue and cry across the country that this is unfair. We are beginning to hear the rumblings of a tax revolt by middle-income earners. They are telling the Government that it is asking us to tighten our belts, why doesn't it tighten its belt? What I am afraid of is, by presenting this limited option the Government is setting up the Canadian people. By suggesting there are only two choices, either increase taxes or cut services, the Government is hoping to get middle-income wage earners so upset that in the next Budget the Minister of Finance (Mr. Wilson) will drastically reduce government expenditures, meaning mainly social programs. I am really afraid we are being set up. The option is not just between more taxes or less government programs and expenditures, particularly on social programs.

● (1520)

There is a third aspect which, on the whole, the Government continues to ignore. That is the hidden tax breaks, the government expenditures that never appear on the books. In my speech on the Budget I went into this in some detail. I related how there are some $30 billion in deferred taxes. I suggested to the Government that it should charge 10 per cent interest on that to be able to bring into the public coffers an extra $3 billion a year and reduce our deficit by that amount. I related the situation of where we see the Royal Bank of Canada in 1982, having some $358 million in profits and assets of over $85 billion, not paying one cent of tax. The teller that works for the Royal Bank of Canada in 1982 paid more dollars and cents in taxes than did the Royal Bank of Canada.

The Royal Bank of Canada is just the tip of the 'iceberg. The kid that pumped gas for Shell Oil in 1982 paid more taxes in terms of dollars and cents than did Shell Oil. I suggest it is these tax breaks, this hidden side of our Budget, the figures that we never see on Budget night, the lost revenues because of the tax breaks and tax loopholes, that is the cause of the deficit being as high as it is.

If the banks of this country had paid their legislated tax rate of some 49.5 per cent the public treasury would have been richer by some $4 billion. From 1977 to 1983 most of the banks, even though they had billions of dollars in assets and earned hundreds of millions of dollars every year, paid a very small amount of taxes. In fact some of them, like the Royal Bank in 1982, paid no taxes at all. In fact, they even got a tax credit that year and the Government gave them some $26 million as a tax credit. Can you believe it? We have given them money.

This is why I suggest to the Canadian public that the debate should not be between more taxes on your middle-income earners, or Government cut-backs, but that there is a third aspect to this, the tax breaks that the wealthy and the large corporations have been receiving in this country year after year.

If the Government, and the previous Liberal Government, had practised a policy of fair taxation we would not have the deficit which exists today. The suggestion that as Canadians we are living beyond our means, that our social programs are too fat, that we have got to tighten our belts, I find is so much untruthful rhetoric.

If you compare what we in Canada spend as part of our Gross National Product on social programs you will find that it is one of the lowest of the western industrialized nations. It is lower than France, Germany, Holland, Italy and England.

To say that we as a country cannot afford our social programs, that the money we spend on health and education and unemployment insurance and on pensions is too high, to say that a country as rich as Canada cannot afford those programs while Italy, Holland, France, Germany and England, Denmark and Sweden all can, I say is to be false. The debate today should be on whether we have fair taxation, or whether we should allow the rich and the large corporations to continue having tax holidays in this country. If the Government is serious about solving the deficit, let it bring in fair taxation through tax reform in this country. We will solve our deficit and this country will be on a sound financial footing. That is why I support the motion before us today, to hoist this Bill for six months.

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I also welcome this opportunity to take part in the debate on the amendment to Bill C-99, the Borrowing Authority Bill. It is also a pleasure to express my support for the amendment in the name of my hon. friend from Hamilton-Mountain (Mr. Deans), seconded by that tireless knight of federal policies, the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Speaker, there are two points I would like to raise in the House today. The first one concerns what is happening in the National Capital Region to federal public servants, who always seem to end up bearing the bount of the cuts the Government is making or will decide to make. As we all know, the National Capital Region has a much higher density of public servants than any other area. There are about 102,000, I believe.

It is therefore obvious that the cuts announced by the Government will have an impact on this population, which I would call a second class population considering the way these people are being treated by the Government. The upshot is that several thousand Public Service employees are going to lose their jobs, and this will have a major impact on the National Capital Region and will depress the economy of the Ottawa-Hull area. Mr. Speaker, when I refer to the Ottawa-Hull area, I am in fact referring to the territory covered by the National Capital Region, Ottawa-Hull.

Mr. Speaker, what I find surprising is that with all this concern in the Public Service today, and especially in the Ottawa-Hull region, no one seems to be defending these public servants who are either losing or about to lose their jobs, and meanwhile, there are people in the Government who are doing everything in their power to urge them to leave, to resign. People are being harrased in the Public Service today, in order to reduce the number of public servants in the Ottawa-Hull area, and I am sure that this is happening across Canada as well.

I am surprised that the Public Service Alliance has not reacted to these goings-on. I wonder whether it is really concerned about protecting the interests of public servants and about the fact they are disturbed about employment cuts in the National Capital Region, but in any case, the Public Service Alliance does not seem to be moving on the subject at all.

However, I remember that when the Public Service Alliance had problems, these people would come and see us and ask us why we didn't do more to protect public servants.

At this point, I think I ought to ask them the same question: What are you doing about the fact that your public servants are about to lose a considerable number of jobs and about the harassment that is becoming the rule throughout the federal Public Service?

Mr. Speaker, there is another problem, which brings me to the Nielsen Report tabled a few days ago, and it concerns the National Capital Commission. When I consider what has been said or written about the National Capital Commission I have the impression that somebody wants to belittle the capital of Canada, in the sense that, for all practical purposes, the national capital of Canada would simply become a dull city like so many others in this country.

Mr. Speaker, let us not forget that the capital of a country is the centre of the national soul. Apparently we in the National Capital Region are unable to realize that there has to be a national centre where all Canadians will feel at home. Unfortunately it would seem that the Nielsen Commission wants to abolish the National Capital Commission and make it a part of the Department of Public Works.

In the House of November 8, 1985, Mr. Speaker, I was somewhat wary when I asked the following question to the Minister of Public Works concerning the possible abolition of the National Capital Commission: "In view of the fact that there has apparently been no announcement as to future responsibilities of the National Capital Commission, would the Minister tell the House if there is any truth to the rumours that the National Capital Commission will be abolished or that its operational responsibilities will fall under the Department of Public Works." That is exactly what has now been proposed in the Nielsen Report. The Minister replied at that time: Mr. Speaker, if the Hon. Member is worried by rumours, I wish to tell him on one hand that I think he has nothing to be worried about. Mr. Speaker, I think I had reason to be concerned. On the other hand, the Minister went on to say, the Nielsen Commission, as everyone knows, should bring forward a rather comprehensive report by the end of the year. In the context of this report, I am much more optimistic than the Member for Hull-Aylmer as regards the future of our beautiful capital.

● (1530)

Well, Mr. Speaker, the cat is out of the bag. They are more or less violating the capital of Canada through what amounts to the abolition of the National Capital Commission.

Mr. Speaker, people are deeply shocked because according to the task force report, the National Capital Commission has shown a lack of concern for public money when it signed opened agreements. For instance, there was this agreement with the Province of Quebec calling for road construction with cost shared equally, without spending limits or time schedules.

Yet, Mr. Speaker, section 10(2)(*e*) of the Act states that the National Capital Commission must "cooperate or engage in joint projects with, or make grants to, local municipalities or other authorities for the improvement, development or maintenance of property of the National Capital Region."

Mr. Speaker, ever since Queen Victoria decided in 1899 that Ottawa would be the capital of Canada, some 20 years after Ottawa had been designed as the Canadian capital, the Government set up the Ottawa Improvement Commission with a mandate to provide the capital with a national character and atmosphere which it had great difficulty to maintain over the years. This institution, the forerunner of the National Capital Commission, gave the National Capital is true identity through arrangements with both Ontario and Quebec sides of the Ottawa River. It had greatly favoured the Ontario side when, in the 1930's the then Prime Minister had a vision, just

as had Sir Wilfrid Laurier in the 1900's, of a capital which would reflect the heart and soul of all Canadians.

Again, each time a prime minister failed to get involved directly in the future of the National Capital of Canada, there has always been an unfortunate delay, because the vision of Canada and the national capital that prevailed in 1899 was momentarily abandoned. And each time a prime minister got directly involved in the development of the National Capital Region, things changed a great deal, Mr. Speaker.

What I want to say is that the Nielsen report has simply deprived the Capital of Canada of any future meaning. It would destroy perhaps 100 years of achievement on the part of the National Capital Commission. I am sure that my colleague the Hon. Member for Ottawa-Carleton (Mr. Turner) will have something to say on behalf of the National Capital Commission in favour of the development of the Canadian Capital. Just as I do, he represents a riding which is proud to belong to the National Capital Region. I am aware of the problems which my hon. friend is having with the American embassy.

I know that there will be problems with the National Capital Commission, but I must say one thing, Mr. Speaker, as I have just pointed out, in the national interest, only, whether the decision is favourable or not, the Prime Minister should become directly involved and deal with this important problem.

This is what I wanted to say to this honourable assembly, and I am certain that there will be a rather lengthy debate on this matter because the National Capital comes under legislation which will have to be abrogated or amended, unless we simply maintain the status quo.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Winnipeg-North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg-North Centre): Mr. Speaker, it gives me pleasure to take part once more in this debate, this time to discuss the motion to hoist the bill for a six-month period.

Mr. Speaker, the purpose of this legislation is to authorize the Federal Government to borrow $22 billion. However, we have to ask ourselves why the Government wants the authority to borrow such an amount. The borrowing policies of the Government are linked with its budgetary policies and it is on these budgetary policies that this request for more money is based.

Mr. Speaker, the Government has focused its economic strategy on the deficit. According to the Government, the deficit must be reduced if we are to have economic recovery. The Government decided to increase taxes for ordinary Canadians while reducing the taxes paid by the wealthy. It seems to me, Mr. Speaker, that the Government is using the deficit to scare ordinary Canadians into supporting its economic policies. Instead of scaring the public, the Government should be using reason to urge the public to support its economic policies. If it is seriously committed to deficit reduction why make gifts to the well-off and provide tax exemptions for people who make large capital gains?

Mr. Speaker, if the Government wants to reduce the deficit, why reduce the taxes of large corporations? It seems to me that the Government is not really serious in its efforts to reduce the deficit. It is certainly not going about it the right way if it wants to convince ordinary Canadians to support its economic policies. We must also wonder about the approach of the Government to deficit reduction. I would like to give an example. There was an analysis of the recent Budget in *The Financial Post* of March 8, 1986. Three examples were given to illustrate the impact of this Government's budgetary policy on the Canadian taxpayers. For instance, if someone has an income of $40,000 a year including a work income of $35,000, investment gains of $4,000 and interest gains of $1,000, his taxes will increase by $8,000 a year. That is the impact the Budget will have on such a taxpayer. However, someone with an income of $60,000 a year will pay $1,000 a year fewer taxes. That seems extraordinary, Mr. Speaker. It is difficult to understand how the Government can increase the taxes of people who earn $40,000 a year while reducing the taxes of people with an income of $60,000 by over $1,000 a year. That is extraordinarily unfair!

• (1540)

The third example given by that newspaper to show the impact of the budget on people earning $250,000 per year indicates that their tax rate will be reduced by $5000 per year. This is really unfair, Mr. Speaker.

How can this Government justify a $5000 yearly reduction for people earning over $100,000 while increasing taxes for ordinary Canadians earning $40,000 per year? This is definitely unfair and useless, this is also ineffective where the economy is concerned because the Government will be taking huge amounts of money from the middle class, the people who buy all those things to meet their needs. The reduced income of the middle class will slow down economic growth. It will have a negative impact on economic growth.

Mr. Speaker, it is essential for the Government to reconsider its economic policy and its unfair approach to taxation.

Mr. Speaker, it is unbelievable for the Government to say . . . and I am coming to a close, Mr. Speaker—that we should all pay for the deficit, for the waste of recent years, while distributing the burden in a most unfair way.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I find it rather surprising that the Government should continue to ignore the pleas of the people and ask the Members of the Opposition to approve the Bill to finance the Government without even giving us the chance to examine its current expenditures.

Mr. Speaker, if this is a meaningless matter for the Government which is spending billions of dollars, it is not a meaningless matter for the unemployed. We know that this Government has reduced the budget by $200 million at the expense of young and older unemployed in Canada.

[*English*]

I arrived in my constituency office in Hamilton this morning to pick up a stack of applications concerning the so-called summer seed program, the Conservatives' answer to job creation in Canada. With the applications was a little notice from the Department suggesting that within literally the next six hours I was to determine whether or not these were valid projects which would contribute to the Canadian economy and to the assistance and education of our young people.

I wish to tell Hon. Members that when I see the Government talking about its new form of job creation and I am faced with consultation concerning literally dozens of applications from the Dairy Queen, I hardly think this is the new method of privatization for Canadians. I have nothing against the Dairy Queen. I had a summer job working at a Dairy Queen when I was a young student. Yet we see the same members of the Government standing here in the House of Commons day after day justifying the cutting, the virtual assassination, of the Katimavik program. This was a program which reached out to young people across the country. The Government cut it on the grounds that it would cost $10 million. I think that is an utter disgrace.

I am happy to see that the Hon. Member for Burlington (Mr. Kempling) is here in the House. As well, I received a note, and I think the public should be made aware of the so-called job-creation program, which states that the Hon. Member for Burlington announced this week a grant of $38,515 to train two unemployed individuals, one as a kennel assistant and the other as an animal control licensing officer. The announcement appeared in the *Burlington Post* of Sunday, March 2. It is a big announcement, part of the Government's new job-creation program.

Essentially, this announcement refers to the spending of more than $17,000 per job for the creation of a position of dog-catcher and licensing agent. This at a time when Government Members have the gall to stand in the House of Commons and argue that the Katimavik program had no merit because it took unemployed young people who had no hope and sent them on job experiences across the country. The Government now plops down close to $38,000 to hire a kennel officer. The Government's priorities are totally skewed.

I realize I should not be so concerned about this. I cannot believe that the Government is asking us today to pass the borrowing authority Bill in order that we can turn over billions of dollars to the Government which is supposedly bent on the new focus of privatization and job-cutting. In one area the Nielsen task force report was right in that it pointed out the $16 billion in giveways to corporations. One can see that the corporations are hot to trot. They will be in there at the public trough. With respect to these new government programs, the Oshawa group has applied for summer job-creation programs throughout the whole of Ontario so that it can teach people how to stock grocery shelves. The Government is cutting and slashing Katimavik and forcing a Senator to his knees in the lobby of the Senate at the same time as—

• (1550)

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Charest): Order.

Ms. Copps: —at the same time as the Government is telling the public we should pay the Oshawa group so it can teach people how to stock grocery shelves.

Mr. Turner (Ottawa-Carleton): Oh, grow up.

Ms. Copps: I am being told by the Hon. Member for Ottawa-Carleton (Mr. Turner) to grow up. I would like to tell him, if he is interested in job creation for young people, that he had better take a second look at these programs—

Mr. Turner (Ottawa-Carleton): We've done more for your people than you turkeys did in 20 years.

Ms. Copps: —these programs that are supposed to be reflective of a new Conservative approach to privatization. I see that the Dairy Queen, 7-Eleven or another multinational conglomerate will be getting hundreds of jobs paid for by the taxpayers so that people can work for $4 per hour or the minimum wage, whichever is less, because, according to the Government program, they have to pay minimum wage. We see that we will be hiring people to work as clerks in stores. If the people of Canada could go through these job-creation programs, which were plopped on my desk and which I was given approximately six hours to analyse—

Mr. Turner (Ottawa-Carleton): That's all I got.

Ms. Copps: That's all you did get. I would like to know from the Minister of Employment and Immigration (Miss MacDonald) why she is calling upon Members, through this farcical consultation, to approve the hundreds and indeed thousands of projects just so that she can rise in the House to announce them when in fact there has been no planning. Hon. Members were given approximately two weeks. My original letter to the Minister on the new Challenge '85 program crossed my desk some time around February 28 and I was advised at that time that I had approximately seven days to contact every employer in my riding so that they could take advantage of these programs.

I suggest that there are some good private sector programs here. There are some private sector employers who have taken the time to analyse and develop a program that will be for the good of the workers involved. For example, Provincial Kitchen Cabinet Custom Woodworking Limited is run by a gentleman by the name of Louis Tonellotto from my riding. He has put together a project that will give a young person a chance to learn custom woodworking. That is a viable and well directed private sector program. However, people are looking for

summer help at the Dairy Queen, help paid for by the taxpayers, as the new example of Conservative privatization, this at a time when the Ontario Museums Association is being told that it cannot hire summer curators because the museums are currently receiving money from municipal Governments, and that means that they are only eligible for the difference between the municipal sector contribution and the minimum wage. If someone is working in a museum in Ontario, he or she is only worth the minimum wage, but if he or she is working at the Dairy Queen, that is the kind of private sector summer job that the Conservative Government feels should be supported and supported in spades.

I am frustrated, Mr. Speaker. I am frustrated because the Government was supposedly elected to consult. I hardly consider it consultation not have literally dozens of job programs plopped on my desk with six hours in which to analyse them and tell the Government to go ahead with them.

I say that the Government should rethink the Katimavik program. It was a program which clearly demonstrated—the Hon. Member shakes his head and laughs because it was a Liberal program. After all, no Liberal program could be a good program. Of necessity it had to be a bad program. Who on the Conservative side cares that 20,000 young Canadians had a chance to experience that program at a cost of only $10,000 per person? We would prefer to spend $38,000 to hire a couple of dog catchers in the City of Burlington and call that Conservative job creation.

Mr. Blenkarn: Burlington has a lot of dogs.

Ms. Copps: I am sure Burlington has a lot of dogs and a couple of them are elected here to the House of Commons.

Some Hon. Members: Order!

Ms. Copps: I would suggest, Mr. Speaker, that if that type of interjection carries on, we are going to get more of the same.

There are people who are extremely concerned about the Government's direction and who believe that job creation is a little more than a $4 per hour job working as a clerk for the Oshawa group stacking grocery shelves or working at the Dairy Queen. If that is this Government's idea of a summer job creation program and a summer experience for young people, then I say that the Government is in very difficult straits because it does not understand that the young people want an opportunity to experience life and to have a chance to build for future careers. They want the kind of experience that was given to them through Katimavik and which has been denied by a Government that is so wedded to the credo of privatization that it is prepared to accept the Dairy Queen over Katimavik. I think that is a national disgrace.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Prince Albert (Mr. Hovdebo)—Social Security—Processing of applications for Guaranteed Income Supplement. (*b*) Request for ministerial guarantee; the Hon. Member for York East (Mr. Redway)—Criminal Code—Bomb threat hoaxes—Request for stiffer penalties; the Hon. Member for York Centre (Mr. Kaplan)—The Disabled and the Handicapped—Effect of Budget measures. (*b*) Situation of the handicapped—Government position.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-99, An Act to provide borrowing authority, be read the second time and referred to a legislative committee, and the amendment of Mr. Deans (p. 11570).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I take this opportunity to expound further on the desire of the Government to sell the Budget and the borrowing Bill to the public of Canada. When the Government came to power, one of its promises was to do something about the tax system. It promised tax reform. There has not been one word in the Budget about tax reform, but the Government said that it would simplify the tax system and reduce the deficit, thereby reducing the need to borrow. If that tax reform had been brought in early in the life of this Government, then we would not have the great deficit that exists and we would not be debating the borrowing Bill.

If anything, the Budget increases the complexity of the tax system. I must say that it goes against the promises that Government Members made before they came to power. A simpler tax system has not appeared. It is no wonder that Government Members are trying to sell fairy tales about a simpler tax system, a deficit that is going away and an economy that is changing for the better.

Conservative Members promised a fair Budget and they are telling the world that they have a fair Budget. Fairness in taxation is, in the minds of most people, usually equated with progressive taxation. Perhaps we have to teach this lesson more often than we have in the past. Progressive taxation

means that people who can afford to pay the most get taxed the most. It means that the higher the income, the larger percentage of it is paid in taxation. Rather than that, the Budget imposed more sales taxes, and sales taxes are regressive.

There is no difference between the amount paid in sales tax on a loaf of bread if one makes $1 million per year or is on welfare. We pay exactly the same amount of sales tax on any given item. The sales tax is a regressive tax. In both this Budget and the previous Budget, the Government increased the sales taxes, and that means that everyone has to pay it regardless of ability. The sales taxes and the excise taxes are paid equally by welfare recipients and millionaires, and that is a regressive tax. That is not a fair tax move.

Excise taxes are also regressive for the same reason. The rate at which those taxes are paid is the same for a person making very little money or a person making great deal of money. Income taxes are supposed to be progressive. Government Members are out there selling the fairy tale about equal taxes and fairer taxation. However, we realize that those in the higher income tax brackets will not have to pay as much. The best example of that would be the fact that a 3 per cent surtax was placed on everyone in the last Budget. At the end of the year the 5 per cent tax placed upon those with incomes of over $40,000 will be removed. The people in the $40,000 and over bracket will actually receive a reduction in the area of straight income tax because they will be required to pay the 3 per cent surtax rather than the 5 per cent. When the Government included the 5 per cent provision in the last Budget, it was a progressive movement, but it has been eliminated in the present Budget. Although many of the provisions do not appear to be regressive on the surface, they actually are. If one receives income from a source other than salary, one has the benefit of tax breaks which are not available to salary earners. Although it has been indicated that tax breaks are acceptable and worth while, the increase in the RRSP level and the capital gain for speculative increases are not progressive. In fact, they are regressive in the sense that they are breaks available to people who have the money with which to speculate and make money from that process, or to people who have income from dividends and are able to afford increased RRSPs. The middle-income person is quite happy if he can make use of the $5,000 which he can have in pension and in RRSPs, but he does not have money available to make use of the higher levels of RRSPs and does not receive that break.

• (1600)

We see a theme running through the two most recent Budgets, that if one makes more money, one pays less taxes. Unfortunately that theme appears in the Nielsen reports. The Government thinks that if its investments in services which should be available to Canadians do not have some return of money—and I am not referring to some return of service to the community or the people—it should not spend those funds. We find themes running through the task force reports which indicate that persons with the higher incomes pay the lower taxes; that if persons need services, they should pay for them; and if a service does not bring back something to the Treasury, it should be eliminated because it does not provide that return on the investment.

Earlier today I spoke about the Government being out there trying to sell a fairy tale about it having done so much for farmers. I went home last weekend and saw that the actions being taken by the Government are reducing the ability of farmers to continue to produce and to survive. Every necessary input cost faced by farmers who want to seed in the spring has been increased from at least 2 per cent to 5 per cent as a result of the taxes in the last Budget. The system being as it is, a 2 per cent taxation increase ends up being a considerably larger increase by the time it reaches consumers. That is the kind of theme which follows through the Budget and therefore suggests to me, as well as to the people of Canada, that perhaps the Government does not need the money it has and should improve the tax system so that it will receive more money for the effort it is making.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, today we have before us another borrowing Bill. It contains at least three paragraphs and will cost the Canadian public $22.6 billion.

We have heard much about the so-called tremendous increase in employment which the Government has brought about. I should like to say a word about it because the Government uses figures which do not make sense. The Prime Minister (Mr. Mulroney) travels across the country and uses the figure of 580,000 for the number of new jobs created in Canada. At the same time there is a trend to part-time and temporary work, a trend which is increasing at a phenomenal rate. As was mentioned before in the House, Statistics Canada counts a person as employed if he or she works one hour or more in the target week of its survey. The increase in the employment figures includes those part-time jobs. When the Prime Minister stands in the House of Commons, travels across Canada, attends conventions in Montreal and brags about the 580,000 jobs created by his Government, he is talking about people who work one hour a week, two hours a week or half a dozen hours a week. To him that is the way Canadians should live. The definition of part-time employment as far as the Government and Statistics Canada are concerned is employment of one hour to 29 hours of work per week; that is their definition. The average hours worked per week by part-time workers amount to 14.8 hours. That brings in a tremendous income! I suppose it is the Conservative Government's idea of employed Canadians. Part-time employment has risen from 11.19 per cent of those employed in December, 1975, to approximately 20 per cent, as admitted by the Minister of Finance (Mr. Wilson) on February 7, 1986. For women there was a 27 per cent increase up to January 1986 in part-time employment. Approximately 18.4 per cent of all new employment since September 1984 has been part-time. That is what the Prime Minister is bragging about. Yet he stands up and tries to convince the Canadian public that he is creating full-time jobs.

● (1610)

Temporary employment as defined by Statistics Canada is employment for less than six months. It can be part-time or full-time. It is distinct from permanent employment which is for a term of more than six months. Unfortunately, in its survey, Statistics Canada does not inquire whether a person is employed in permanent or temporary employment. Employment figures cannot be broken down to employment for two hours a week or 40 hours a week. You are in the same bag and you are all counted among the 580,000 figure about which the Prime Minister brags.

Statistics Canada produces unemployment figures for the Government. One day the Prime Minister stood in this House and used those figures. I went home and picked up the local paper to see that unemployment had increased dramatically. In my riding, the Government is paying people sums of money to quit work. It is called incentive retirement. Not only is the Government paying people to quit work, but the Government is doing away with a job every time it does that and that increases unemployment.

Parts of Canada are suffering from such cut-backs. Other parts of Canada are not experiencing those things and think we have the greatest thing since sliced bread. This is something which I cannot possibly find words to describe. The Minister of Energy, Mines and Resources (Miss Carney) has absolutely refused since May 23, 1985 to meet with a delegation of business people, municipal leaders, professional scientists and labour leaders from my riding who are very concerned about the cut-backs and the loss of jobs at Atomic Energy of Canada in Chalk River.

Sums of money are being offered to people to retire. They are being offered to people below 55, even those in their early fifties. Every time this is done, jobs are cut.

Here we are in this House talking about the progress of Canada at a time when the Government is cutting back on some of the finest technology Canada has ever had.

There is no better time than in a finance debate to talk about the contribution the Government is making to the field of national defence. We remember all those promises in the last election campaign. The Associate Minister of National Defence (Mr. Andre) came to my riding and said that the Government was going to increase the defence budget by 6 per cent in real terms, after inflation. Do you know what the Government has done, Mr. Speaker? It has not quite sunk in yet in people's minds, but the Government has kept its promises so well that in the present fiscal year it has not even met the rate of inflation. There is negative growth in the defence budget this year of minus 0.2 per cent.

We sat for days in the Standing Committee on External Affairs and National Defence. You would think there was no tomorrow because of the way the Conservative Members talked about all the wonderful things the Government was going to do for national defence. They even said that we should increase our budget up to the average of our European allies. Right now, Mr. Speaker, the Canadian dollar amount going into defence is 2.1 per cent of our GDP. If we increase that to the level of some of our European allies, that budget would have to go up to 3.8 per cent of the GDP. Do you know what that would mean, Mr. Speaker? An increase of over $7 billion in the defence budget. How serious can you be? At a time when you have a total committee going gung-ho for that kind of an increase in defence expenditure, the Government comes up with less than the rate of inflation.

We have a frigate program to complete. We have an order for 138 fighter planes to complete, which are coming on stream well. We have 81,000 small arms coming on stream. We have 2,761 five-tonne trucks that have come on stream, all of which orders were signed by the previous Liberal Government.

What is going to happen to the low-level air defence systems? An article in *Le Devoir* this morning said that the system might be cut in half or pushed aside for a while. I mention all of this because this is the Government that for years condemned the Liberal Government for not carrying its weight in NATO.

Mr. Blenkarn: It didn't carry its weight.

Mr. Hopkins: If that is all the math the Chairman of the Finance Committee knows, we should get a new chairman because he cannot add and subtract.

Mr. Blenkarn: You didn't carry your weight.

Mr. Hopkins: In 1979 there was an agreement to increase the defence budget in real terms by 3 per cent on the part of all NATO countries. I tell the Chairman of the Finance Committee that in 1980-81 the increase was 3.2 per cent.

Mr. Blenkarn: Why didn't you do it before?

Mr. Hopkins: In 1981-82 there was a 3.1 per cent real increase. In 1982-83 there was a 5.3 per cent real increase after inflation. In 1983-84 there was a 6.4 per cent real increase. In 1984-85, the last term for Liberal budgeting, the defence estimates increased by 8.9 per cent in real terms. In the first year of the Tory Government, defence spending growth in real terms was minus 0.2 per cent. The Chairman of the Finance Committee—

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Member but his time has now expired.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to say a few words regarding the borrowing authority Bill which the Government is asking our permission to pass. The Government is asking us to borrow $22.6 billion, which is a considerable amount of money to borrow. It is the largest borrowing request ever brought before the Parliament of Canada at one particular time. It deserves fair consideration and a fair debate.

I have had the opportunity to spend the last number of days in my constituency. I had reaction from people of all political

persuasions, not of any one political persuasion. In fact, I have no idea of the political persuasion of most of the people with whom I spoke. People were asking a lot of very interesting questions. For example, I spoke at a number of college and high school gatherings. People asked what the Government has done to help young people find employment and pursue educational opportunities because they had not noticed any change for the better. As a matter of fact, there was a good deal of indication that matters had actually worsened in the preceding months.

• (1620)

The number of young people who are unable to find employment, to take training courses at community colleges, or afford university education, is actually growing in my constituency. Many young people now have a sense of hopelessness and feel that there is no point in continuing to look for work day after day because they have received no encouraging news and most of their colleagues have given up. They may find a job for two or three hours now and then in a fast-food outlet, but nothing permanent, and nothing like the kind of job young people should have to begin their careers and the establishment of a home and family.

I travelled to communities in my constituency including Falkland, Westwold, Sorrento, Notch Hill, and Silver Creek, which are in farming and cattle producing areas. The cattlemen and small farmers asked what there was in the last two Budgets which would be of assistance to them. They had not noticed any improvement. I said that there was a program to assist people to get out of agriculture, and there was perhaps some relief for those who were in financial crisis and happened to be doing business with the Farm Credit Corporation. However, there was no help for those doing business with traditional lending institutions.

By and large, Mr. Speaker, the situation in agriculture continues to worsen. The family farm is increasingly becoming a thing of the past. The maintenance of a family ranch, as they are known in my constituency in western Canada, is becoming more difficult with each passing month. The price of cattle continues to fall and the prices of other commodities are falling or remaining stable, while the costs of doing business continue to increase. This makes the future of agriculture extremely problematic and highly questionable as a viable way of life.

I visited a number of communities in the parts of my constituency which rely upon the forest industry. I visited Clearwater, Barrière, the North Shuswap area, Malakwa, and Sicamous. Those communities are harder pressed today than they have ever been. Levels of unemployment are higher than they have ever been. There is a sense of hopelessness. They thought that during the 1984 election campaign the Prime Minister (Mr. Mulroney) and others promised that there would be programs for reforestation, assistance in the modernization of mills, and many other programs to assist this hard-pressed forestry sector. All they have now is the threat of countervailing duties or quotas being imposed by the Americans, which will result in the closure of a number of sawmills in the interior of British Columbia.

By and large, the forest industry remains in an extremely depressed condition. No one with whom I spoke was aware of any initiative by the Government to alleviate these situations. They were aware of no improvement, only of a number of problems pending in the future. We are now under the real threat of the United States imposing a countervailing duty on our exports to the United States.

I went on to visit a number of tourist operations. These people are waiting for Expo 86 and the bonanza which will occur in their operations, whether they run small marinas, motels, hotels, camp grounds, or fishing camps. These people are simply hoping that things will improve. There is very little concrete evidence to indicate that life for the hospitality industry will become any better than it is today in its present deteriorating situation.

One could talk about mining, but there is no point in it because, in a sense, mining in western Canada has ceased to exist. The future looks anything but bright for those mines which continue to exist, be they in the coal sector or the copper molybdenum sector, which makes up about 70 per cent of mining in British Columbia. There are a number of reasons why one would expect new initiatives by the federal Government to encourage activity, particularly for small mining operations. There is almost a feeling of hopelessness with regard to the mining sector.

One could talk about the small business sector and the small and medium-sized manufacturers. However, the Government has done very little to encourage these sectors. There have, instead, been increased interest rates, increased fuel costs and expensive costs of doing business. Quite frankly, lending institutions are very reluctant to lend money to small businesses, particularly in the service sector, unless they are prepared to put up huge amounts of collateral. Even then, it is very difficult indeed.

I think it is fair to say that the Government has done virtually nothing for the cattle industry, the farming industry, the tourism industry, the fishing industry, young people, the small business sector, small manufacturers, those in the service sector, and native communities hoping to laungh economic endeavours. The initiatives taken by the Government are either non-existent or minor.

Before the change of Government there was a outcry about Section 31 of the Income Tax Act which differentiates between a bona fide food producer and a part-time, or hobby, farmer. The assumption during the campaign was that this would be cleared up very quickly. It still has not been cleared up. There has been no indication that this section of the Income Tax Act will be changed to encourage small ranchers or small farmers to expand their businesses.

Let me say in conclusion that, having just completed a major tour of my constituency, I found that people are puzzled, when they hear that the Government has done good things for various groups, by the fact that no sector of the

economy with which they are familiar is able to determine what good things have happened to it. I suggest that the Government has used myth, smoke, and mirrors with regard to assisting various sectors of the economy in various communities of Canada.

The people of Kamloops-Shuswap are asking the Government to take some special action in recognition of the fact that the economies of British Columbia are especially hard hit and are having problems. Just as the Government recognized that there are special difficulties in Atlantic Canada and took special initiatives there, the people of my constituency ask that such initiatives be taken in western Canada.

● (1630)

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, we now have before us an amendment by which it is propose to postpone for six months consideration of this legislation. I rise both on the amendment and on the Bill itself.

Mr. Speaker, this is borrowing authority legislation and the Government is now trying to seek authority to borrow $22.6 billion, which is a lot of money, and in examining the Bill, two other things must also be considered. On the one hand, with its Budget the Government is borrowing here, levying taxes there, and also slashing its programs because the Government has decided to do its housecleaning in those three directions. Looking at those three directions, those three aspects, one will appreciate the reason why the Official Opposition is raising such strong objections. We oppose this Government's housecleaning operation because it puts an increasingly heavy load on middle-income people and on the most in need.

Mr. Speaker, I would like Canadians to look at the previous Government's history of tax measures and programs, as against this Government's own attempts at setting programs and housecleaning. Everybody knows that when there is economic growth, as is the case today, it is the right time to arrange to pay for the social programs we have in this country. Canadians are well aware that social programs are not free, that they are expensive and must be paid for, and this is the time to take steps to pay for them when we have economic growth. Under whatever Government, Conservative or Liberal, program costs must be paid, but the difference between a Tory and a Liberal Government is, who shoulders the burden of paying for the programs. After two Tory Government Budgets, we can clearly see that the rich are paying increasingly less, and in the future, with the Budget now before us, they are going to pay increasingly less, while lower income people, the poor, are going to pay more.

Mr. Kilgour: That is not true.

Mr. Kaplan: There is now an interjection by my colleague for Edmonton-Strathcona, and I am quite happy that he is interested in what I have to say. But I would suggest to him and to any other interested Canadian that if they look at the rate of increase or change in the tax burden borne by Canadians, during the 20 years previous to September 1984, they will see that an increasing share of the burden was transferred from the shoulders of the most in need to those of other groups of Canadians, middle-income Canadians and the most affluent. Gradually, the burden was taken from the shoulders of the poor and transferred to other Canadians. It can be said that what we experienced during the 20 years previous to September, 1984, was a shifting of the tax burden to those who could pay. This situation has changed since the last election, and the direction is now for the poor to pay more. One thing is clear: it is the de-indexing process that was initiated by our leader, the Leader of the Official Opposition and the then Minister of Finance. All this has been changed by the last two Budgets, and put an end to the process whereby Canadians obtained some measure of relief from the effects of inflation through the tax system. Now the poor are going to pay more, including income tax, and we are opposed to that, and that is one of the reasons behind our amendment.

Mr. Speaker, I also want to talk about sales tax and what the present Government thought of it before they came to power. They were always very vehement about the fact that sales tax is a regressive tax and has a greater impact on middle and low-income Canadians. The impact is greater because these groups have to spend the greater part of their income. Canadians who are better off can afford to save and invest and travel abroad. Middle and low-income Canadians cannot and must spend the majority of their income. By raising the sales tax from 9 to 12 per cent, the Government has put a heavy burden on poor and middle-income Canadians. We object to that.

We believe that even if this is the price we have to pay for social programs, the Government is being too hasty and it is not the right time for such high tax increases, especially those that affect people on middle and low-incomes.

I could quote a host of press articles and commentaries, all of which argue it is not the right time to introduce such substantial taxation. Yes, it is time to deal with the deficit. Yes, we know it is not fair and not feasible to have social programs without paying for them but if this means that middle and low-income Canadians must suffer, Liberals see this as as unfair and unacceptable. The timing of this measure will not be acceptable to the market and may affect our economic growth. It may take away money the economy needs.

Mr. Speaker, if the Liberals are drawing out the debate, if on the basis of our responsibilities in this House, we have decided to delay the vote, it is because we want to draw the Government's attention and that of Canadians to what is wrong with this Government's policy. I am looking forward to the day before the next election when we will be able to give Canadians a survey of this Government's tax policies since the election. We will see increased taxes for middle and low-income Canadians and tax reductions for the rich in our society. And we will then see how the situation under this Conservative Government compares with the past, when the tax burden on middle and low-income Canadians was reduced on removed altogether.

• (1640)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to take part again in the debate on the sixth-month hoist motion on Bill C-99 entitled an Act to provide borrowing authority.

Mr. Speaker, I would like to remind you that authority is being sought under this Bill to borrow $22.6 billion, an amount equivalent to the total deficit, to be borrowed during the fiscal year 1986-87.

When I spoke on this issue earlier today, Mr. Speaker, I commented on the fact that, regardless of the many recommendations of the Nielsen Report, the Task Force on Program Review, nobody has really dealt with tax expenditures, particularly those which benefit large corporations in this country.

Mr. Speaker, that was my starting point because if the Government really wants to justify its expenditures we must review all of them, not only selected expenditures and particularly those related to social programs.

Mr. Speaker, we are amazed to find out that the Task Force did not examine the expenditures of the Treasury Board, nor those of the Privy Council. They did not examine the expenditures of the Department of External Affairs, nor those of the Department of National Defence. In other words, some of the major public expenditures have been ignored, but at the same time they focused on private sector subsidies and social measures.

Some of the studies may have dealt with tax expenditures, Mr. Speaker, but no major changes have been recommended.

I would refer to the remarks of the study on services and subsidies to business, page 97 of the English version: This study group does not recommend significant changes to the four tax expenditures related to corporate income.

Mr. Speaker, instead of looking for ways to save some of the money now spent in the form of tax expenditures, the study groups ignored this source of financing.

At the same time, Mr. Speaker, they criticized existing programs, saying that we give very generously to the major companies. In spite of that we are not doing anything to make sure we will be far less generous with those major companies.

As I was saying in English earlier today, Mr. Speaker, if the Government is really serious about reducing the deficit, it will be dead serious about both tax expenses and Government spending.

I notice that instead of reducing the tax expenses, it has increased them since it came to power in September 1984. For instance, there is the lifetime $500,000 capital gains tax exemption for single taxpayers, $1 million capital gains tax exemption for a man and his wife who benefit from the advice of a financial consultant. This family could avoid paying taxes on $1 million in capital gains while a family with a $30,000 yearly income would have to pay between $150,000 and $200,000 in taxes at the current rate over a 30 year period.

Mr. Speaker, my question is this: Is it fair for affluent people to benefit from such a tax break ranging between $150,000 and $200,000? It is not, Mr. Speaker, absolutely not.

There are other examples, Mr. Speaker. For instance, the oil industry is getting a tax break of up $3 billion a year. Because this tax break has contributed to the deficit by reducing the Government's receipts, it has affected all of us. That is why tax revenues from major corporations will increase only by a small margin, while taxes paid by individuals will increase by 15 or 17 per cent during fiscal year 1986-87.

Mr. Speaker, the Government has set up a discriminatory system, because it favours major corporations at the expense of ordinary people.

[*English*]

When you have tax expenditures, and they have been identified by the study groups as being a serious problem, when the study groups suggest that the programs of subsidies and tax expenditures for business amount to giving with both hands and are making business into a group of program junkies, it is very hard to say why the study group will then conclude, as they do on page 97 as follows:

—the study team does not suggest significant changes relative to the four corporate income tax expenditure items covered by this overview.

Those four are the investment tax credit, the accelerated depreciation, the mining tax credit and the reduced rate of tax on manufacturing. They do not suggest any change.

The rationale in many cases is not adequately spelled out. In many cases they say, "Well, these are things at which we are going to have to look at some later time". The recommendations for people on the Staff Relations Board and many other parts of Government to be fired are taking effect right now. As my friend from Prince Albert pointed out, there were cutbacks taking place in terms of program delivery in regional offices in the east and west end of the region of Metropolitan Toronto where offices are actually being shut down.

Those are real cuts. It seems to me to be grossly unfair, if the Government is concerned about efficiency and effectiveness in Government spending, as we certainly are on the side of the New Democratic Party, that it should be so lenient when it comes to spending by large corporations at the same time that it is so rigid in going after much smaller quotients of expenditure by individuals and by small business.

All of the evidence suggests that the task force bought the bias of the Government in terms of what it felt should be done relative to tax incentives as compared to the kind of incentives that can be given by grants. It said on page 19, and I quote:

On policy, the team is in general agreement with expressed Government preferences for non-interventionist (i.e., tax) assistance, for setting a better business climate through removal of impediments to growth, and for concentrating federal assistance on the classic public goods of better information and service to the small business community.

In other words, the task force was biased against the grant programs that in many cases provided a much better modicum of public assistance to the Atlantic provinces, to northern Quebec and to Gaspé, to depressed regions now in parts of British Columbia and Alberta. It was against those kinds of

things and in favour of tax assistance, which had the effect of helping companies in southern Ontario, in the region around Montreal, and in particular companies which are already making a profit and therefore are in a position to be able to benefit from tax expenditures.

We have said again and again that we feared that the Nielsen task force review would, in fact, enunciate a Conservative blueprint. It would come along and simply mirror what the Government would have a chance to say if it had the time to work it all out. That is effectively what has happened.

I accept that there are some things that make some sense in the report. They point out, for example, that when you are looking at a new economic activity which is created by Government grants you should also look at the fact that those grants have to be paid for by Canadians and may be affecting economic activity elsewhere.

If you are going to make that point you should also make the point, when you take dollars from ordinary Canadians and put them in the pockets of big businesses, allegedly to make them more competitive, that neither your task force nor the Department of Finance has any means of knowing and has not the least idea of whether or not these tax expenditures are effective I think that deserves looking at as well. We have the right to know whether or not these various expenditures are effective.

I note that in 1977, 1 per cent of the largest corporations got 64 per cent of corporate tax breaks. By 1981, that had risen to 72 per cent of the corporate tax breaks that went to 1 per cent of the largest corporations in Canada. I am sure there is no reason why that has changed since 1981, since we have had "Visa" and "MasterCard", two Governments that are essentially in agreement, although a lot of the essentials benefit the corporate sector in Canada.

● (1650)

Why was it that the study groups in the Nielsen task force did not look at that? Why did they not ask themselves whether a part of those tens of billions of dollars of tax benefits going to big business might be taken away? Of course, big business would say that that would be a tax increase, but all it would be would be a restoration of taxation which it has been forgiven for many years. There is no hope of getting the money back which was given in the past, but if we are talking about bringing the deficit down to a more livable level and giving Government more freedom to maintain vital social services, such as the support of universities and other things which are of particular importance to the regions, surely, then, these things should have been looked at. I am afraid that neither the Nielsen task force, nor the Government, has had the intellectual rigour or political courage to confront its adversaries, its friends in the corporate sector, and say: "We are sorry, boys and girls, but we are going to have to do this to you". That should have been done, and if it had been, it would have made us much more comfortable in terms of the whole deficit-cutting exercise.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to continue where I left off this morning with respect to Bill C-99, the borrowing Bill. As I said then, I really do not feel we can trust this Government with another $22 billion when it cannot even tell us exactly what the average price of crude oil will be for 1986 in U.S. dollars. Page 23 of the booklet *Towards a Sustained Expansion: Canada Economic Prospects, 1986-1991,* states, and I quote:

—that the average selling price for a barrel of oil of quality equivalent to Saudi Arabian light will be U.S. $22.50 over the rest of 1986.

On page 20, Table 4, "International Economic Prospects", under the column "1986", states under "Oil Price" that Saudi Arabian price for light crude oil petroleum will be $23.88 a barrel. So the Government cannot even tell us what the price will be. Not only that, but it is saying in one case that the $23.80 will be the average price for all of 1986, yet the $22.50 will just be the average price from the date of the Budget to the end of 1986. So not only do we have two different prices, but we have two different time spans during which these prices are supposed to be the average. In either case, we are going to need oil prices at either $22.50 or $23.88 in order to bring down the average price to the amount stated, because oil prices throughout the world have been down to around $12 or $13 a barrel for most of the first quarter of 1986, certainly around the $15 a barrel level. Therefore, these figures are way out of whack and this, along with the 9.5 per cent interest rate for an average in 1986, indicates that the Government has greatly underestimated what this deficit is going to be.

The Government certainly has not told us—perhaps because it is not capable of getting its act together economically—exactly what we are up against in 1986. It is an extremely serious situation because the energy sector is predicting prices as low as $8 U.S. a barrel. This $8 U.S. a barrel in comparison with the projections in the budget papers, particularly the book, from which I quoted earlier, *Towards a Sustained Expansion: Canada's Economic Prospects*, plus the fact that interest rates could very easily be 3 per cent on average over what has been projected, could mean a difference of about $4 billion over what the Government is predicting for the deficit.

Only the Government seems to believe the figures it has given as to what oil prices will be in 1986. What do other people think of the Government's finesse with numbers? Robert Reid, an oil industry analyst for McLeod, Young, Weir Limited, says: "Wilson's oil prices are wishful thinking". Gint Berius, an analyst for Merrill Lynch, says: "The unrealistic prediction about oil prices is probably one reason why the Canadian dollar has slipped on international markets". Don Braid, a columnist with the *Edmonton Journal*, says: "The Finance Minister has based his Budget on an oil fantasy".

What is happening in the oil industry? While the Government lives in a fantasy world with a Budget based on blarney, you might say, the oil industry in Canada is facing a disaster. Seven oil companies have announced lay-offs or staff cut-backs which total about 1,500 jobs. IPSCO, a steel pipemaker for the oil industry, will itself eliminate 695 jobs.

Don Herring of the Canadian Association of Oil Well Drilling Contractors says that 4,000 jobs will vanish this spring and he believes the worst is yet to come. Dale Tufts, President of the Petroleum Services Association, says that the total job losses this year will reach 6,000 and could go as high as 15,000. One government official in Alberta says: "There is fear in the streets. Every major oil project is threatened". The Government says the average price for crude oil will be $22.50 on one page of its booklet and $23.88 on another page. So, obviously, either the Government is right and the world is wrong, or vice-versa.

The Government says there is no need to worry. In spite of its attempts to calm the nerves of the energy sector and the country, we are worried a great deal about the catastrophe to which the Government could be sending the country economically. Can we honestly give the Government another $22 billion in view of the fact it is completely off base in what it says in the Budget and what it says it is going to do?

What about the East Coast? What about the promise of jobs there? Even Premier Buchanan of Nova Scotia has finally admitted there is some reason for concern. He even went so far as to admit that an $8 a barrel price would be a very severe blow to the East Coast. He ignores the fact, of course, that Petro-Canada is ready to abandon five wells on the East Coast, and Husky-Bow Valley—thanks to the reneging of a commitment by the Government—has dropped three wells from its modified drilling program. At the request of the Government, it had already dropped three wells from its original forecast. So it has dropped six wells from its drilling program because the Government is in fact implementing regulations under the Petroleum Incentives Program Act with respect to Bill C-85, and doing it retroactively.

It is not the industry we have to look at because it is leading a downturn in activity and exploration. It is the Government which is panicking and causing the uncertainty about the oil and gas sector in Canada. What does the reality of a lower oil price mean to Government revenues? Every one dollar drop in the price of oil means at least a $100 million loss in revenues to the Government. Instead of going to Washington, perhaps the Prime Minister (Mr. Mulroney) should go to Ireland and kiss the blarney stone because with figures like this, he certainly is going to need all of the good luck he can possibly get. Only a complete turn-around from what is perceived by the industry and by the economists at the present time can save the Government's Budget from leading this country into a very serious economic crisis. But that is just in the energy sector.

• (1700)

What has the Government done in other sectors? The net taxes will increase by $1.5 billion while net spending will fall by $800 million. The extra $1.5 billion in taxes means an average of $145 for each household. Canadians earning less than $15,000 a year will receive a sales tax rebate of $50 per adult and $25 per child. Corporations will pay a 3 per cent sales tax in 1987. Basic tax rates for corporations, manufacturers and small businesses will be reduced as of January 1, 1987.

What the Government has done on St. Patrick's Day is to emphasize the "sham" in shamrock.

Mr. Blenkarn: We've got blarney coming from you!

Mr. MacLellan: The sham goes very deeply into the economic forecasts and the economic thinking of the Government.

What is this Government doing for the areas of the country where regional disparity is such a tremendous problem? It is doing very little. It is hiding. It is saying that it will bring forward these programs which have no bearing whatsoever on the real problems of Atlantic Canada and other areas undergoing regional disparity. In fact, what it does is to put the areas undergoing regional disparity in a Catch-22 situation by saying that any economic upward mobility has to be through the private sector. Yet it stacks the deck against the private sector so that it cannot possibly make use of this avenue to increase expectations.

It is a gloomy Budget which presents a gloomy picture to Canadians. I hope it is not the case in reality. It certainly gives little hope because the Government does not seem to know what it is it wants to do.

The Acting Speaker (Mr. Charest): Resuming debate, the Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. Malone: He has already spoken.

Mr. Turner (Ottawa-Carleton): We want to go out and enjoy ourselves.

Some Hon. Members: Question.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, we are listening to parliamentarians who are supposedly more experienced than I. They should know that I can speak to the amendment. I would ask them to search their memories in order to see that they are quite incorrect to suggest that I cannot rise to speak again.

I was really intrigued—in fact, I was taken aback to some degree—when I initially heard the word "blarney" issuing from the mouth of my colleague in reference to the Government. I could not quite understand how that was possible. However, I then realized that this is St. Patrick's Day and blarney does come to mind. In his lighter moments I suppose the Prime Minister (Mr. Mulroney) exhibits some elements of what could be characterized as blarney. As I understand it, blarney is a type of good-natured circumlocution which, of course, characterizes the Prime Minister. Blarney is characterized by some good-natured colouring of what is being said in order to make people feel good, perhaps even better than they ought to feel in the circumstances. The Prime Minister has done that. Indeed, I think that even the most committed Irishman would have to admit that blarney is occasionally characterized by slight untruths but that those untruths are intended to make people feel good about their circumstances and about the person uttering the blarney. That, too, characterizes the Prime Minister. In fact we have heard something more than blarney from the Prime Minister, especially when

he mentions sacred trusts. Then he steps on the people of the country in a most objectionable way and destroys their hopes. It is more than blarney when the Prime Minister says that we will double expenditures on research and development and then fails to do any such thing. In fact he has cut back on the rate of expenditures for such research and development. That is more than blarney; it is an untruth.

No, the Government is not characterized by blarney. It is characterized by an utter failure to live up to its promises. More important, it is characterized by its failure to live up to the needs of the country in terms of its Budgets and policies. I see Hon. Members opposite smiling in good humour. They recognize the truth.

I was reflecting on the speech given by my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans), in which he cited the many instances in which Members opposite took positions on both sides of the question when they were in opposition. Of course, that indicates the perfidy of members of the Tory Party. I began to think about that and I realized that it is not necessarily so. It might be an immoral approach to politics, but it might also represent the fact that whatever the government policy may be now there may well exist within the Party opposite sufficient diversity of opinion and sufficient opposition to stupidity that they may be listening to what we have to say. Perhaps Members opposite would like to hear a case presented in such a fashion as to encourage them to combat some of the errors being made by the Government.

I have only a few minutes in which to pursue this discourse. I suppose it should be pointed out that it is my tendency when asked to speak in such circumstances to relate my remarks to the four major issues which constitute my critic area. They are youth, post-secondary education, science and technology and human rights external. As I have indicated before there is within these areas a relationship in terms of the policies generated with respect to them and to the future of the country. It bears emphasis that in recent weeks there has been an emphasis on the concerns of youth through unfortunate circumstances. I have to say that I find that what the Government is not doing as opposed to what it is saying is deeply offensive.

I can understand that the Secretary of State (Mr. Bouchard), the Minister of State for Youth (Mrs. Champagne) and the Prime Minister may see within the demonstration by the good Senator some type of offence to the parliamentary process. That is understandable. However, what we have heard is something more than that. We have heard the Secretary of State utter remarks which are only consistent with the notion that the Government will refuse to act in response to the strongly articulated needs of youth simply because there is a Senator in the lobby of the Senate engaged in a hunger strike. We can say, as we have said before, that there is something sick loose in the world when 700,000 young people are unemployed. Many of them are the prostitutes off our streets. Many of them are without food and meet in the missions of this country. Many are driven to crime. Many are alienated to the point of never being able to return to society. There is a need that cries out with a tearful voice and a relentless voice. That all of that would fail to get a response would certainly indicate that the Government, under no circumstances, will respond to what could potentially be the death of one man who is demonstrating concern. Why would the Government refuse to act in a responsible fashion simply because this dramatic demonstration is occurring?

• (1710)

We have heard the Prime Minister rise in the House to promise that there would be some action taken with respect to the development of youth programs in addition to the many things he claims to have already done. We heard the Minister of State for Youth say that she had read the New Democratic task force report and the Senate committee report and is working on a program that will be implemented pretty soon. Then we heard the Secretary of State say last Friday: "Oh, God, I don't know anything about it. As far as I know, we are not going to have any programs for youth".

The perfidy, the prevarication and the misleading exercise this Government is taking, along with its failure to respond represents a poor model for anyone but, most of all, a poor model for our youth. The Budget constitutes a traitorous response to the needs of so many young Canadians, and that should change and change fast.

[*Translation*]

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Jonquière (Mr. Blackburn).

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I had not planned on speaking in this debate on Bill C-99 asking for a borrowing authority of $22.6 billion, but I cannot remain silent when I hear the comments made by the Members of the Opposition. Indeed, I find it very unfortunate that some Members opposite would attempt to project such a negative and irresponsible image to the population even though our Budget shows a lot of imagination and coherence in view of the financial situation which we inherited, as well as sensitivity to the problems of the most needy among us.

It would be very easy to do like the previous Government and increase our expenditures. We could also increase the size of the Public Service and the number of Crown corporations. We could reduce taxes and increase family allowances and old age security pensions. In the short term, this would certainly please Canadians, but we would be on our way to a financial deadend.

Instead, our Government has opted for a reduction of its expenditures and asked Canadians to make another effort to put our economy back on its feet as soon as possible. Mr. Speaker, this is truly a responsible Government.

We are keeping to the two objectives which we set ourselves as a Government and as good administrators. The first is to fight against the deficit, as we are continuing to do, and the second is to encourage business investments as its direct result

is to create employment. A short while ago, the Hon. Member for Vancouver Quadra, the Leader of the Opposition (Mr. Turner), said this: "You do not have to be a genius to increase taxes". Mr. Speaker, the man who said that was once Minister of Finance. He is the father of the Canadian deficit. He gave the Government a deficit of $56 million within 43 months. This is what he did. For our part, we took over a Government with an accumulated deficit of $200 billion which still increases by $35 billion to $40 billion a year. With a 10 per cent interest rate, we would reach $100 billion in 20 years if this were to keep up, I repeat that, with an interest rate of 10 per cent, we would be paying $100 billion in interest each year. However, we now have a budget of about $116 billion. This means that nearly all the budget would be needed to pay the interest on the debt. That would be ridiculous and we could not accept it.

For the benefit of the Canadian public, I would like to quote a few comments of the Institute of Chartered Accountants, who said in December 1985: "Discussions on the deficit are disconcerting and the facts are not encouraging. In 1983, the International Monetary Fund stated that in relation to the size of its economy, Canada had the largest deficit of the seven industrial powers of the Western World. An increasingly huge drain of federal Government funds is the price to be paid for servicing the public debt resulting from deficit accumulation."

And they added, concerning public reaction: "Whatever theorists may say, whether in support of or in opposition to serious government deficits, it is undeniable that the general public is concerned with the federal Government deficit. This was shown by a survey made in 1983 by Decima Research Limited. As was shown by that survey, the public feels that when times are hard, the government should restrain its expenditures and manage its finances as prudently as any average Canadian family. Although such a household view of the economy may not be very subtle, it shows deep interest in the country's economy and its impact upon present and future generations. It now seems clear that aside from all considerations, government deficits are a cause of concern to the people. Such concern indeed is undermining public confidence in the economic and political institutions and, in the long run, will no doubt affect this country's economic yield.

Mr. Speaker, it was so serious that Mr. Kenneth Dye stated: "The deficit for fiscal year 1982-83 in the case of the Liberal government showed a $5.3 billion underestimation." This means they literally hid the deficit at that stage.

Well, Mr. Speaker, I believe we have a Budget that is both responsible and realistic. It is realistic because it reflects the disastrous economic and financial situation we have inherited. Because, among other things, we are sticking to our goal of reducing that deficit by some $4 billion a year, from the original $38.2 billion to $33.8 billion this year, and in our projections to $29.8 billion.

Why is this also a responsible Budget, Mr. Speaker? Because it is directed to job creation. And in that area, there is tremendous confidence in the small and medium-sized businesses. We brought the taxation rate back from 15 to 13 per cent, and we put our trust in private enterprise. There are 700,000 small and medium sized businesses in this country, and they generate most of the jobs.

Also, we help the most in need in our society with our $300 tax credit per child, per family. This is another measure that will enable families most in need to manage more easily through these difficult times.

Also, our Government is injecting $300 million in research and development.

There are also employment programs for social welfare recipients. For the first time, our Government is earmarking $100 million for the poorest people in our community.

We are also helping the cultural sector with $75 million.

Now, that is a set of measures that will enable the poorest Canadians to meet their needs while creating additional jobs. Our performance in a year is rather impressive. We have created 585,000 jobs and have reduced the unemployment rate to 9.8 per cent which is a creditable performance even if the effort must be carried further.

Our first year is a token of confidence and success which Canadians should continue to take into consideration.

Our inflation rate has also been controlled at 4 per cent which is also another very good performance which should be maintained.

Mr. Speaker, I would also like to refer to the comments made this morning by the Hon. Member for Windsor who said that we were not sticking to our commitments. I am rather surprised to see the Members opposite trying to lecture us.

I remember a few years ago and, no doubt, you do also remember, Mr. Speaker, an election campaign during which the then Liberal Government had bragged throughout the country that they would never freeze salaries. You remember it because we heard about it for so long. However, once elected a few months later the Government did freeze wages and salaries. Therefore, I think that before lecturing others they should consider what they have said and done.

Mr. Speaker, we told Canadians that we wanted to restore the health of the economy, reduce the deficit and create jobs. This is the policy we are maintaining, and I believe our results have been excellent so far.

• (1720)

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is an interesting challenge to talk to the borrowing Bill, Bill C-99, because it is really a statement on the philosophy and policy of the Conservative Government in respect of where it believes

the country should go. The Government has every right to state it that way, and I think we in the Official Opposition have the obligation to raise our concerns about the direction in which the Government is going.

Let us look at the results of the last two Budgets. Canadians have been inundated with tax charges on an individual basis. It is not a very pretty picture. Not unlike the May Budget in which the Government introduced a borrowing authority Bill requesting $18 billion, this time it is asking for an additional $22.6 billion for the 1986-87 year. I see an unfair allocation of funds in the borrowing Bill induced by the Government's lack of policy direction and its buckling to the dictates of Bay Street and Wall Street which forecast for it the need to decrease the deficit.

In the Budget, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) claim that they can reduce the deficit below the $30 billion level. However, it will be quite some time before we see what really happens. Canadians will have to wait until next October for proof that the deficit has been reduced even to the $33.8 billion which the Minister of Finance forecast for the current fiscal year ending March 31. It is not until then that public accounts, which give the final deficit figure for the previous year, are available. Canadians will then have to wait another 12 months, bringing us to the fall of 1987, before they will learn whether or not the deficit really comes in below the $30 billion mark. So far the public really has estimated forecasts of what the tax increases and spending cuts might bring about. I stress the word "might" because the end result which will be provided is not a definite one. We may be looking at a lot of wishful thinking. If it is brought in this way, all the better, but it should not be on the backs of poor people or those who are in need.

Federal forecasts are just suggestions. There is no sure thing, and we do not know what will intervene. For example, we do not know—and hopefully we will never have to live through it—whether there will be another bank fiasco out West, which would add an unexpected $800 million or $1.5 billion to our spending estimates, therefore requiring us to borrow more funds. I suggest that we should not count our chickens before the eggs are hatched.

The public has some sense of suspicion right now as to the ability of the Government to determine exactly where it is going. We must wait to see if the deficit will go below the $30 billion mark. In the meantime, while politicians play "guess the deficit", average Canadians can only hope they are not too badly marred by political strategy as they attempt to pass "Go" and collect $200 if their jobs are still available. At the same time, a limited number of corporate Canadians, those who have a better chance of passing "Go" and making money from their hotel property investments, receive a better tax break.

The 3 per cent corporate surtax will be applied on a lower tax base. For example, it drops from 36 per cent to 33 per cent in the next three years for certain levels of income or profits from corporations. The theory of corporate tax breaks is that profits will be reinvested and will create jobs. Will businesses expand knowing full well that Canadians will not have the disposable dollars which they had before and will not run out to spend money on the purchase of their products? It is a good question, one which is causing all of us some concern.

When the Minister of Finance brought down his last Budget, he described it as the "most significant and far-reaching program of expenditure control over undertaken by a Government in Canada".

Mr. Turner (Ottawa-Carleton): Hear, hear!

Mrs. Finestone: That is fine, but let me indicate that it is significant. I would consider a Budget which taxes its way out of a deficit by attacking middle and low-income Canadians as significant and certainly something to note at election time. "Far-reaching" is another good adjective to describe the Budget since most of us will be reaching far into our pockets to accommodate the extended tax measures provided in the Budget. Of course, for a small fee, found in the form of increased interest rates, banks and loan companies will be happy to loosen money from our pocket-books for us and to ease our whitened knuckles.

It would be hard for Canadians not to understand from the Budget that the big bucks required to knock down the deficit and cut the Government's annual borrowing authority in half by 1990 will come from taxes on individuals. Again the middle class has been hit. Average people such as the ones in my riding of Mount Royal will not find life to be as smooth as it was before. Average Canadians will continue to be squeezed for more tax revenues. Ordinary Canadians who hoped that Government spending cuts would ease the burden of the national debt were disappointed when the Minister of Finance announced his method of deficit reduction by way of personal income tax increases from $38 billion to $44.7 billion in 1985-86, up to $49.3 billion in 1986-87, and to a record high of $54.8 billion in 1987-88. Most of us cannot even think of the number of zeros involved in those figures. Most of us deal in pennies, nickels and dimes; maybe in dollar bills. We are looking at an over-all 44 per cent personal income tax increase which has been incurred in the 18 months the Conservatives have been in power. It is the largest increase in personal taxes going as far back as we can go in history.

One of my concerns is about the way the Government has been attacking the 4.5 million people who live below the poverty line. There were measures in the last two Budgets which push our poor people right into the ground. Where is the balance which is supposed to be maintained between the rich and the poor? Personal taxes have been deindexed. Unemployment insurance for Canadians taking early retirement has been cut back. We have seen the distress, unhappiness and serious financial implications of some of these moves.

Some of us in the House met with the earlier retirees who were in Ottawa last week. Some of them were in their late forties and early fifties and still had major responsibilities in terms of raising their families. They took early retirement, anticipating that with the money they had paid into the unemployment insurance they would have an opportunity to go

out with some support measures, be able to look for another job and thereby assure the well-being of their family over the interim period. That is not what happened, Mr. Speaker. We heard a lot about the suffering and the disaccommodation by the Government taking such a retrogressive step.

• (1730)

Last week's Budget reports an increase of $1.9 billion in taxes, with $1.5 billion of this amount being placed on individuals while only $380 million will be placed on corporations. Do you call that justice when $1.5 billion in placed on individuals and only $380 million is placed on corporations?

Last year's Mulroney-Wilson Budget reported tax cuts for companies but increases for individuals of $1 billion for the coming fiscal year, 1986-87. The combined Budgets provide a personal tax increase of nearly $30 billion for the years 1985-86 to 1990-91 inclusive, while corporate tax increases for the same period will amount to just over $6 billion. Is it fair to have a personal tax increase of $30 billion while the corporate tax increase will be only $6 billion? In other words, personal tax increases will be five times as much as corporate tax increases. Can the Minister of finance explain why those at the lower end of the income spectrum are facing taxes higher than those sitting comfortably on the top? Can he explain in particular while those earning $40,000 are expected to absorb from 1985 to 1987 a tax increase of 9.4 per cent while those earning $150,000 get a tax decrease of $1.4 per cent? What kind of nonsense is this? Canadians do not find this fair.

I object to this borrowing Bill.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I rise once again on this Bill, this time on the amendment. I have expressed my deep disappointment with the policies of the Government for which it is asking us, in three short paragraphs on one page, to ante up $22.6 billion in order to carry out policies with which the Canadian people have become disenchanted.

My concern right now is for the young people of this country, a very large number of whom are unemployed and can only look ahead to being a generation being passed by.

I am very disappointed, as are most Canadians, with the repetitious replies given by Members on the Government benches when asked and challenged about the tragic unemployment situation. The Conservatives cites statistics to show that they have improved the situation very much in the past year. Indeed, the statistics may suggest that the situation has improved, and well it should, but what the Conservatives fail to mention is that their unemployment figures are still well above what they were before the recession came about.

The level of jobs that existed before the recession came has not yet been achieved. Instead of talking about how much they have done in the last while under circumstances of huge, burgeoning stock market results in the United States and the very healthy economy throughout the world instead of boasting about employment, the Government should be ashamed of the figures when seeing them in relation to the situation before the recession.

The figures in any case are of no use to them. When they talk about the million and a half peole who are still unemployed, and are still boastful about that great employment achievement, there is no achievement to the million and a half unemployment when they can still find no jobs.

Another aspect, which has not been dealt with by the Government and for which it will have to account to Canadians in due course is the whole matter of how it has dealt with the voluntary sector. By the voluntary sector, I mean charitable and community organizations. This sector, which has been proven to be the largest job creation sector in Canada, one of the most labour intensive sectors, which provides services to Canadians at the least possible cost and which the Government could never duplicate, where our young people might find jobs and a place to serve and feel useful, has been given no incentives and no recognition.

Over the past few years, the percentage of people and companies contributing to charities unfortunately is declining, as is the size and the percentage of their gifts in terms of income. The National Voluntary Organization has for years been advocating new incentives in income tax to increase charitable giving. More specifically, it has advocated the so-called give-and-take program which would provide a 50 per cent tax credit for charitable contributions.

This is what the present Minister of State for Immigration (Mr. McLean) promised before the Government was elected in 1984. When in opposition, the present Minister of State for Immigration made the give and take proposal his, if you might call it, pet crusade.

Let us look at a few of the promises he made. I can hardly do justice to all of them, but when in Opposition, the Minister of State for Immigration, who prior to this was the Secretary of State, said:

> We are committed to a fundamental realignment of the tax treatment for charitable giving—the principle of a charitable tax credit—which will offer equitable incentives to all taxpayers to support their charities.

In other words, he said that he was entirely in favour of the give and take proposal. When he became Secretary of State, under whose area this particular subject falls, we know that nothing took place. He also said that the voluntary sector was the largest employer of lower and middle-class Canadians. He was right when he pointed out its importance.

In addressing the voluntary sector, the Minister of State for Immigration said:

> You offer many less advantaged Canadians a bridge to employment. Canada's voluntary sector is an untapped resource that not only can reduce government spending but can actually create jobs in the process.

The Minister said that not only would there be more jobs but that the voluntary sector would also reduce spending, two apparent objectives of the Government.

Because the Conservatives are committed to more jobs for young people and because the Conservatives are committed to reduce spending, he said before the election:

That is why we are committed to a principle of a charitable tax credit, to a tax environment which will offer equitable incentives. Give and take is on the agenda.

The Minister said that give and take was on the agenda along with the other statements I cited so far in a speech addressed to no less than the National Voluntary Organization convention. That was before the Tories were elected. The present Prime Minister (Mr. Mulroney) also, before the election, promised to the National Voluntary Organization and the 52,000 voluntary organizations, that is charitable organizations, churches, community organizations, the following:

● (1740)

We are committed to implementing a tax credit equal to a percentage of donations made to registered charities.

Those are the words of the Prime Minister himself. Is it any accident that the Prime Minister has done nothing to fulfil this promise? We know that he has done nothing to fulfil this promise because we have already received from his Government one set of financial statements, two Budgets, and two sets of Estimates. The Government has had plenty of time to honour what the Prime Minister and the Minister of Employment and Immigration (Miss MacDonald) solemnly promised just before the election that they would to if they came to power. They said it was logical to bring in the give-and-make proposal because it would help create jobs and save money, two admirable objectives.

Because nothing is done to increase the level of charitable donations by widening the potential number of contributors and the size of their gifts, the voluntary sector is now less and less able to assume responsibilities for social work and the serving of social needs. This means either increased Government programs, which will cost the taxpayer money, or less adequate or deteriorating services for the community. It seems to me that the latter is what we are in for. The vital area for job creation in the voluntary sector will soon be lost to the young people of our country. Another door will have been slammed closed because of Tory policies and this Tory Budget.

One can get a sense of the way in which the Tory mind works when we see what they have done to Katimavik. For nine years this organization has proven its mettle. It establishes relationships between human beings, edifies young peoples' concepts of citizenship, and gives them a chance to understand one another's linguistic backgrounds through exchanges between Francophone and Anglophone peoples. Yet, the Government has taken the axe to this program in the name of youth employment. For God's sake, there is more than just employment involved in Katimavik. It involves character and citizenship and goes beyond the question of employment.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, as I understand it, the motion being debated at the moment is one for a six-month hoist of the Government's Bill to borrow the astounding sum of $22.6 billion. In considering this measure and the grave and far-reaching implications which it has for the Canadian economy, I would like to remind Hon. Members of the disgraceful antics which we saw last year attendant upon this very same legislation.

My purpose in rising is not to criticize the borrowing of money either on grounds of principle or on pragmatic grounds, nor even to state that this is something which should or should not be done. Rather, my purpose is to look at the way in which money is borrowed and the purposes for which it is used. Last year, to remind Hon. Members, we had a charade in which that non-elected body that sits like a canker at the very heart of our democratic society—I refer, of course, to the Senate—decided, in some flight of fancy, that it might some legitimacy within Canadian society and some relevance to the processes of democratic Government. It took it upon itself to delay the Government's borrowing Bill for 1985.

That was an historic abuse of what passes in this country for power. It was an historic abuse which was encouraged, I very much regret to say, even by some elected members of the Liberal Party of Canada who sit in this Chamber. I believe that the use of the Red Chamber in the obstruction of last year's Government borrowing Bill, whatever we might think of the legitimacy of the purposes, the relevancy of the exercise, and the appropriateness of the amount, was something that we would not hope to see repeated and something to which the Government and the House could put an end forever if it were to abolish the Senate. We spent approximately $27 million on the Senate last year. It is true that in the context of $22.6 billion that is not a very large sum, but nevertheless, Mr. Speaker, a sum which could have been saved.

I could instance some other ways in which sums could be saved in order to reduce the amount of $22.6 billion which the Government proposes to borrow to a sum which we might find a little more reasonable. I am referring, of course, to that great pork barrel orgy, that great swilling in the sky, which the Progressive Conservative Government instituted when it came to office in September of 1984. At that time, in both quantity and expense, the Canadian people saw an unprecedented expansion of ministerial staffs. There was a totally uncalled for recruitment of hacks, flacks, and bagmen to positions which now paid up to $80,000, sums which could only be dreamed of in the previous administration, except, of course, by those who were privileged and fortunate enough to hold more than one post.

To give it credit, the present Government decided to go the high road and make this blatant patronage orgy at least something which those of us who were scrutinizing the accounts and reading the reports of recruitment could see with our own two eyes. Ministerial expansion went hog wild in 1984, and we have not seen any restraint introduced in that area of government operations since. As an example, there is one ministry in the Government, which I do not propose to name, which is known to every Member of the House, which has no programs—

Mr. Marchi: Go ahead.

Mr. Parry: My colleague, the Member for York South-Weston (Mr. Marchi), encourages me to go ahead, and I

would like, at least in this detail, to oblige him. I am speaking, of course, of the Minister of State for Youth (Mrs. Champagne) who has no programs, no budget, and nothing very much to say when she is given the opportunity in the House. Nevertheless, on her payroll she is maintaining a chief of staff, a limousine, and presumably a driver, and an executive assistant. We have received no bulletin which states that there has been a reduction of staff or reassignment of responsibilities, which any organization in the private or public sector, under the circumstances, would find quite appropriate and reasonable. As far as we know, there is still that ministerial encumbrance—

[*Translation*]

A staff that oviously does nothing and is utterly useless in a department that has no program and no budget . . . But nevertheless, these people keep their jobs and remain employed and they keep on being a burden on the taxpayers—

[*English*]

The taxpayers of the country must support them in the style to which the Government has made them accustomed.

Although I could continue, I will turn away from the matter of ministerial staffs and the way in which they have swollen from the Prime Minister's Office on down. I would now like to turn to what the Government uses the money for when it gets it. The prime example from last year was bank bail-outs. A couple of Canadian banks failed and, quite gratuitously, without any great urging on the part of their advisers, and without any great pressure in the ranks of the Cabinet, the Government decided that it would be like the little boy at the dike and put its finger in to plug the hole. That particular hole and that particular finger cost the taxpayers of this country $1 billion, or so it would appear from the accounts presented. I doubt very much if the final bills are in.

• (1750)

Let us go now to the topic of tax loopholes. The Government often says that the Right Hon. Leader of the Official Opposition (Mr. Turner) is the father of the deficit. It must be admitted that there is some justice to that allegation. However, I think we should look at the way in which the deficit has been built up. As my friend, the Hon. Member for Mount Royal (Mrs. Finestone) pointed out, it has been built up through a gradually shifting balance between the personal and corporate tax contributions to the cost of running Government. Over the past 30 years we have seen personal taxes gradually rise and corporate taxes gradually fall. That is something the Progressive Conservative Government should be working to reverse rather than reinforce. Yet the Government is going to allow corporate tax contributions to drop to less than 20 per cent of total taxes raised this year.

The Government also introduced a capital gains tax break, and allowed the little Egypt bump in the case of Gulf oil. Concerning indirect taxes, we see the Government's major preoccupation is not with imposing taxes in such a way that the economy will not stagger under the load; it is simply concerned with the revenues which can be yielded through tax increases. Therefore, in the last Budget, even with an outcry against taxes on gasoline, we saw taxes go up four-tenths of a cent a litre at the wholesale level. The federal sales tax increased by 1 per cent, following on the previous increase of 1 per cent for which this Government tried to evade responsibility by saying it had been foreseen by the previous Government. Perhaps worst of all, we now have a VAT by another name in the form of the business transfer tax which the Government is now promoting across the country. We know what the agenda is. It is simply to get more out of the economy for government operations. We have not seen the Government differentiate between this business transfer tax and the hated value added tax which imposes such an enormous accounting burden. The Government has not addressed that point at all.

Finally, if I may, I would like to—you are giving me the time signal, Mr. Speaker? I cannot believe it. I was really just getting started. However, I will close by stating my opposition to this borrowing Bill and I thank the House for its attention.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am very pleased to participate in the debate on the borrowing authority. Any discussion of this subject cannot, of course, he carried on in isolation. One naturally has to link it to the Budget handed down last month. Also, of course, one has to link that Budget to the May, 1985 Budget. When Canadians do that, they ask whether the Budgets are appropriate and fair. In both Budgets we got a mountain of documents, figures, graphs and all the rest of it. We as parliamentarians have to break those documents down to their lowest common denominator in a way which can be understood by average Canadians from coast to coast. When that is done, Canadians can then distinguish the true colours of this Conservative Government.

This Government has been going across the land saying these Budgets are tough but fair. They are not. They are simply tough and unfair. We realize very quickly just how unfair not only the imposition of new taxes is, but how and to whom the new taxes are directed. If you earn between $15,000 and $20,000 a year, by 1990 you will be paying a tax increase of some 23 per cent. If you earn $30,000 to $35,000, the increase drops to approximately 15 per cent. If you earn $100,000 or $200,000, the increase is only 1 per cent. I ask you, Canadians are asking themselves, and in 1988 will be asking the Government: Is that fair and equitable? The obvious answer is a resounding no. You cannot expect Canadians to see that kind of disparity as being fair. You cannot ask the individual earning $15,000 to tighten his or her belt more than his neighbour earning $100,000. All Canadians, regardless of income, regardless of region, are prepared to make the necessary sacrifices to enhance the economic wealth and prosperty of this country. What they are not prepared to do is to make sacrifices that other Canadians are not being asked to make. Therein lies the injustice and unfairness. We are asking one economic class in this country, the lower-income groups, to pull more weight than their wealthy friends. That will fuel the fires of disparity.

Canadians perceive the gulf of disparity to be widening under this Conservative Government. There is a line between the rich and the poor, between the various classes in our society. We have had struggles in this country between federal and provincial Governments. We have had struggles between the East and the West. We have had struggles along linguistic lines, between French Canada and English Canada. We have found ways to resolve the struggle. However, what we have never had in this country, and what Canadians hope will never happen, is a struggle based on class stratification. Yet that is becoming more pronounced. It is not like what we see on our television sets in Great Britain and other parts of the world, but it is beginning to happen on our own doorstep. When we have people lining up at churches for food vouchers and hand-outs there is something wrong. We cannot afford to put in place programs which will fuel class stratification. Yet some of the programs in these two Budgets are doing exactly that.

I see that you are telling me my time is up, Mr. Speaker. I would like to continue with unanimous approval of the House.

Some Hon. Members: Oh, oh!

• (1800)

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): I'm not too sure, but I do not think there is unanimous consent.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—PROCESSING OF APPLICATIONS FOR GUARANTEED INCOME SUPPLEMENT. (B) REQUEST FOR MINISTERIAL GUARANTEE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, there are 67,500 Guaranteed Income Supplement applications to be processed in the regional Health and Welfare office in Regina. In January of 1986 we were informed that the usual 27 temporary staff would not be available this year to make sure that the job was done by the time the April cheques were to be issued. I raised the issue in the House on February 4, 1986, and the Minister did not deny the fact that fewer people would be available for this processing. He indicated that an inset would ensure that no one went without their GIS cheques in April. Since February 4, however, most of the temporary help has been made available, and it appears that most of the applications will be processed, but a few will be disappointed by not receiving their cheques in April.

However, the concern about service has not gone away. Just today we were informed that the two client service centres in Ontario, one in Scarborough and one in Oakville, have been closed or are to be closed from March 31. They are to be closed permanently. The employees of Health and Welfare, like other members of the Public Service, are being told that they cannot have job security. The result is likely to be further disruption of service in the form of strikes and possibly other labour action.

The real reduction in service is not from action on the part of the employees, but because the Government is embarked upon a process of reducing and cutting service. The Nielsen report probably embodies the main theme of this Government in cutting. If there is not a monetary return on investment, an investment should not be made. That theme is cutting into the service which the country has learned to expect from the Government of Canada. I ask the Minister to review his process of reduction of service by cutting, as he did in Regina and other service centres across the country earlier this year. Recognizing the folly of his ways, I suppose, he refilled those positions so that the GIS applications could be processed. I ask him to provide enough people to minimize the hurt of the people for whom he is responsible, the old people, the young people, and the ailing. Those are the people for whom the Minister of National Health and Welfare (Mr. Epp) is responsible. Every time he cuts a program, every time he cuts a centre, he is reducing the service that is provided to that group, the old, the young and the ailing.

• (1805)

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to take this opportunity to give the Hon. Member and all recipients of the Guaranteed Income Supplement and the Spouse's Allowance and their families, the assurance that the current number of employees is sufficient to process all renewal applications on time.

As the Hon. Member pointed out during the February 4 Question Period, the number of temporary staff hired this year to process the annual renewal applications is lower than last year's. However the figures he gave are inaccurate and I would like to correct them because the Hon. Member's statement may have left the impression that the Department will be hard pressed to process the renewal applications on time. The Hon. Member claims that this year the Regina income security programs regional office has hired only two temporary employees as compared with 27 last year. In fact, 18 temporary employees were hired this year as compared with 22 last year.

The Minister of National Health and Welfare (Mr. Epp) is convinced that such small staff reductions will not prevent the

Department from processing renewal applications on time. However, we are seriously looking at the situation, and if difficulties should arise, I can assure you that full-time employees will be temporarily redeployed so that no application is delayed. The Minister is aware that recipients of the guaranteed income supplement and the spouse allowance depend on regular payment of those benefits. He has asked the Department to make sure that each application for reinstatement of the guaranteed income supplement and the spouse allowance will be processed in time.

The Minister also has asked me to emphasize to recipients the importance of submitting their reinstatement application as soon as they have relevant information on their income. Each year, a number of recipients fail to submit their application forms on time and have their benefits interrupted. This unecessary interruption could easily be avoided. The recipient only has to submit his reinstatement application as soon as possible.

[*English*]

THE DISABLED AND THE HANDICAPPED—EFFECT OF BUDGET MEASURES. (B) SITUATION OF THE HANDICAPPED—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, on March 3, 1986, I asked the Minister of Finance (Mr. Wilson) about a certain increased deduction in income tax for the handicapped.

I wanted to make the observation that the two Budgets and the Economic Statement of the Government amount to the largest tax increase in the history of Canada, including in time of war. That is a development in itself which we feel is a criticism of the Budget and what, I believe, Canadians find hardest to bear. We have a lot of social programs which have to be paid for, but when they are paid for at a rate which can damage the growth of our economy, I believe that is going overboard. More and more economic commentators are observing that this is a Budget which can kill or damage growth in the Canadian economy and, therefore, is counter-productive.

When we complain about how heavy the increase in taxes in the Budget is, the Government always comes back to us saying: "Yes, but we have taken care of those who are the worst off". The Government points, for example, to the allowance which was introduced in the Budget with respect to sales tax so that Canadians who are the poorest can claim a rebate or deduction from their income tax for the new heavy sales tax they will have had to pay pursuant to these Budgets. We have demonstrated, and I do not want to take too much time to do it here, that even for the poorest of the poor, the relief which is given in the Budget is far from the increased burden which the individual will have to pay in sales tax. Therefore, even for those who are worst off, the tax relief is tiny. I recall figures of a $7 billion tax increase after five years and a $300 million sales tax relief. That is peanuts compared to the heavy burden which middle and low-income Canadians will be paying.

• (1810)

Tonight I wish to focus attention on what the Minister of Finance has offered to the handicapped, who will also be paying increased sales taxes and increased taxes. They will receive an additional $250 per year deduction for their extra expenses. A deduction means nothing to most of the handicapped since about 1.8 per cent of the disabled earn incomes which place them in taxable brackets. Therefore, if the Government wished to do anything for the disabled, it would be something in the nature of a credit such as was provided to mothers looking after children at home. This was a credit introduced by the former Government which put money into the pockets of those most in need. That is not accomplished here. Nothing is done for those, if I can put it ironically, but the best-off among the handicapped, the ones who have to pay income tax.

This is a measure introduced by a Minister who bragged about being proud to help the very poor and that this was what his Government was all about. As I was looking at what was done for the handicapped, my eye fell on the chart at page 42 of *The Fiscal Plan* which shows that the cost to the Government of the measure which was introduced in its first full year of operation, that is 1986-87, is zero. Therefore I asked the Minister about it. I asked him how he could say that he was helping those handicapped who pay income tax, that very small percentage of handicapped who are able to earn an income which puts them in a tax bracket of zero. The answer he gave was that the effects of the change this year will not be felt until the next taxation year as the tax returns come in. I reject that answer because 1986-87 is the first fiscal year in which these tax changes come into effect. That is the year which begins at the end of April and includes the end of the 1986 taxation year of all individual taxpayers. Therefore, it includes the handicapped. If this benefit shows anything, it should show some cost to the Treasury as of the end of that taxation year, which is included in the Government's 1986-87 fiscal year.

This is why I wished to draw this matter to the attention of the House and of the country. I do so in order to show just how cheap the Government is. It does this in an attempt to disguise the heavy burden of this Bill and the former Budget on taxpayers, especially the poor and those toward the bottom end of the scale. The Government has thrown them little concessions which in this case amount to nothing and, in the case of the sales tax credit, very little. I wish to expose the Government for what it is doing, which is taking with one hand and taking with the other.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, with respect to some of the comments made by the Hon. Member, I point out to him that the one legacy which the Liberal Government left to the Canadian people was this horrendous burden of debt, the result of which made it necessary to increase taxes. In these circumstances, 33 cents out of every dollar which is sent to Revenue Canada is for the purpose of paying off the interest on the debt. That is the legacy which has been exposed time after time. Indeed,

there is a certain degree of hypocrisy in complaining about increasing taxes when we are trying to act in a responsible manner.

With respect to the specific question regarding the handicapped, I point out to the Hon. Member that it was this Government which broadened the definition of "disabled". That was done in the 1985 Budget to include all severely disabled Canadians, including those who are markedly restricted in their activities of daily living as a result of blindness, diseases of the circulatory system, mental disorders, diseases of the musculoskeletal system and connective tissues, diseases of the nervous system, sense organs and the respiratory system. Previously, in order to qualify for the disability deduction, an individual would have to be blind for a year or substantially confined to a bed or a wheelchair throughout that year.

● (1815)

The new definition is to be administered by the Department of National Health and Welfare and comes into effect in the 1986 taxation year. The total population expected to be eligible for the disability certificate is 185,000, up from the 165,000 before the May, 1985 Budget. I think this is an incredible step forward for the disabled and shows the Government's commitment to the disabled. I would point out that the cost of the $250 increase in the disability deduction is $10 million per taxation year.

CRIMINAL CODE—BOMB THREAT HOAXES—REQUEST FOR STIFFER PENALTIES

Mr. Alan Redway (York East): Mr. Speaker, you will recall, no doubt, as well as I do, that a few short weeks ago in January of this year, there was an alleged bomb threat at the Ottawa airport, the Toronto international airport and the two airports in Montreal. This bomb threat caused a tremendous amount of additional security to be put in place at all four of those airports and cost the taxpayers something close to $1 million in extra security costs. That occurred just a short time ago and since that time, there has been a tendency for all Canadians to forget the fact that there was this bomb threat hoax and to forget that from time to time we have been subjected to bomb threats and terrorist activities. We tend to think that those things happen in other countries, perhaps in the Middle East, Asia or Africa, but that they do not happen right here at home. In fact, as you are quite well aware, Mr. Speaker, they do happen right here in Canada and they happen to our fellow Canadians.

Over the last 15 years or so, there has been a very large number of terrorist activities occurring right here in Canada or to our fellow Canadian citizens. Back in 1972, letter bombs were sent from Amsterdam to the Israeli legations here in Ottawa and also in Montreal. The same year, four other letter bombs were sent to Canadians Jews in Toronto. In 1973, another letter bomb was sent to a rabbi here in Canada. In 1976, two armed terrorists bound for the Olympic Games were arrested by Canadian police. In 1979, two Canadians were injured by bombs which exploded in Rome, Italy.

There were three terrorist activities affecting Canadians or Canada in 1982. A Turkish diplomat was shot and wounded here in Ottawa. The same year, the Turkish military attaché here in Ottawa was murdered. Two industrial plants, one in Toronto and one in British Columbia, were bombed.

Last year, there were five different terrorist activities involving Canada or Canadians. A Canadian security guard was killed at the Turkish Embassy here in Ottawa. As well, there was a bomb threat which severely affected the Toronto subway. It has now been confirmed by an inquest held in India that the Air India flight was destroyed by a bomb that killed some 329 passengers, 90 of whom were Canadian children. Last year as well, two people were killed in Tokyo as a result of a bomb that exploded after it was found in baggage that was taken off a Canadian Pacific flight.

● (1820)

There was also the killing of Valinda June Leonard and her 16-month old son from Alberta by commandos who stormed the hijacked Air Egypt flight. Just this year, in addition to the case which I cited earlier, there was an attack on the Romanian consulate in Montreal by an armed gunman.

How do we deal with the terrorist activities which have been going on in our country? I was very pleased to hear the Solicitor General of Canada (Mr. Beatty) announce the formation of the anti-terrorist squad of the RCMP. Apparently it is to be a crack commando team which will be under police control, not under military control. It will be used to rescue hostages. Also, there was an indication from the Solicitor General that he would be beefing up security at our embassies, consulates and airports. At the same time, he indicated that Canada was making it quite clear that there would be no deals, no pay-offs, no ransom or no exchange of hostages with terrorists. As well he indicated that he intended to discuss with the media the question of ensuring that terrorists did not receive any special treatment or special publicity as a result of their activities.

In addition, I was very pleased to hear the Prime Minister (Mr. Mulroney) come out with sanctions against Libya after the attacks at the Rome and Vienna airports. However, other things can be done as well. The North America Jewish Students Network in Canada has suggested the establishment of a parliamentary committee and the idea of barring terrorists and their organizations from the country. Those are good suggestions but, as I indicated to the Minister of Justice (Mr. Crosbie) on February 4, I think that we should also review the Criminal Code, look at new penalties, look at new offences and look at the whole idea of restitution. At that time the Minister of Justice said that he agreed with me and that he thought we should be doing something about it.

I fervently hope that the Parliamentary Secretary will shed some light on the whole situation tonight and tell us that there will be some new penalties, some new offences, and that the whole question of restitution will be considered seriously within the context of terrorist activities, bomb threats and bomb hoaxes.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, when this question was originally asked, it was as a result of the bomb threat at the Ottawa airport, as my hon. friend pointed out. The circumstances of that case were very peculiar, but no doubt it alerted my colleague to the larger problem of terrorism. I should like to refer to the specific facts of that case. The comments of the originator of the alleged threat were later misinterpreted. He made no remark which should or could be the subject matter of a criminal prosecution. The individual misinterpreting and passing on the so-called threat did so in an honest but mistaken belief that he had heard the first individual disclose a plan to plant a bomb on an Air Canada flight. As a result of this confusion, although it was not in any way illegal and no charge could be laid, my colleague has pointed out before in the House the tremendous expense Canadian taxpayers had to endure in order to ensure safety of the Canadian travelling public.

I listened with great interest to the Hon. Member's concern about terrorism. Nobody with any sense of wisdom cannot be apprehensive that terrorism will arrive on our shores and that we have to be prepared for it. I know the Minister of Justice (Mr. Crosbie) is concerned about it. There are provisions in the Criminal Code right now in respect of false threats and in terms of circumstances where a person passes on a false threat to blow up an airplane or such. It may very well be the penalties are not sufficient, but they are being reviewed at this moment. I give my friend the assurance that we will take his submission seriously in order that we might head off any future problems.

[*Translation*]

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

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Tuesday, March 18, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am pleased to table in both official languages copies of recent Order in Council appointments. Pursuant to the provisions of Standing Order 103(1), these are again referred to the appropriate Standing Committees, a list of which is attached.

* * *

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the Table extracts from the minutes of the meeting of the Board of Internal Economy held on Wednesday, March 5, 1986, concerning revisions of the salaries of employees of the House of Commons for the fiscal year 1986-87.

* * *

PETITIONS

Mr. Speaker: May I remind all Hon. Members that all petitions must be certified prior to presentation.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. John Reimer (Kitchener): Mr. Speaker, as a Member of Parliament who is dedicated to protecting the lives of unborn Canadians it is both my privilege and honour today to present a petition signed by 349 individuals from Kitchener. These petitioners are deeply concerned and protest the continued operation of the Morgentaler Clinic in blatant disregard and defiance of Section 251 of the Criminal Code. My constituents request the Government of Canada to require the Government of Ontario to remove any and all restrictions which have been placed upon the police force of Metropolitan Toronto in laying the appropriate charges against the operators of this clinic.

REINSTATEMENT OF KATIMAVIK PROGRAM

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am pleased to present a petition, certified as required under the new rules, and signed by myself. It is from a group of Canadians who support Katimavik. They urge that the Government reinstate the program in sympathy with Senator Hébert.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I also wish to present a petition that has been certified as to form and content by the Clerk of Petitions and is signed by a large number of constituents from the riding of Gatineau who are asking for re-instatement of Katimavik, for the sake of the youth of this country.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to present a petition certified as acceptable by the Clerk of Petitions. The petition states, that in the opinion of the number of people who have signed this petition, the federal Government's decision to cancel the youth program Katimavik is a short-sighted budgetary measure taken at the expense of Canadian youth. The petitioners pray and call upon the House of Commons to reinstate, with full funding, the Katimavik program for the young people of Canada.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a similar petition signed by me and duly certified as being in order. It calls upon the Government to change its view with respect to Katimavik. It points out that the cancellation of the program, as I might say Senator Hébert is so eloquently pointing out—

Mr. Hnatyshyn: When your leader Pierre Trudeau comes to town you guys stand up, don't you?

Mr. Johnston: —himself, through his personal sacrifice, is a short-sighted budgetary measure at the expense of Canadian youth.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to present a petition that has been certified as to form and content by the Clerk of Petitions, in which petitioners ask the Government to reconsider its decision to drop Katimavik. This petition supports Senator Hébert in his effort to make the Government see reason.

[*English*]

Mr. Speaker, I also have a second petition which is duly in order as attested to by the Clerk of Petitions. It asks that the Government reinstate the Katimavik program in support of Senator Hébert's public protest against its abolition.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also have a petition that has been certified as to form and content. The petition also concerns Katimavik and states that the program was a success in training 20,000 young people who took part in the program in the last decade.

Petitioners are asking the Government to reconsider its decision to terminate Katimavik.

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a petition to present to the House of Commons in accordance with the new rules. It is signed by 29 people. The petitioners express regret with respect to the short-sighted budgetary measure which is being taken at the expense of Canadian youth through the cancellation of the Katimavik program. It calls upon the House of Commons to reinstate the funding of Katimavik in support of a program for the young people of Canada and in support of the demonstration which Senator Hébert is carrying out in the other place in support of youth.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a petition addressed to the House of Commons of Canada in Parliament assembled. It has attached to it the certificate of examination. The petition has been signed by 50 young people who describe themselves as the "Friends of Katimavik". They are all from the Kitchener-Waterloo area, an area where there are many students. They are protesting the Government's cancellation of the Katimavik program.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too have a petition which has been duly signed and certified in which constituents from the ridings of Gatineau, Chicoutimi, and certainly a number of areas across the country, call upon the Government to reinstate the program Katimavik, not "PC-mavik", which the Government seems to be intending.

• (1110)

[*Translation*]

—which was a success, because it was an education for 20,000 young people who took part in the program during the last decade and because of the important community projects that were carried out by these young volunteers in Canadian municipalities during that period.

[*English*]

I have a second petition also calling upon the Government to reinstate the Katimavik Program rather than PC substitutes, because all Canadians will be the lesser for the loss of a program that gave young men and women a chance to fulfil their potential and show leadership while helping others. I think this petition certainly moves in concert with the battle which is now being fought by Senator Jacques Hébert.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved for leave to introduce Bill C-286, an Act to amend the Official Languages Act (Parliamentary institutions).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, to remove all doubts and restore a measure of justice, I would like to introduce a Bill that is aimed at making the Official Languages Act apply specifically to Parliamentary Institutions, which according to an age-old rule as interpreted by certain people, are not bound by general legislation unless provision is specifically made otherwise.

According to this provision, the Act would apply specifically to the Library of Parliament and the permanent offices of the Senate and the House of Commons, while the private offices of Members and Senators would obviously be exempt.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 381 will be answered today.

[*Text*]

PURCHASE OF CANADIAN ENCYCLOPEDIA

Question No. 381—**Mrs. Cossitt:**

1. Since September 4, 1984, has the Department of Secretary of State purchased 27,500 sets of Canadian encyclopedias and, if so (*a*) at what cost to the taxpayer (*b*) for what reasons (*c*) to whom were they distributed (*d*) what was the name and position of the highest authority who approved the purchase?

2. (*a*) Was the contract let by public or invited tender (*b*) what were the names of the firms who submitted bids and, in each case, what was the amount of the bid (*c*) what was the name and address of each successful bidder?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Secretary of State and the Department of Supply and Services as follows:

1. In July, 1983, Treasury Board gave authority to enter into a contract with Hurtig Publishers Ltd. and subsequently a contract was awarded by the Department of the Secretary of State in March, 1984 to Hurtig Publishers Ltd. The Contract called for the supply in September, 1985 of 20,000 sets of *The Canadian Encyclopedia* (English version) to the Department of the Secretary of State. However, the Secretary of State has subsequently approved Mr. Hurtig's request to buy back at the original purchase price, 9,500 of the 20,000 sets purchased by the Department of the Secretary of State. A second contract was awarded to Les éditions internationales Alain Stanké Ltée. for the supply in 1986-87 of 7,500 sets of *L'Encyclopédie du Canada* (French version) to the Department of the Secretary of State. Payment for the encyclopedia is to be made upon delivery.

(*a*) The English version costs $62.50 per set and the French version $125. The total anticipated cost of the purchase and delivery of the 18,000 sets of *The Canadian Encyclopedia* is $1.7 million.

(*b*) The Deparment of the Secretary of State is committed to promoting a sense of belonging among Canadians of all cultures. The encyclopedia will make available a record of our achievements, environment and people in a comprehensive Canadian reference book. It will serve to increase knowledge about ourselves.

(*c*) Hurtig Publishers Ltd. requested that the encyclopedia not be distributed until the official release date of *The Canadian Encyclopedia* by Hurtig Publishers Ltd. on September 6, 1985. The encyclopedia will be donated by the Secretary of State as a comprehensive Canadian reference book to departments and agencies of Government, to university and college libraries, to Canadian studies organizations and to Members of Parliament and Senators. A number of copies will also be made available to the Government of Canada Gift Bank as gifts for dignitaries. It will further be distributed to youth organizations by the International Youth Year Secretariat, to foreign universities, libraries, consulates and embassies by the Department of External Affairs. The distribution plan is currently being finalized by officials of the Department of the Secretary of State.

(*d*) Treasury Board approved this purchase on the recommendation of the Secretary of State.

2. (*a*) No, the encyclopedia, which is Canadian in content, was developed, printed, and published by Hurtig Publishers Ltd., who possess sole proprietary rights; Stanké was authorized by Hurtig to publish the first edition of the French version, as a consideration for doing the translation.

(*b*) and (*c*) Not applicable.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

ALLEGED UNPARLIAMENTARY LANGUAGE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I gave you notice of this point of order prior to the commencement of proceedings this morning. I think this is our first opportunity to bring the matter to your attention. I would ask that you review the remarks of the Hon. Member for Bourassa (Mr. Rossi) contained at page 11558 of *Hansard*, remarks which were originally enunciated in French and therefore difficult for those of us who are not bilingual to pick them up. I suggest to you, Mr. Speaker, that you may find those remarks to be unparliamentary.

We are in some difficulty here. The Hon. Member has complained recently about remarks that are alleged to have been made about him. I suggest that all of us have to come to the House with clean hands and clean language. I do not think the Hon. Member for Bourassa has done so in this case. I think there were two infringements, at least in the English translation, of parliamentary procedure and parliamentary language. Naturally we are in your hands and you may decide whether or not you find them to be unparliamentary.

Mr. Gauthier: I rise on a point of order.

Mr. Lewis: I'm up on a point of order.

Mr. Gauthier: Point of privilege then.

Mr. Lewis: All right, I will yield the floor.

Mr. Gauthier: Could we at least know what page we are talking about? It is not normal for the Hon. Member to go on at length without telling the House—

Mr. Speaker: Order. Order, please. The Hon. Member has indicated—

Mr. Gauthier: It's only one rule—

Point of Order—Mr. Lewis

Mr. Speaker: Order, please. The Hon. Member indicated the page and I am listening to his point of order. I do agree that he should come to his point of order quickly. I believe he claims that it was on page 11558.

Mr. Lewis: I believe I began my remarks by saying that it was on page 11558. If I did not, I am sorry, but I—

Mr. Deans: You did.

Mr. Lewis: I think so.

Ms. Copps: Apologize, that's what you should do.

Mr. Nystrom: Resign.

Some Hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, we are naturally in your hands as to whether or not the remarks are parliamentary. I would suggest that to say: "No one in the political history of our country can equal the Prime Minister's expertise in back-stabbing" is unparliamentary.

Ms. Copps: Ask Joe Clark.

Mr. Lewis: I suggest that using the comparison to Judas Iscariot is also unparliamentary. Mind you, if you find the remarks to be parliamentary, then it would be open to those of us who want to use that kind of language to use it. I would ask the Chair to rule now or later at the Chair's leisure as to whether or not that kind of language is parliamentary.

Mr. Deans: Mr. Speaker, I rise on the same point. I certainly would be fascinated to hear your ruling, but I had thought that perhaps the Hon. Member was rising to complain about the fact that the Hon. Member for Bourassa (Mr. Rossi) was making reference to Members by their names as opposed to by their constituencies or titles.

Mr. Hnatyshyn: That's an additional point of order.

Mr. Deans: That clearly is out of order. I would be interested, and in fact fascinated, to hear just whether or not those kinds of references are considered to be out of order. They may not be kind or pleasant, but I was wondering if they were out of order.

Ms. Copps: Mr. Speaker, I rise on the same point of order. There has been a representation made with respect to whether or not the statement made by the Hon. Member for Bourassa (Mr. Rossi) was unparliamentary. It would have been nice had the Government Member had the courage to wait until the Hon. Member for Bourassa was in the House but—

Mr. Speaker: Order, please. Order. I would be glad to hear the Hon. Member on the point of order. Perhaps the Chair should explain that the Hon. Parliamentary Secretary indicated that he wanted to raise a point of order with regard to language. The Chair advised the Hon. Member that the proper procedure is to do this as early as he is aware of the situation. Therefore, there is only one time that it could be raised, I must say to the Hon. Member.

Ms. Copps: That is exactly my point, Mr. Speaker. I understand the Standing Orders to read that an Hon. Member is to raise the matter as soon as he or she is aware of it, unless I am misreading the new rules. The statement was made some time early in the day yesterday in French and unfortunately if the Hon. Member did not avail himself of simultaneous translation that is his problem. It seems to me that he should have raised the issue when it was stated yesterday and not today in some political sham to try to take away their own blame on the issue of slighting Italian Canadians.

Mr. Speaker: Order, please. I take it there are two points of order. One is with regard to referring to Hon. Members by name and not by constituency. There are two practices toward which we are moving and that is regrettable. One is the practice of calling Hon. Members by name. I must remind Hon. Members that that is contrary to our traditions and rules. I might take the opportunity to say at the same time that we are beginning to move closer toward referring to people as "you". This is a good time for me to remind Hon. Members that questions and answers should be put through the Chair.

Our practices with regard to complaints about language arising out of Question Period, whether they are in English or French, is that they are supposed to be raised at the end of the Question Period. Notwithstanding the representations made by the Hon. Parliamentary Secretary, I therefore would have to find that the reason we have the translation is so that Hon. Members will be able to do that and will be able to know what is going on. I must therefore find that the point was not raised at the time when it should have been raised which was at three o'clock yesterday. I am afraid that is all the Chair can do with that.

Mr. Lewis: Mr. Speaker, am I then to understand that the official translation of the House is when I hear it or when I read it?

Mr. Speaker: No, no. The issue of unparliamentary language or of disorder that is caused by unparliamentary language, in order to be dealt with by the Chair, has to be raised at the time. The issue of language, aside from what one thinks, and I have said some things about that, is whether a disorder is caused by that language at that time. That is the issue the Chair has to resolve. It is for that reason, in order that it be fresh in the mind of the Chair, that the matter should be raised as close as possible to the time it occurs. Otherwise, it is difficult to argue that a disorder occurred, if I may put that to the Hon. Member, because a disorder is not caused in print; a disorder is caused at the time, if there is a disorder.

• (1120)

Mr. Lewis: If you condone it, that is fine.

Mr. Speaker: The Hon. Member is asking the Chair to condone the language. The Chair would never condone unparliamentary language whenever it was used. However, the

Chair has been asked to rule whether it is in a position at this point to cope with a matter which may or may not have been unparliamentary at the time. Because of our practices, the Chair finds that it is not in a position to make a comment on that. Those are the rules.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—VIABILITY OF FORESTRY AND AGRICULTURAL INDUSTRIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order at this time because I believe this is the first day on which we will move a motion under the new rules dealing with opposition days. I put to the House that our intention in moving the motion today is in the hope that the Parliament of Canada might in fact agree that these issues are vital and that we could transmit the view of Parliament to the Congress of the United States.

The motion was written in traditional form; it condemns the Government. However, if during the course of the day it were deemed advisable by all Hon. Members that such a message could be transmitted to the Congress of the U.S., we would be willing to withdraw those words in condemnation or work out some other satisfactory wording in order that the message could in fact be sent as a clear message from the Parliament of Canada to the Congress of the United States.

Mr. Speaker: The House is aware that that is not strictly a point of order.

Mr. Jim Fulton (Skeena) moved:

That this House recognizes the dire circumstances faced by Canadian forest workers by impending legislative initiatives of the U.S. Congress and the equally dire circumstances faced by Canadian farmers as a result of the U.S. Farm Bill and condemns this Government for its failure to adequately protect the viability of these two vital sectors of the Canadian economy.

He said: Mr. Speaker, I am pleased to have an opportunity to speak on the forest issue in particular. Many Canadians forget from time to time that it is the largest industry in Canada by far. In terms of the agricultural industry, the Hon. Member for Prince Albert (Mr. Hovdebo) will lead off by referring to the problems which are likely to emanate from the legislation presently before the United States Congress.

I am pleased to see the Minister of State for Forestry (Mr. Merrithew) and the Minister for International Trade (Mr. Kelleher) present in the Chamber because they at least in so far as the government side is concerned, are aware of how dire the circumstances are becoming in the United States in relation to the forest issue. I am sure you are aware of the situation as well, Mr. Speaker, having attended similar meetings with our counterparts in the United States.

It appears that most Members of the U.S. Congress, both Republicans and Democrats, have now dropped the positions which they had historically taken on subsidies and on Canadian stumpage. It looks like the Seven Veils of Ali Baba are gone now. In fact, the Americans have made quite clear that they intend to move unilaterally with some kind of embargo action, very likely in May, this being a mid-term election year. I should like to deal with some of the things which have been said both in the American Senate and in the House of Representatives. However, before doing so, I want to talk a little about what has been happening on our side of the issue here in Canada in relation to the Estimates first, because it is symptomatic of how federal Governments and provincial Governments, one after another, have dealt with Canada's largest industry and have basically treated it as a milking cow. They have used it as a cash cow rather than reinvest any substantial amount of capital back into it.

We see in this year's Estimates that in 1985 the forest industry produced $25.9 billion and that the total for forestry in the 1986-87 Estimates is $217 million. That amount is far less than a 1 per cent return by the federal Government on the value of the industry to our economy. If we look at any other sector in the Canadian economy, we find that it is dramatically higher. The forest industry alone has again been chosen to bear an unfair burden in terms of the Canadian economy. Also in looking at the Estimates we see that there is in fact $14 million less for 1986-87 than there was for 1985-86, and that there has been an actual cut in person-years from 1,337 to 1,266. I think this indicates the priority which the Government places upon the forestry, even in terms of its own campaign promise in 1984. As recently as just a few weeks ago, it was again brought to our attention in Montreal in a story entitled "Name Minister, Forestry Group Asks Government". In part, it reads as follows:

The President of the Canadian Institute of Forestry says the federal Government should fulfil a campaign promise and set up a Department of Forestry. Jack Toovey said better forest management was a 1984 campaign pledge of the Conservatives but the industry is still awaiting the creation of a ministry.

"Many people resent the fact that we have only a Ministry of State for Forestry tucked away, like a franchise farm team, under Agriculture," Toovey said.

I certainly agree with that. It was an issue on which the Government campaigned strongly and forecefully in British Columbia. It was believed that in fact there would be some kind of new move in Canada toward a full ministry and toward bringing in a national forest act, something which has not been done as yet. However, at least I have a copy of the one which is circulating in the Department. There were many proposals. We should move ahead rather than spend five cents out of every dollar collected in taxation in relation to the forest sector on reforestation, silvaculture and so on. In fact, as we see in the 1986-87 Estimates, we will in fact move backward. It will be worse than it was under the years the Liberals ran our federal forestry.

I should like to return to the axe which is falling in the United States. It is really an ominous move, coming from both the Republicans and the Democrats. It has become a very

bipartisan issue, whether we are talking about how it is being handled in the Senate or in the Congress. In relation to hogs and fish, we have seen how the United States plans to move. Our Prime Minister (Mr. Mulroney) is down in Washington supposedly talking about free trade, freer trade or enhanced trade on these ever-shifting grounds of the trade issue. However, our American colleagues have advised us that they have no intention of moving with any speed on the issue of free trade. It will be several years in negotiations, as they pointed out. In fact, Sam Gibbons indicated that it will be 10 years, if they go ahead, before there is any substantial move in terms of free trade.

There are 300 protectionist Bills in the United States. The issues in respect of what is happening with Gibbons' Bill, Bonker's Bill, Larry Craig's Bill, Baucus' Bill, and all forestry related protectionist measures, should be receiving a much greater degree of attention by Members of the House in a multi-partisan way rather than the *ad hoc* approach of a little of this and little of that from our Embassy in Washington and through various trade connections in the United States.

I see the Minister for International Trade leaving the Chamber. I am sure he will be right back to hear me tell him very soon how to save the forest industry.

We have to get down to the brass tacks as a nation and deal with these protectionist Bills. The forest industry and its workers have spent $10 million down in Washington fighting the Section 332 investigation, dealing with the Department of Commerce, dealing with Members of the Senate, dealing with Members of the Congress and trying to do the job alone, while the Government of Canada is sitting idly by.

Just a few days ago I attended a Canada-U.S. meeting and Senator McClure from Idaho gave me a letter. I think it is worth reading part of it into the record today because it gives Canadians some idea of how deeply felt is the issue of Canadian penetration of soft wood forest products into the U.S. market. It is dated February 27, 1986 and read in part as follows:

Dear Mr. Fulton:

As we gather this weekend to discuss issues of mutual concern, I wish to bring to your attention a problem that is straining the long-standing relationship between our two countries: the record level of lumber imports from your country that is severely depressing the timber industry throughout the United States.

Talks between your Government and mine on this issue do not appear to be moving toward any acceptable conclusion. The longer that such negotiations continue without any resolution, the more likely it becomes that the Congress of the United States will take action to restrict your country's exports of lumber.

● (1130)

The day before that, I think as you may be aware, Mr. Speaker, in the U.S. Senate some very hefty proceedings took place, all related to Canadian wood. I must say that I do not take too seriously this particular process that went on in the Senate. I think what the Senate is saying and the steps it is taking have to be taken in the context of the manoeuvring the Americans are taking us into in May. In May when they do drop the guillotine, which they tell us they are going to do, they will point back to these kinds of things and say that they gave us lots of opportunity to do something. I know what we should be doing, Mr. Speaker, and I will be coming to that in a moment.

Let us take a look at what the special order in the Senate was on February 26, 1986. Senator Baucus was the first to speak. In a Special Order Session on Canadian Lumber Imports, he said:

Mr. President, today is a historic day for several reasons. One of them is because today the largest number of Senators are assembled here this morning in the history of the Senate to speak out under the special order section of the today's proceedings on one issue: that is, subsidized Canadian lumber imports. I repeat: The largest assembly of Senators to speak on one issue in the history of the Senate — 41 Senators.

It includes the leadership on both aisles: Senator Doyle, the majority leader; Senator Byrd, the minority leader.

It lists Senator Packwood, Senator Danforth, Senator Long and 11 members of the Finance Committee. He points out not only are there members from the Northwest, from Washington, Oregon, Idaho and California, but from every region.

We have that kind of information and material coming out through the U.S. Senate and the U.S. House, and we have a long-standing Bill of Sam Gibbons, which I hope I have a chance to deal with this morning because it proposes something that I think will be very difficult for us to deal with should the Bill be passed.

A year ago now, Dan Smith, the President of the Canadian Lumberman's Association, estimated the loss of 75,000 jobs should we cut to 25 per cent of the U.S. market, which was a proposal put forward by several members of the U.S. Congress.

Let us now take a look at how seriously the Government side takes this issue. I know the Minister of State for Forestry takes it seriously, but let us take a look in the Estimates at how serious is serious. On page 4-18 under the Canadian Forest Service, it reads:

Of particular concern during this period will be the current threat of United States' trade sanctions on Canadian lumber and the need to assure that access to this key market is not restricted. Approximately $500,000 and 14 person-years will be used for this purpose in 1986-87.

That is the kind of bell-ringing support we see coming from the Government side when Canada's largest industry is under attack from the United States.

There are two real problems at issue here. There is the supply crisis on our side, and the issue of what the U.S. may, or hopefully may not do in May of this year. Let me quote again from the Minister's Estimates: It reads:

The lack of systematic forest management in the past has resulted in a depletion of the forest resource. Canada's total area of productive forest land is about 220 million hectares. Of this amount, approximately 12 per cent has not been adequately restocked and this is increasing by 200,000 hectares, or almost 1 per cent per year.

It goes on:

Canadian exports of forest products are highly concentrated in a few market areas with 72 per cent going to the United States, 12 per cent to the European Economic Community, and 6 per cent to Japan. Consequently, Canada would be particularly vulnerable to the imposition of protectionist measures which would jeopardize exports and the Canadian share of the international markets.

The next is crucial, Mr. Speaker:

> Over the past 10 years, the rate of unemployment in forest industries has dramatically increased from 19.4 per cent to 36.4 per cent and has increased from 21.3 per cent to 41.5 per cent in forestry and logging operations, compared with the current national average of 10.4 per cent.

I went back through the rest of the Estimates to find out whether the Minister of Employment and Immigration (Miss MacDonald) or the Ministers responsible for Finance or the Treasury Board have bothered to read these vital statistics from the Minister of State for Forestry. There are no new programs to help those loggers who have been laid off or to help those saw-mill workers who are in a state of transition. There is no new money to help with the dire statistics which the Minister put on the record in terms of the growth of NSR land, not satisfactorily restocked lands.

Mr. Benjamin: It is something like the Department of Youth, no department.

Mr. Fulton: There are a few other figures we should have a look at. One-fifth of the forest land in Canada is in British Columbia, but one-eighth of the productive forest land in Canada is now NSR. It is not growing anything but a few weed species, perhaps there are cobblestones or the soil is running away or whatever. We have an area almost the size of the productive forest land in B.C. that is now NSR. That report comes from the Science Council of Canada.

Sweden, Finland and Norway, with one-quarter of the productive forest lands of Canada, produce the same amount of timber. We have to start asking ourselves what is going on. We are now getting our telephone poles from Finland, and our railway ties from Malaysia. We have three million hectares of NSR land in British Columbia growing at a rate of 50,000 hectares a year. Not only that, and let me say both to this House and to the U.S. Congress about one of the problems being faced in the largest timber producing region of Canada, British Columbia, we have lost 20,000 permanent forest industry jobs in B.C. due to hydro flooding and the setting aside of reserves for further flooding. We are going to lose, between now and the year 2000, 30,000 more jobs in the forest sector because of log exports at new and unprecedent heights. We have already lost 31,000 jobs as a result of the one-third fall-down effect we have had already. We are going to lose more as we face further fall-down effects because our reforestation process is so bad, so dismal.

Let us take a look at an article called "Canada's vanishing forests". Let us take a look at the history of what the federal Government response has been to the largest industry in Canada. I quote:

> In 1983 forestry accounted for an $11.7 billion foreign trade surplus, twice as large as the revenue produced by agriculture and exceeding the combined revenue from mining, coal, petroleum and natural gas operations.

But what went back? Less than 5 cents on every dollar did. That is true at the provincial levels and true at the federal level, Mr. Speaker.

Under a section headed "Lunatics", a good strong parliamentary word, we find the following:

> According to the Science Council of Canada, between 1979 and 1984 the federal Government spent only $80 million on domestic reforestation and $430 million for reforestation aid to the Third World. Said Jack Walters, a professor of forestry at the University of British Columbia: "They are lunatics."—
>
> Currently, there are 50 to 60 million acres of logged and unreforested land in Canada. And that figure is growing. Indeed, each year Canadian forests are reduced by almost 2.5 million acres—an area approximately the size of Prince Edward Island.

We have an incredible growing crisis of supply right across Canada.

Let us take a look at where the Government is going and how we should be responding to the threat on the fast track south of the border. We know that the Prime Minister is not on a fast track anywhere in Washington today. There will be nothing new on acid rain. As a matter of fact, if that particular pact is signed, it will not benefit our forests at all because it is just for further research in the United States. That alone is costing us several hundred million dollars a year in lost forest resources in Canada, and that is not even talking about sugar bush and other associated things, just forest growth.

We have lost 20,000 jobs in the industry since 1982 in B.C. Twenty per cent of British Columbia's labour force is in the forest industry and service jobs, 75 per cent directly in falling, bucking and hauling and so on, and 150,000 in forest industry service jobs. Seventy-five cents out of every dollar paid to forest industry and service workers in British Columbia comes from exports. That figure stands true in a number of areas in Ontario and the country.

Let us deal with the U.S. issue. Presently we hold 34 per cent of the U.S. softwood market. That is 60 per cent of B.C.'s production. It is an issue of penetration. If one spends enough time talking to Sam Gibbons, Max Baucus, or any of the other Americans, after a while they finally admit that the issue is penetration. It is true that the amount of the market which we hold has increased marginally in the last few years. In 1979 we held 27.5 per cent of the U.S. market. However, as the Canadian dollar has fallen, it has tracked exactly the increase in the amount of the U.S. market we have to 34 per cent of today.

• (1140)

We should be getting the message to our American friends not to go the Smoot-Hawley route, the protectionist route. We should mobilize a large force of Canadians through trade consulates throughout the United States where Americans are running on this issue at a grass roots level. We must remind them that two million Americans are directly employed producing export goods for Canada. In the last eight years they have increased their share of our market in home appliances from 45 per cent to 95 per cent. The Americans are penetrating the markets for semifinished and manufactured products at an unprecedented rate.

We should be getting the message to Democrats and Republicans throughout the United States that if they start blocking our wood products they will unfairly, and illegitimately, under international law, punish Canadian workers and the Canadian economy. We must get our people to the United States to

explain to the Americans that they are getting good dollars out of our economy and should allow us to get our fair share with our raw resources as well.

Mr. Tobin: Mr. Speaker, I would like to congratulate the Member for bringing this matter to the attention of the House today and for raising it as forcefully as he has. He has done a service, not only to his own province and the people employed in the B.C. forestry industry, but to the country. Forestry has far too long not been given the recognition it deserves in terms of its contribution to the economy of the country.

One of the matters which has troubled me with regard to this debate during the last number of years, and particularly during the last 12 months, is a long-standing attitude of the Government that there is protectionist pressure south of the border vis-a-vis Mexican oil, Japanese cars, and many other products, and that Canadian lumber was caught up almost by accident in the protectionist flight of fancy which is occurring south of the border. For a long time that was the Government's position, both within this country and in its posture with the American administration and legislators.

As recently as July, 1985, the Minister of International Trade was talking about a possible exemption for Canadian lumber in protectionist legislation. He put the case publicly in the business section of *The Ottawa Citizen* that Canada was simply being caught up in a protectionist trend and that we should not worry because it has not been targeted at us. The Americans now have a Bill entitled "Limitation on the Importation of Canadian Softwood for Five-Year Period". I do not know what could be more direct.

Does the Member believe, as I do, that we have been fiddling while Rome—being the jobs in that industry—has been burning, and that the Government's posture has been much too soft?

Mr. Fulton: The Member has asked an important question. There is every variety of Bill one could possibly want. Larry Craig has proposed a tariff of 10 per cent. Jim Weaver has proposed a 25 per cent limit. I think the U.S. Congress will use the vehicle of Sam Gibbons' Bill, H.R. 2451. One of the main concerns which Canadians had was that handling the transportation costs were going to be included. Sam Gibbons always liked to talk about leveling the playing field. As a result of the 332 investigations and the work done by the Canadian forest industry in providing good quality material to the various trade people in Washington, he realized that was unfair because of the nature of our two forestry regimes.

The politics of the issue is changing. The Weavers, the Bonkers, the Baucuses, and the Craigs are no longer alone. They have some very strong spokespeople who are no longer silent, including people like Sam Gibbons who says that something is going to happen in May. All 300 of these protectionist Bills will not move, but lumber is very high on that agenda.

I said a year ago in this House that we should be hiring a major group of well-informed Canadians related to the forest sector to be spanned out through the United States to deal with the issues of subsidy, stumpage, and so on. It would be basically on informational process. We can identify very quickly those 2 million Americans who are employed full time producing goods which come into the Canadian market. They are a good group to target.

We did a good job in targeting the National Home Builders' Association which pointed out that the cost of homes in the United States would go up if there was an embargo on Canadian SPF because it is consumer preferential in the United States. American contractors and home builders preferentially buy SPF because it is stronger, better for rafters, joists, studs, and most basic construction. It is certainly far better than southern yellow pine for most of those processes.

As the Member who asked me the question knows very well, in some areas of the United States this is a very hot domestic issue. Mack Mattingly, the Senator from Georgia, made that very clear to us at our recent meeting. He indicated how difficult it would be for me to stand up during an election campaign and say that it is good that 50 per cent of the housing starts in Prince Rupert are being built with southern yellow pine from Georgia when I have buckers, fallers, skidder operators, and independent truck-loggers lined up outside my constituency office. Fifty per cent of the wood used in the State of Georgia in 1985 was from British Columbia. That is a tough grass roots issue for a Senator or anyone else running in the American political system to deal with.

However, an intelligent approach by Canada with regard to our largest single industry would be to fan out respected trade representatives through those states and get the information to those workers who produce goods and have penetrated Canada's economy. We must remind those people in Dallas who make coffee pots, toasters, and refrigerators of what happened with Smoot-Hawley, the wood related issue which brought about the depression in the 1930s.

We must get quality information into the United States, and we have very little time left. The Minister of State for Forestry (Mr. Merrithew) has allocated 14 person years to deal with it. That is not enough. We have to deal with the false, albeit well-intentioned, representations of people like Bonker, Craig, Weaver, and Baucus who are mis-stating the facts with regard to subsidies, Canadian stumpage policies, and the rates of penetration. There is all kinds of good, bilaterally agreed upon information available, but if we do not disseminate it, and if the U.S. Congress proceeds in May, even if they intend it to be only for a short term, it will do no good. The Canadian Lumbermen's Association says 75,000 jobs will be lost.

In summary, Mr. Speaker, the three political Parties in this House are not taking this issue nearly as seriously as it has now been presented to us as Canadian legislators. They have told us point blank out front, and these are Republicans and Democrats from the Senate and the House who are friends of Canada, that this is a powerful domestic issue. There does not seem to be any quick and easy way to handle it, and that they are going to legislate it, and are going to do so in May. They say that we may as well know they are going to do it. They are not going to give us any more steam and hot air on subsidies and stumpage. The seven veils of Ali Baba are gone. It is a

hungry, nasty, political face that we are looking at down there in terms of looking for ballots to go in boxes. The way we can stop it is by a highly mobilized—it may be very expensive but we have a couple of months to do it—good group of forestry representatives in every state in the United States; get them in Alaska as we do not need to worry about Hawaii right now. There are 49 states we have to deal with and only about a dozen that are very, very serious. It is the only way we can do it. It is an issue of penetration, it is a bilateral issue, and if we do not do something pretty soon our largest industry that now employs a million Canadians may very quickly become our smallest industry.

• (1150)

Mr. St. Germain: My greatest concern, and as the Hon. Member for Skeena (Mr. Fulton) knows, is that the issue we are addressing logically has to be first and foremost in the minds of all Canadians, but especially British Columbians. The thing that I question is that the Hon. Member has this concern and speaks of a balance and gaining the confidence of the Americans, but as a Member of Parliament from western Canada I feel we have to deal with the United States of America in a broader spectrum, and quit criticizing them. I am asking him why his Party and a lot of his Members who sit over there, as well as some of the Liberal Members like the Member from Winnipeg-Fort Garry (Mr. Axworthy) are so critical of the Americans, criticizing them on every issue that they possibly can. I have run businesses and have never criticized my customers. These people are our best customers. I would like a short answer from the Hon. Member as to why they continue to knock the Americans when they need the Americans so badly?

The Acting Speaker (Mr. Charest): A very short answer.

Mr. Fulton: Mr. Speaker, my view is that Canadians should never be a door mat to the United States. If you look, for example, at the boundary issues in my constituency you realize pretty quickly that the nicer we are the less we get. What have they ever done on acid rain? What have they ever done on toxic waste in Niagara? They do not do anything. If you do not legitimately criticize people you get nowhere.

Mr. St. Germain: There you go again criticizing. Sit down.

The Acting Speaker (Mr. Charest): Debate.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, in the midst of the echoes of the conflict across the floor of the House of Commons with respect to what our position should be, vis-a-vis the Americans, I would attempt to make a few comments on this motion today by the New Democratic Party in the name of the Member for Skeena (Mr. Fulton). I said a moment ago that I supported the motion. I think all Members would support a motion recognizing the dire consequences faced by Canadian forest workers as a result of the pending legislation in the U.S. No matter what side of the House we sit on we would endorse a motion that would seek to draw the attention of the Members of the House, indeed all Canadians, to the importance of that industry to workers in this country, a million people in all, directly and indirectly. I had not intended to address the matter raised by the Member opposite, but I cannot help but say a few words.

It seems to me that if Members of the Government are suggesting to Canadians that the way we do business with the United States is to take a position of simply echoing in every circumstance U.S. foreign policy, and therefore they will buy more lumber, then that is precisely the suggestion that has been made, that Canada sell her sovereignty, give it up totally in exchange for our ability to sell goods and services. I do not think many Members of the House, including Members on the government side would support that kind of approach to our relationship with the United States. It must be a relationship of mutual respect, mutual interest, and at times we must mutually agree to disagree. I do not think we can begin this debate by saying the reason we are having trouble with lumber is that we occasionally disagree with the U.S. position. I do not think Members in any of the Parties in the House would endorse that kind of position. That is not the debate here today.

The Government of Canada has been slow initially to recognize the seriousness of the situation we are seeing develop now in the U.S. Congress. They either have been slow to realize the seriousness of the degree to which U.S. legislators are prepared to go or, if they had recognized how serious the problem was they were slow to publicly acknowledge it. Whether or not they were slow, at this stage I think that as Members of Parliament we can say that all Members of the House on all sides, including Ministers of the Crown, recognize we have a problem.

As many as 75,000 jobs in Canada's lumber industry, primarily in British Columbia, are now in jeopardy. The assessment of the Member for Skeena is that as the snow melts and as the weather warms up we can expect to see a deep freeze placed on Canada's ability to export to the United States. That is a serious and sober assessment of what is happening south of the border. The Member has made an appropriate recommendation and suggestion to the Government. This may not be the most palatable comparison, but as a Newfoundlander I remember well the debate on the seal hunt. I remember well going to Europe with facts and figures. We left our hearts on the doorstep at home, left our emotions and went with a series of statistics about numbers, people's livelihood, the irrational trade view approach being taken by the EEC parliament and being confronted, after the committee meetings were over and we were having a glass of wine together over a meal, by European parliamentarians saying to us about the seals: We know you are right, we know that our Bill is irrational, we know the seal hunt is not in danger of extinction, but brother, my voters think it is. My voters are going to send me out of this place unless I vote to ban your seal hunt and the import of seal fur.

The same kind of situation occurs in the United States. I think we can go down as parliamentarians and engage in a discussion in that country with other legislators and we can set

out the parameters of this problem. We can deal with it in rational terms. We can dredge up the report of the International Trade Commission, which properly investigated the whole matter and came to a determination that, indeed, there was no unfair subsidy existing. We could set aside complaints by the U.S. industry and legislators that Canada's forest lands are owned by provincial Governments and that that constitutes some kind of subsdidy by pointing out that that is a jurisdictional question and a question of sovereignty.

We could look at the position of the Canadian dollar vis-a-vis the American dollar and see logically that that has given us an increased opportunity these last number of years to export our products, be it lumber, fish or iron ore. As legislators we could agree that the Bills that are being put forward by Mr. Weaver and Mr. Bonker and others are not well founded in fact. They are a political response to their constituents at home. They represent shortsighted one-dimensional trade position that ultimately could have the kind of ramifications that the Member for Skeena (Mr. Fulton) suggests, that is, a trade war, the restriction of products from U.S. into Canada and from Canada into the U.S.

What the House needs to do, and what the Government of Canada needs to do, is continue to make the U.S. administration aware that we view this issue as not just a serious issue, but an extremely critical issue in this country. It is an issue for which there can be no negotiations in this country. We are not prepared to trade off 75,000 jobs in the forest industry to get a free trade agreement. That is not on the table.

● (1200)

In addition to doing that, we have to go to the constituents of those legislators who have put this draft legislation before the U.S. Congress. If the Government of Canada is not prepared to put its money where its mouth is and allow a non-governmental coalition to do an education job, because that is what we are talking about, then it will have refused to fight the first battle and will have lost the war.

The Canadian forest industry, in its contribution to our balance of trade, represents more than the fishery, the agricultural industry, the mining industry and, now more than ever, the oil and gas industry put together. Directly and indirectly it represents one in 10 jobs. Once you move away from the manufacturing belt along the border, particularly in Ontario and Quebec, the forest industry becomes the backbone of regional and local economies. Those who are listening to this debate and who live in the pulp and paper town of Stephenville in my riding, or in the pulp and paper town of Kenora in northern Ontario, or similar towns in Quebec, should not kid themselves that this is primarily a British Columbia issue. It is not. The workers of British Columbia are on the front line of a trade protectionist stance being adopted south of the border. If that stance is not blunted now, then those of us who make our living in the pulp and paper industry outside of British Columbia are going to be next. If they can rationalize this stance based on the stumpage system in this country, provincial ownership of forestry lands and a low Canadian dollar, the Americans will be very quick to come to the conclusion they can rationalize restricting all other Canadian forestry products in the same manner.

This House needs to adopt a non-partisan approach to this issue. As I say, I believe the Government was slow—perhaps many of us were slow—in recognizing just how serious this issue is. We were slow in recognizing just how determined this lobby south of the border is, just how bereft of real information American citizens are about the consequences of setting up these kinds of trade barriers.

Having said that, surely it is the responsibility of the Government to provide the means, that being money, and the responsibility of all parliamentarians to provide the support, for representatives of this industry to go down to the U.S. and begin the intensive education process among American citizens so that they can take the political pressure off the legislators who are putting these Bills forward. The stark reality is that those legislators fear for their political lives. This legislation is not motivated by or grounded in a sound trade position. It is motivated by and grounded in a desire on the part of those U.S. legislators to be re-elected. Those of us who have had the opportunity to go to Washington know that. They acknowledge it privately.

I view this issue as being important enough that I would rather spend my time in this House endorsing a Government policy to provide the means required. I understand the nervousness on the part of the Government about being accused of politicking in another country's jurisdiction and so on. Yet the previous U.S. Ambassador, Mr. Robinson, was never reluctant to let Canada know how the U.S. administration, let alone the American people felt about FIRA, or our defence policy, or our providing incentives to business, or our regional economic policies. If the representative of the U.S. President in Canada can exercise that right, sometimes on matters that were purely domestic Canadian issues, then surely the Minister of International Trade would agree that on a matter which directly impacts on Canada and as many as a million Canadians we ought not to be nervous or reluctant to make the means available to go directly over the heads of the U.S. administration and legislators to the American people. We have to make them fully understand the consequences of an attempt by the U.S. Congress to pass this kind of legislation.

There is a constituency which exists in the U.S. and which can assist us in making our case. There is a coalition of U.S. home builders, a number of newspapers, unions, railroad companies and others who have already announced their opposition to this kind of trade legislation. We have other allies there. It is the job of the Government, in a more substantial way than has been the case, to go down and work with that coalition. It is our job to put whatever resources are necessary at the disposal of an appropriately developed organization to make Canada's case. If we do not, the lumber industry in this country will suffer the same irrational fate as the seal hunt. There is not a thinking, honest Member with an ounce of integrity in this House of Commons who truly believes, given the facts, that the seal hunt had to be banned to save the

species. There is not a thinking, honest member of the EEC Parliament with an ounce of integrity, given the facts, who believes the seal hunt had to be stopped to save the species. There is not one member of the EEC Parliament who, given the facts, believes that the seal herd was in any way in danger. But those EEC parliamentarians voted to ban the hunt nevertheless, because that was the view being expressed by their constituents who had heard only one side of the debate.

● (1210)

I was a member of the previous Liberal administration that in my view was wrongly advised to confront the protest organizations on that issue head on rather than going over their heads to the people who were being targeted by those protest organizations. Instead of a name calling exchange with Greenpeace, or whoever it might have been, the Government of the day would have been much wiser to go directly to the public of Europe with solid information and unemotional appeals. That approach was not followed vigorously enough in order to blunt what happened.

We learned a lesson as a result of that, despite our good intentions. Let us apply that lesson to what is happening with our forest industry today and take whatever means are necessary to speak directly to the American public. It is only in that way, with the determination to do the job right and use whatever means are necessary to make the case, will we be able to lift this cloud of uncertainty from over the heads of Canada's forest workers and, inded, an industry that has not had the best returns in the last six years that one would like to see.

[*Translation*]

Mr. Fontaine: Mr. Speaker, today I heard the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) defending the interests of our forests and the forestry industry in Canada. I wonder how he can reconcile his party's attitude over the last twenty years with the statements he made today.

When the Liberals were in power, they promoted rapid and uncontrolled harvesting of our Canadian forests. At the time, you were granting subsidies aimed exclusively at supporting the cost of cutting, transporting and sawing lumber. At the time, it did not occur to you that Canadians would be better off with having the right balance between harvesting and renewal of our forests, but renewal was not one of your concerns. Reforestation provides a return in sixty or eighty years, and so it was not politically attractive. Here, as in other areas, you preferred to be consumers of our natural resources. You failed to consider the need for renewal.

I would therefore ask the Hon. Member why this Government failed to respect the natural balance, except in a few marginal cases, and why his Government, and this cannot be denied, always promoted exports of our raw materials and never helped to establish, on a national basis, the processing plants we need to upgrade and enhance the value of our forest resources in this country.

It is useless to protest against the U.S. threat. You should have done so years ago and planned for the future, because in forestry, one must plan 60 years ahead.

[*English*]

Mr. Tobin: Mr. Speaker, the only word I can use to describe the Hon. Member's intervention is "sad". We are in the House today to discuss a motion which simply states:

> That this House recognize the dire circumstances faced by Canadian forest workers by impending legislative initiatives of the U.S. Congress and the equally dire circumstances faced by Canadian farmers as a result of the U.S. Farm Bill and condemns this Government for its failure to adequately protect the viability of these two vital sectors of the Canadian economy.

We stand in the House today in the hope of sensitizing Canadian parliamentarians and, through them, the people of Canada, to the situation facing Canada's forestry workers and to the real dangers to an industry that employs a million Canadians.

It is tragic that when I give a speech asking the Government to allow this to be a non-partisan issue so that we may work together to develop a means to prevent this threat, a Member who obviously knows little if anything about the forest industry is only motivated to stand on his feet and simply berate us and question what we did for 20 years. It is tragic that the Member, having heard the discussion, could not address the plight of Canadian forestry workers or what action we ought to take as a Parliament to find a remedy to that threat, but could only ask what we have done for the last 20 years. Is it not possible, in the so-called spirit of reform, that there are some issues of national importance about which Members could stand and participate in a constructive debate in the House? Is it not possible that we could put aside our partisanship on some issues, as we are learning to do in legislative committees, in order to write better Bills and assist the Government in formulating policy to deal with problems, rather than worrying about being blamed for mistakes?

It is not my purpose to stand here today and assign blame. Despite the comments of the back-bencher, I believe that the Ministers who are sitting in the House today are aware of the gravity of this problem and do not dismiss our concern as mere criticism of the Americans again. I believe Ministers are so aware that they probably spend much of their time trying to address the problem. I hope the reason they are in the House today is not to defend themselves—at least as far as my comments are concerned, because I do not intend to attack the Government—but to sense the consensus and the will of Parliament and the people of Canada to use all the legitimate means at our disposal to support our forest industry and the people employed in that industry.

Therefore, the Hon. Member's question is not worthy of comment except to say that he ought to pay more attention. Perhaps, as he spends more time in the House, he will sense the tone of Parliament and that on occasion Parliament can be a place where we can work together in mutual recognition that Canada's interests are at stake, and that we ought to make our best effort as parliamentarians to defend Canadian industry and Canadian employees in their time of need.

Mr. St. Germain: Mr. Speaker, I do not believe that our Government needs to be lectured by the Hon. Member in regard to the gravity of the situation. I firmly agree with the Hon. Member that this should transcend all political barriers and should be dealt with in a manner that is beneficial to all Canadians. I only want him to do one thing for the House. I want him to speak to his leader and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and ask them to stop criticizing the Americans.

If we are going to make any deal it will have to be done through conciliation, consultation and good sound business acumen. The actions of his leader and some members of his Party, as well as some members of the socialist Party, essentially destroy anything that could be construed as good business acumen. I simply ask him to speak to those Members so that we may get on with establishing a good sound footing to deal with softwood lumber and whatever other products may be involved.

• (1220)

Mr. Tobin: Mr. Speaker, I wish to say to the Hon. Member who has just spoken, and to repeat what I said a few moments ago, any type of relationship, in particular a relationship between sovereign nations, is based on mutual respect. Running the Government of Canada is not like running a corner grocery store where one gives the guy who delivers the bread a break on a pack of cigarettes and he counters with a break on transportation costs for delivering the bread. That is not the way it is done. Canadian foreign policy is not negotiable or subject to blackmail on the basis of trade laws in the United States. We do not make foreign policy based on what actions may or may not be taken in the United States vis-a-vis our trade practices. The second one walks around with that notion in one's mind one has gotten rid of the whole question of sovereignty and the fact that we are a sovereign state. The second it is believed that that is the way business is done, even with respect to the question of threatened restrictive practice by way of legislation to Canadian lumber, we might as well make an application to become the fifty-first State. I would suggest that even some States maintain more sovereignty than that.

I do not believe that the Secretary of State for External Affairs (Mr. Clark), if he were here in the House, or the Minister for International Trade, or the Prime Minister or the Deputy Prime Minister (Mr. Nielsen) would endorse the comments which have just been made by the Hon. Member opposite. With sober second reflection, and after having examined the proposition which he has just put forward, I do not believe the Hon. Member would say that sovereignty is a barter proposition.

Mr. St. Germain: No one said that!

Mr. Tobin: I do not believe that with sober consideration he would even endorse his own comments. Canada is not up for sale; we are a sovereign nation. As the Hon. Member for Skeena said, we are not a doormat for anyone. It is not just a question of being someone's doormat; we are a sovereign and proud state whose policy, foreign or otherwise, is made with our conscience and with what best represents the views of Canada in terms of the criteria, morals and principles of the country in mind. It is not made in terms of what will get us another buck because of a threatened boycott south of the border. That type of politics is cheap and is below any suggestion seriously made by any Member of Parliament who has any notion of sovereignty.

The Acting Speaker (Mr. Charest): Order, please. Resuming debate with the Minister for International Trade (Mr. Kelleher).

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I think I can say with some certainty that nobody in this House is more aware than I am that Canada faces serious and continuing problems in preserving our access to U.S. markets for our lumber and farm products. I have spent a good part of the past year and a half fighting a running battle to keep that market open. So far it has remained open.

Some Hon. Members: Hear, hear!

Mr. Kelleher: I am more than a little surprised that Members on the other side of the House can maintain straight faces when they accuse the Government of ignoring the issue of access to the U.S. market. We are the only Government in recent history to give it the attention it deserves. We are the ones who proposed bilateral trade talks with the United States for the express purpose of securing and enhancing that access. Where is our Prime Minister (Mr. Mulroney) today? I believe all Hon. Members know that the Prime Minister is in Washington at the Shamrock II Summit talking about, among other thing, access.

Some Hon. Members: Hear, hear!

Mr. Kelleher: So I suggest that it is this Government which is moving to resolve our problems of access. We are doing so in spite of, and certainly not because of, the efforts of the Opposition.

Perhaps I should start out by explaining a few facts of life to Hon. Members who have just honoured us with their comments. The first fact is that despite its great dependence on Canada the United States is still a sovereign nation. We are not yet in a position to dictate to its Congress on trade matters. The second fact is that the United States Government is organized somewhat differently from ours. Down there they have a separation of powers; Congress acts independently of the administration. The third fact is that Canada does not have diplomatic relations with the U.S. Congress. We have informal relations which are, for the most part, warm and friendly. However, our only formal diplomatic relations are with the administration, and those are excellent. The fourth fact is that the U.S. administration is known for its opposition to protectionism everywhere, including the U.S. Congress. However, that protectionism still exists, and it threatens Canada on a great many fronts.

Let us consider some of those fronts. In recent years maritime potato farmers have had their access to the U.S. market threatened by an anti-dumping action. The U.S. Department of Agriculture is currently considering a proposal which would reduce by more than one-half the number of customs ports on the Maine border through which potatoes can be exported. This action is transparently protectionist in its intent.

Canadian hog farmers are faced with a countervailing duty on their exports to the U.S., a measure which depresses prices for all sales on the Canadian market, thus reducing returns to the farmers. There is not only that to consider but one of the states, the State of South Dakota, has arbitrarily imposed what amounts to an outright embargo on the imports of Canadian livestock into that state.

Manufacturers of food products containing sugar have had their access to U.S. markets severely curtailed by quotas. British Columbia raspberry growers have been hit in succession with anti-dumping duties, the threat of countervailing duties and an assessment imposed by the State of Washington. Over the years our beef producers have had their access to the U.S. market curtailed as a result of trade restrictive action under the U.S. Meat Import Act.

As regards lumber, Members of the House are all too aware of the intensity of the protectionist pressures in the U.S. aimed at restricting our access to a $3 billion per year export market. These threats are not new. In recent years our lumber exports have been subjected to two investigations by the U.S. International Trade Commission, and yet another one, of extraordinary complexity, by the Department of Commerce. None of these investigations by U.S. agencies under U.S. laws provided any substantiation for the persistent myth that Canadian lumber exports are subsidized. They all found there was no subsidization and that Canada was trading fairly.

This Government came to office a year and one-half ago determined to put our relationship with the United States on a better basis. The record is one of solid achievement. Trade featured prominently in the Prime Minister's discussion with President Reagan in Quebec City. The trade declaration which was released one year ago today reflected a firm commitment to halt protectionism in cross-border trade in goods and services and established an ambitious work program aimed at reducing and eliminating existing barriers to trade. While protectionist pressures are strong in both countries, both Governments can take some satisfaction over a creditable performance in avoiding introduction of new trade barriers.

In addition, we have made some progress in resolving irritants and removing impediments to trade. For example, we have made fundamental changes in foreign investment policy and the national energy policy. The U.S. has moved to terminate restrictions on exports of oil to Canada permitting a more rational allocation of energy resources. Both Governments have taken action to eliminate tariffs on computer parts. This record of achievement provided the basis for the Government's decision, announced in the House by the Prime Minister last September, to pursue a new trade agreement with the United States.

I would suggest that the resolution we are debating today is evidence that the "New Dinosaur Party" or, if you will, the "New Demagogue Party" is desperately trying to have it both ways. They accuse us today of not doing precisely what they attacked us for doing yesterday, trying to secure and enhance access for all Canadian exports to our most important export market.

• (1230)

Maybe a good sign, from which I can take some encouragement is that Members opposite are waking up to the fact that the constant threats of trade restrictive action are extracting a heavy price, not only in the legal costs to defend against these actions but in the investment climate in Canada. May I also take it that this resolution reflects a belated recognition of the fact that we need a better set of rules for the conduct of our trade and economic relations with the United States, or is that too much to assume?

I might add that the protectionist threat extends beyond lumber and agriculture. Other products currently threatened by trade restrictive actions include fish, shingles and shakes, castings, fork-lift arms and uranium. The Government is taking each of these threats seriously and is working closely with the affected producers and provincial Governments concerned to safeguard our access to the U.S. market.

Let me talk for a few moments about the specific threat posed to lumber by Bills before the U.S. Congress. My colleague, the Minister of State for Forestry (Mr. Merrithew), will discuss other aspects of the lumber issue. It is quite obvious that Bills now under consideration in the U.S. Congress would, if implemented, impose unacceptable costs to the Canadian economy. Indeed, they could imperil the whole Canada-U.S. trading relationship. I can understand the basis for the concerns of the U.S. Congress, and my hon. friends have alluded to that.

The American lumber industry has experienced a protracted period of unprofitable operations. The result has been closures and layoffs. These problems are not unique to the U.S. There have been shutdowns and layoffs in Canada too. Only a market turnaround will provide a solution to that problem. In this environment, it is easy to understand the concerns of the U.S. Congress for the American lumber industry. What I cannot accept is that Canadian lumber should be made the scapegoat.

Our access to the U.S. market has been bought and paid for in previous rounds of miltilateral trade negotiations. It has taken time for Canadian producers to establish their position in the States. They have done so by being competitive and providing a product the customer wants.

There are now about a dozen Bills before the U.S. Congress designed to restrict entry of Canadian softwood products. The one that is the most serious threat is the one introduced by the representative from Florida, Mr. Sam Gibbons, the Chairman of the House Sub-committee on Trade. The Gibbons Bill is most likely to be rolled into an omnibus trade Bill.

The Gibbons Bill and a companion Senate Bill sponsored by Senator Baucus would modify U.S. countervail law to deem that a subsidy existed where Canadian stumpage prices, the price a lumber company must pay the Government for cutting down a tree on Crown land, fell short of an arbitrary figure based on American stumpage prices.

I can assure you, Mr. Speaker, that the Government is taking the threat posed by these Bills very seriously. One of the things we have been doing is dealing directly with the author of the Gibbons Bills. I first met with Representative Gibbons in Washington in June of last year and set out our position with respect to his proposed legislation and the situation facing the North American lumber industry. At my invitation, Mr. Gibbons and a Congressional delegation visited Vancouver for a briefing by industry and Government, both federal and provincial, on Canadian forest management policies. The Hon. Member for Skeena (Mr. Fulton) is well aware of this meeting. He was there along with other Members of the House.

In response to a suggestion made by Representative Gibbons at the conclusion of the meeting, I provided him with detailed written comments on his proposals. That critique clearly demonstrated the basis of our opposition to the concepts embodied in his proposed amendments to U.S. countervailing duty law.

In addition, a comprehensive and well co-ordinated Canadian campaign of private and public diplomacy has been maped out and has been under way for some time. This strategy runs along the following lines. First we are trying to neutralize the U.S. campaign of misinformation. We are doing this by actively disseminating in the United States the Canadian perspective on this issue, by ensuring that the administration understands our position and by conducting a co-ordinated campaign in Congress.

We are also gaining allies in the U.S. by alerting American constituencies that would suffer from restrictions on lumber imports. Among those, of course, is the housing industry. The campaign involves the co-ordination of a large number of players including the Embassy, all 13 Canadian Consulates and the Washington representatives of Canadian industries and federal and provincial government Departments.

The Canadian message in the U.S. has been a firm one. Our arguments are that we are fair traders, that we are not benefiting at U.S. expense and that our success in the U.S. market is based on competitive market factors including a favourable exchange rate, consumer preference for Canadian wood products and superior productivity. These arguments, by the way, were essentially supported by the U.S. International Trade Commission's recent Section 332 report. This message has been and continues to be communicated through slide presentations to Congressional staffers, press briefings, speeches, testimony to Congressional committees, information kits and briefing sessions with Congressmen and administration officials.

The strategy we have been employing has enjoyed a number of successes. For example, we have received strong editorial support from major newspapers across the U.S. We have an excellent organization in place that links the federal Government, industry and the provinces. We have mobilized U.S. interest groups including transport interests, lumber dealers, home builders and the like, and they have coalesced in clear and vocal opposition to restraints on Canadian softwood lumber. We have, in other words, succeeded in stalling the momentum for Congressional legislation that would affect Canadian lumber exports.

We also have the support of the administration in resisting linkage between the lumber issue and bilateral trade negotiations. Nevertheless, there still remains a very real threat of Congressional action or a trade remedy petition. The Canadian Government is working with the administration to help manage the lumber issue. To that end, Canadian and U.S. officials have recently resumed a new round of talks at the request of U.S. trade representative, Ambassador Yeutter, to review the factors affecting competition in the North American lumber industry and to clarify Government policies and practices in Canada and the U.S. that affect lumber trade. The first meeting was held in San Diego on January 20, 1986. A technical session took place in Prince George on February 12 and 14 and discussions took place again in Washington on March 12. A further meeting will be held in Ottawa next month.

The Canadian Government will continue to commit the resources that are required until this, our number one trade problem with the U.S., is resolved. The Prime Minister is addressing this issue in his discussions this week with President Reagan and the Congressional leadership. I can say with some confidence that no Canadian Government has ever mounted a campaign as broad, as intense and as persistent on any previous Canada-U.S. trade issue.

Some Hon. Members: Hear, hear!

Mr. Kelleher: I am equally confident that our softwood lumber campaign is yielding results. The American lumber industry has been trying to restrict our exports for several years and the Gibbons Bill itself has been before Congress for more than a year. Yet our lumber still crosses the border unrestricted and we believe that talks between our two Governments on the matter will, in the long run, produce a satisfactory resolution to this issue.

The Opposition is quick to criticize but offers no concrete alternatives other than the *status quo* and *ad hoc* responses to rising American protectionism. Unlike the Opposition, the Government believes that it is neither very self-respecting nor very sovereign for Canada to run down to Washington hat in hand every week to appeal against yet another protectionist threat. We believe that the best way to resolve the trade dispute with the United States is to negotiate a binding agreement backed up by a joint dispute settlement mechanism, a mechanism in which we will have an equal voice.

• (1240)

It is now six months since the Prime Minister informed the House of the Government's intention to pursue a bilateral trade agreement with the United States. Opposition Members have been railing loud and long against this approach. They have been railing and they have been wailing but they have also been failing. They have failed to come up with any viable alternatives because they have none. Indeed, Canadians are still not clear where the Liberal Party stands. Its external affairs critic says that he agrees with the recommendation of the Macdonald Commission that Canadians negotiate a comprehensive trade agreement with the U.S. However, its trade critic disagrees. Who knows where the Leader of the Opposition stands on this critical issue? Some day I assume he will let us know. As for NDP Members, they appear to be leaning toward a policy of heavy-handed Government intervention in the economy, nationalization of some industries, central planning, import controls, price controls and currency exchange controls—a policy of economic barricades. It would isolate Canada from the rest of the world. It would decimate our trade with the rest of the world and throw many Canadians out of work. Policies such as these have never worked in the past and they would be catastrophic today in a world in which countries have becomes interlinked by trade and investment. A state controlled economy is repugnant to a majority of Canadians today.

Finally, let me reiterate for the benefit of Hon. Members opposite that the Government has launched a major initiative to negotiate a better framework for the conduct of our trade relations with the United States. If those Members are genuine in their concern for lumber workers and farmers, they will lend their support to this important endeavour.

Some Hon. Members: Hear, hear!

Mr. Fulton: Mr. Speaker, I do not know who wrote the Minister's speech, but I found it to be both naive and nasty. Certainly one could have put it together by reading press clippings. I expected something more. As the Minister read it, I was surprised that he could not go on the record with a few of his own words. I could tell that he had not listened to what had been said on this side of the House. I gave my speech in what I thought was the good interests of the country, looking for some kind of multi-Party support to do something in the United States. I do not think the Minister truly understands even what he just read.

He said that he did not have any direct relations, diplomatic or othersie, other than with the administration of the United States. I attended the meeting in Vancouver when the Minister offered to provide amendments to a Bill before Congress. I have read the document which was sent to the United States. It dealt with handling and transportation. It did not deal with the issue which is now very clear in the minds of both Republicans and Democrats in the U.S. Senate and in the House of Representatives. They have a grass roots political issue; they are concerned about the degree of penetration, and they want to put their workers back to work. They have dropped the stumpage issue and the subsidization issue. The Minister is probably well aware of what are the implications for British Columbia of the section on competitive bidding and the rules for removal rights in HR-2451.

I should like to hear him comment on whether he agrees that it is high time to get a major delegation of well informed Canadians down into those areas of the United States where there is a continuing dissemination of inappropriate, misleading and at times false information about the issue, and to deal with the two million Americans who produce commodities which come into the Canadian market. We know the reason for the editorials in the U.S. newspapers. Approximately 57 per cent of the newsprint used in that country comes from Canada. Obviously they will protect their own vested interest of $3.4 billion last year in Canadian newsprint. We know why home builders will continue to be publicly supportive of Canadian SPF. It is because they buy it competitively and they know that it is a better quality product for construction.

We as a Parliament and as a country are not dealing with a matter with which Members of the U.S. Senate and House are prepared to deal. I am referring to the grass roots politics of the matter. Short of doing what I suggested in the House today, I should like to hear what else the Minister proposes. A continuation of the model of simply going through Washington, our 13 trade outlets and our provincial trade outlets in the United States will not get to the grass roots issue in the U.S. and will not get the political signal back to the Republicans and Democrats before they go on the floor of their House and pass a protectionist Bill. I think the Minister agrees that it will be based upon Sam Gibbons' HR-2451 model. It will have more in it related to various other commodities such as natural gas. However, the issue is not being dealt with by the Government, and I find it incredible that the Minister's speech was nasty—

Mr. Speaker: Order, please.

Mr. Kelleher: Mr. Speaker, in reply to the Hon. Member, I point out to him that neither I nor any member of the Government ever offered or gave to Mr. Gibbons and Congress suggested amendments to his Bill. In fact, what we sent down and submitted to him was a critique of the legislation, in which we quite clearly said that in its present form it was not acceptable to the Government of Canada. I am sure it would not have been acceptable to the Hon. Member for Skeena.

Also I point out that perhaps the Hon. Member is not aware of what arose from our last meeting in Washington. I should like to advise him directly that the Americans have not abandoned, nor have they dropped their claims about our stumpage practices or their claim that our industry is subsidized. I want the Hon. Member to know that both those claims by the Americans are alive and well.

Also I would point out that indeed we are attempting to do something. I have already listed for the Hon. Member and for other Hon. Members opposite the number of meetings we have had and are continuing to have with the U.S. administration in attempting to resolve the problem. We are continuing to meet

on an individual basis with influential Members of the House of Representatives and of the U.S. Senate. We are continuing our efforts. We are meeting throughout the United States with lobby and pressure groups. For the last six months we have already been doing the various things which the Hon. Member suggested. Obviously, since we are doing them, I think the Member should be agreeing with our efforts and assisting and applauding us, not sitting here and being critical of us for doing nothing.

Mr. Tobin: Mr. Speaker, I have a number of questions for the Minister. It is with a great deal of disappointment that I rise today. The Minister was given an opportunity to take this issue out of the narrow confinements of partisan debate and to respond in the manner in which the matter was raised by opposition Members. It was not raised in a way which would warrant attempts at amateur poetry, talking about opposition Members railing and wailing and often failing. My goodness, a grade two student would receive an F for that attempt at being poetic. That attempt shows that the Minister has failed to grasp the opportunity to put aside partisanship this day, to seek and to build some consensus on what ought to be the Canadian position.

How can the Minister continue to cast the resolution of lumber difficulties and of threatened walls to be put up in the context of a comprehensive free trade agreement? It is time that we faced reality. A comprehensive trade agreement for all intents and purposes is dead. The U.S. Congress has said repeatedly, even specifically on the narrow issue of lumber, that it will not enter into and will balk at a comprehensive free trade agreement with Canada until the lumber issue is resolved.

• (1250)

The Minister tells us that he wants to resolve the lumber issue in the context of a comprehensive free trade agreement. Whether the Minister likes it or not, and whether I like it or not, it is becoming more evident every day that there is a lame duck president in the United States. How can the Minister continue to relate the resolution of a problem that threatens one million jobs directly and indirectly in Canada to a free trade agreement that is dead?

Mr. Kelleher: Mr. Speaker, I am somewhat chagrined and saddened to hear the Hon. Member suggesting that I of all people am partisan in replying to this matter. I would only ask the Hon. Member to refer to the resolution before this House. It seems awfully partisan to me. It ends by saying:

—and condemns this Government for its failure to adequately protect the viability of these two vital sectors of the Canadian economy.

That does not sound to me like a message delivered at a tea party. It sounds very partisan to me.

I am trying to tell the Hon. Members in a non-partisan manner about the steps we have been taking to look after this growing threat to our lumber and agricultural economy. It is well known that we are trying to combat it.

The U.S. Congress has not said there will be no U.S.-Canada trade talks until the lumber issue has been resolved. There have been some members of Congress who have been saying that, but there is no word from Congress as a whole, nor do we expect any. In my opinion, Mr. Speaker, the Government has been moving ahead very forcefully on all fronts and it is doing an excellent job. I just wish that once and a while the Opposition would recognize the good job we are doing in our Canada-U.S. relations.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. There is one minute remaining.

Mr. Tobin: Mr. Speaker, I rise on a point of order. Let it be known that there is no praise like self praise.

Mr. Nystrom: Mr. Speaker, I have a question. The Minister concentrated to a great extent on forestry in his speech today. I want to ask him about the American farm Bill.

In the House last Thursday I asked the Secretary of State for External Affairs (Mr. Clark) what our Prime Minister (Mr. Mulroney) would be saying to President Reagan about the American Farm Bill. Can the Minister for International Trade (Mr. Kelleher) enlighten the House as to exactly what the Prime Minister will be saying to the President about the U.S. Farm Bill? It is a question of great importance to farmers across the country, but particularly to those in western Canada.

Mr. Kelleher: Mr. Speaker, I would like to advise the Hon. Member for Yorkton-Melville (Mr. Nystrom) that speakers from our Party who will be following me will address in particular detail the concerns and the aspects of the Canada-U.S. agricultural trade. I did not think it would behoove me to cover all areas in one speech. I thought that it would be best to leave that to our agricultural experts.

I can tell the Hon. Member that the Prime Minister has been extremely well briefed on our concerns respecting Canada-U.S. agriculture and the various Bills presently pending in the United States which pose a threat. The Prime Minister will be addressing those with the President and will be reporting to the House in due course.

Mr. Speaker: Order, please. The 10 minute period for questions has expired. Resuming debate.

Mr. Fulton: Could we call it one o'clock, Mr. Speaker?

Mr. St. Germain: Continue with questions and comments.

Mr. Speaker: Order, please.

Mr. St. Germain: I rise on a point of order, Mr. Speaker. Could we possibly get unanimous consent to continue with questions and comments?

Mr. Speaker: The Chair is in the hands of the House. Is it the will of the House that we continue until one o'clock with questions and comments?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: I take it there is no unanimous consent. Debate.

Mr. Merrithew: Mr. Speaker, perhaps with the concurrence of the House, because of the lateness of the hour we could deem it one o'clock and continue the debate after lunch.

Mr. Speaker: Order, please. The Chair has had a request to call it one o'clock and it has been refused. The Chair has had a request to call questions and comments for a further period and that has been refused. Resuming debate. The Minister of State for Forestry (Mr. Merrithew).

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I want to say that I welcome the opportunity to debate an issue like this. I do not mind debating with the Hon. Member for Skeena (Mr. Fulton), because he has been knowledgable and supportive generally. I have to state however, that this motion today is perhaps opportunistic and is an exploitation of a very sensitive issue, and is perhaps ill timed because of what is going on in Washington today.

My colleague, the Minister of International Trade (Mr. Kelleher), has told this House that our officials are currently involved in very delicate discussions with their American counterparts. These discussions have been very frank and have included a comprehensive investigation of the factors affecting our lumber exports to the United States. But, by the very nature of these discussions which I must remind Hon. Members are being held at the official level, I cannot give in detail what has transpired until they are concluded.

I think it is encouraging to note, Mr. Speaker, that the next meeting will be held in mid-April. The meeting will be very close to the final deadline for Congressional approval of the U.S. administration entering into negotiations on a comprehensive trade agreement with Canada.

Unfortunately, we now have on the floor of the House a motion from the Opposition which is motivated, in my view, for transitory partisan advantage. The most offensive part of the motion, and I think I must put this on the record, is that part which reflects adversely on labour and on the work done by our provinces and industry. It is a bogus allegation that nothing is being done on this issue.

Before I get into that, Mr. Speaker, I want to—

Mr. Fulton: Mr. Speaker, I rise on a point of order. I am not sure the Minister has the motion, worded as required under the rules of the House of Commons, before him. It does not refer to anything he has just spoken about.

Mr. Speaker: Order, please. I am not sure what is that point the Member has raised, but he has not yet raised a point of order.

Mr. Merrithew: Mr. Speaker, I disagree with that. I have been speaking on the comprehensive trade negotiations and the kind of circumstance that exists today.

The Hon. Member for Skeena alluded several times to the efforts of the Government regarding forestry. I think it is important we set the record straight.

I was appointed some 18 months ago. The scenario we found was that the Canadian Forestry Service was buried in the Department of Environment. There had been a series of Ministers who really did not care or know much about forestry. During the 1970s we had a Department, an agency of the Government, that was essentially cut apart, had its Budget reduced and person-years cut almost in half from what existed in the previous decade. It was demoralized. There were modest forestry agreements with four or five provinces. Basically haphazard part-time attention was paid to Canada's largest industry. I have talked to many in the industry and all provincial Ministers. They felt that there was no one in Ottawa speaking for their sector around the cabinet table. Our Prime Minister (Mr. Mulroney) in September, 1984, corrected that situation. There is somebody at the cabinet table speaking for that sector and speaking very forcefully.

Through the appointment of an associate Deputy Minister, we have increased the ERDA agreements, that is our commitment in dollars to the sector, from $223 million to $1,057 billion. That is an increase of over four-fold. Surely that gives an indication of the kind of attention the Government is paying. We had laboratories and equipment that had been run down. The Government was able to encourage the Treasury Board to increase funds by 1,500 per cent. We were able to continue an $80 million expansion program. We formed a forest sector advisory committee which reports to the Minister of Regional Industrial Expansion (Mr. Stevens) and myself. We continue to show a continuing commitment to the human resources program, and we have shown a continued commitment to research and development. It seems to me that we have made a very strong commitment to the industry—

Mr. Speaker: Order, please. It being one o'clock p.m., I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INCOME TAX

IMPACT IN 1984 AND 1985

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I would like to read a letter from Mr. Thomas Booth to my Leader. It reads in part as follows:

Having just received my income tax forms for 1985, I was curious to compare them with the ones for 1984. I find that on a taxable income of $4,000 in 1984, the federal tax was $332 on the new ones, and for 1985 it is $426, an increase of $94. On a taxable income of $24,000, the tax in 1984 was $4,439, but in 1984 it was $4,477, an increase of $38.

Now I ask you which taxpayer is in a better position to pay a larger increase, the taxpayer who has a taxable income of $4,000 or the one with a taxable income of $24,000?

Thousands and thousands of Canadians are today doing their income tax returns, comparing both years, and asking the same question.

* * *

CHILDREN

SEXUAL ABUSE—BADGLEY COMMITTEE FINDINGS

Mr. Neil Young (Beaches): Mr. Speaker, after three years of study the Badgley Committee on Sexual Offences against Children and Youths released its report over a year and a half ago. The national tragedy which the Committee documented in its report has still not been addressed by the Government. The Committee's findings were very disturbing. They presented appalling statistics showing the extent and nature of sexual abuses against children. The report showed that young people are particularly vulnerable to acts of sexual abuse and, therefore, require special legal protection.

Despite the clear need articulated by the report, the Conservative Government has still not seen fit to propose adequate protective measures for children. What is the Government waiting for? The Government has had enough time to study the recommendations in the report. We in the New Democratic Party have consistently been pressing the Government to protect children. It is long past time for action. Let us get on with it.

* * *

[*Translation*]

YOUTH

JOB CREATION AND TRAINING—GOVERNMENT'S PERFORMANCE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, the present Government's record is quite remarkable for what it has done for young people, especially with respect to job creation and training.

Mr. Speaker, unlike the previous Government which not only was not concerned about young people but neglected them and let the number of youth jobs drop by 285,000 between 1980 and 1984, the present Government has taken steps to improve the situation. Seventy-three thousand jobs have been created since 1984, for young people between the ages of 15 and 24, and that is not all.

This summer, we will be supporting youth even more by spending $210 million on Challenge '86. This program does not offer young people some vague kind of work but gives them a chance to acquire experience related to their field of study or to their career plans.

Furthermore, 25,000 jobs out of 40,000 available for the Census will be reserved for students—

Mr. Speaker: Order, please. The sixty seconds are up.

* * *

[*English*]

TERRORISM

EXPLOITATION OF MEDIA BY TERRORISTS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, when announcing the recent formation of a new RCMP emergency response team, the Solicitor General (Mr. Beatty) spoke of the need for meetings with the nation's media to seek views and advice on how the media can deal with terrorist incidents. Most journalists and responsible news gathering organizations understand the need for self-enforced guidelines on the coverage of events involving terrorism. While responsible journalism must include the public's right to know, the media know that they should not be open to exploitation by terrorists who desire free publicity.

However, the Hon. Member for York Centre (Mr. Kaplan), and other Liberals braying in the background, are quoted as saying that the Solicitor General, by wishing to consult, is contemplating press censorship. What absolute rubbish! The Hon. Member in the Liberal Party is the same person who sat in a Cabinet which considered Government-established press councils. He is one to defend a free press!

The media of Canada are, by and large, responsible, and through self regulation, can and should work with the Solicitor General to develop appropriate measures to deal with terrorism.

* * *

● (1405)

MEMBERS OF PARLIAMENT

LETTER FROM TRANSITION HOUSE IN ST. JOHN'S, NFLD.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to read this letter. I think it is self-explanatory:

Dear Mr. Mulroney:

It is with deep concern that we learn you have not responded to a letter regarding Mr. David Nickerson (M.P.—West Arctic) dated 21 October 1985.

This lack of response is particularly distressing given the serious problem of wife-battering in Canada. You and Mr. Nickerson could take this opportunity to raise the level of public awareness on wife-battering. Instead, it appears that the Government of Canada is content to dismiss the issue without even the courtesy of a reply. This neglect conveys the attitude of tacitly condoning a criminal act.

Prime Minister, your silence is shameful. Your contempt for the women of Canada is implicit in your refusal to respond to straight-forward, constructive suggestions from a national organization—

This letter is from a transition house in St. John's, Newfoundland. I urge the Prime Minister (Mr. Mulroney) to respond.

* * *

DISASTERS

BRITISH COLUMBIA CATTLEMEN—OMISSION FROM DROUGHT RELIEF PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the cattle producers south of Hixon, British Columbia, were, for some reason, omitted from the drought relief program offered to other western cattlemen. In many areas of southern British Columbia, especially at certain elevations, the feed losses related to extreme drought conditions were severe. The provincial Agriculture Minister has agreed to extent drought assistance to those drought-stricken areas on a cost-sharing basis with the federal Government. B.C. has offered $2 million and has asked the federal Minister of Agriculture (Mr. Wise) to match that amount. To date he has not offered any support and has not responded to B.C.'s request.

These drought-stricken cattlemen are only requesting that they be offered what other western cattlemen have received, nothing more and nothing less. They ask only for fairness and equity. Show some concern and compassion for these cattlemen, as you have shown for others, Mr. Minister.

* * *

[*Translation*]

ENERGY

PRICE OF GASOLINE—GOVERNMENT POLICY

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I am delighted Canadian consumers are starting to get a taste of lower gas prices as a result of our policy of intervening in energy matters.

I hope that all those who criticized us, and others who adjusted prices of goods and services upwards as the price of gas rose, will follow our example and reduce their prices.

I hope these changes will not be too long in coming, because if within the next few weeks there is no downward adjustment in consumer prices, I will feel obliged to point an accusing finger at every one of those people who were so quick to criticize us at the time.

S.O. 21

[*English*]

INDUSTRY

PETROLEUM INDUSTRY'S EMPLOYMENT CREATION POTENTIAL

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, a report prepared for the Petroleum Resources Communication Foundation indicates that over 650,000 Canadians from coast to coast are dependent upon Canada's petroleum industry for their livelihood. That is approximately one in every 20 working Canadians. Research undertaken by the Canadian energy Research Institute indicates that two jobs in Canada's petroleum industry create three jobs in other parts of Canada, primarily Ontario and Quebec.

Canada's petroleum industry maintains over 650,000 jobs. It produces our country's leading export commodities, generates billions of provincial and federal tax and royalty dollars, and explores for oil and gas in a nation where energy self-sufficiency is an important national objective. With these solid facts who can doubt the contribution of the energy industry to the nation's well-being?

* * *

[*Translation*]

PARLIAMENT

OPPOSITION'S ROLE

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, I think it is shocking the way Liberal Members and Members of the New Democratic Party conduct insidious attacks against members of the Government, using language of the worst kind and taking advantage of their parliamentary immunity.

This is the kind of behaviour described by Lise Bissonnette in her article in *Le Devoir* last Saturday, and I quote:

Senator Allan MacEachen told a Toronto reporter about the advice he gave young Liberal members, advice he himself was given in 1958 by one of his predecessors in the Senate, Chubby Power. When one is in the Opposition, the best strategy is to "aim at vulnerable targets in the Government and shoot them down." This is not very subtle, but it works, as we saw under John Diefenbaker and as we are seeing now under Brian Mulroney.

Is that the Opposition's only role, Mr. Speaker?

* * *

[*English*]

YOUTH

EMPLOYMENT PROGRAMS—PRIME MINISTER'S LETTER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in his letter to Senator Hébert the Prime Minister (Mr. Mulroney) attempts to justify the Tory Government's betrayal and abandonment of our youth. He fails to mention that funds for youth programs went from $40 million last year to $17 million this year, and that employment offices on university campuses were cut by 30 per cent. He fails to mention that the LEAD

program was eliminated, that institutional training was cut by 25 per cent, that the skills growth fund was terminated, that the critical trade skills training funds were cut in half, and the Government is examining a withdrawal of federal payments for post-secondary education.

● (1410)

To top it off, the Prime Minister forgot to mention the elimination of the Youth Ministry and proved his ignorance of what Katimavik is, the special role it plays for Canadian youth. Katimavik was not a job-creation program and therefore did not create jobs. It taught self respect and respect for others. It taught how to work as a team, how to be motivated independently. It taught social responsibility. In short, Katimavik prepared people for life.

Mr. Speaker: Sixty seconds.

* * *

VOLUNTARY ORGANIZATIONS

TRIBUTE TO WORK OF COMMUNITY VOLUNTEERS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, volunteerism and the voluntary sector are significant to Canadian life, not just because they provide opportunities for personal growth but because they also provide a direct benefit to our communities and contribute to social justice.

Volunteers and the agencies which they staff and fund generate an estimated five billion dollars in economic activity in Canada, which in turn would be equal to 2 per cent of our Gross National Product. A "wage bill" for work voluntarily rendered in one year alone would cost two billion dollars. Those figures illustrate the impact volunteerism has on Canada. Community minded people in Canada should be applauded for their dedication and commitment to helping fellow Canadians.

While a member of the other place sits to attract attention through undemocratic means, tens of thousands of unheard-of Canadians are receiving little recognition for their work and commitment. We applaud those volunteers and deplore unfounded opportunism.

* * *

AIR TRANSPORT

USE OF HAMILTON-WENTWORTH AIRPORT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as you know, I am concerned about the inability of the Hamilton-Wentworth Airport to provide adequate service. I want to suggest to the Government that it take into consideration three possible ways of making better use of the facilities.

First of all, I suggest that it offer to Air Ontario the opportunity to provide the service that it wants to provide; second, that it seek out the charter operators from among the major carriers and give them the opportunity to operate out of that excellent but under utilized airport; finally, that it make a determination that foreign carriers which have landing rights only in Mirabel be given an extension to Hamilton as a way of entering the southern and southwestern Ontario market.

* * *

ENVIRONMENTAL AFFAIRS

TOXIC WASTES IN GREAT LAKES BASIN

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, the Royal Society of Canada recently released its study of the Great Lakes Water Quality Agreement, prior to the awaited third biennial report of the International Joint Commission.

In its review the Society reports that the sources of toxic substances in the Great Lakes Basin are larger and more diverse than anticipated in the 1978 agreement, and concludes that control programs need to be much more comprehensive.

Given the serious nature of this issue and its probable effects on humans using the resources of the Great Lakes, and the clear danger to marine and wildlife, I urge the Canadian contingent on the Commission to press for the adoption of the Society's recommendation that components be put in place to deal with contamination at its source, and that compliance with any forthcoming guidelines be mandatory.

* * *

NORTHERN CANADA POWER COMMISSION

RETIREMENT OF CHAIRMAN

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the retirement of Mr. Jim Smith as chairman of the Northern Canada Power Commission has recently been announced. I want to recognize the fine contribution of public service made by Mr. Smith in his capacity as chairperson of the Power Commission and previously as Commissioner of the Yukon.

With the change in leadership of the Northern Canada Power Commission, it is time for the Government to move ahead now with determination to relocate responsibility for the production and distribution of electrical power in the North in the form of two territorial power commissions which may, under certain conditions, enter into joint venture agreements with private companies. All of this would be in line with the recommendations of the report of the House of Commons subcommittee, tabled in Parliament on April 7, 1982, entitled *Electrical Power North of 60°*.

* * *

TRADE

CANADIAN SOFTWOOD EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, as I sadly learned in today's debate on the Canadian forest industry the Con-

servative Party still does not understand the nature of the protectionist sentiment in the U.S. on softwood.

Members of Congress in the House and Senate, Republican and Democrat, have spoken out one after another against Canadian softwood in their States, districts, and Legislatures. Now there are close to a dozen Bills variously proposing quotas, tariffs, and measurements for countervail. The facts of the matter seem to be incomprehensible to the entire Mulroney administration. Let me simplify the issue. Canada now holds 34 per cent of the U.S. softwood market. American politicians are running in the mid-term elections. It is popular to put workers back on the job and companies in the black. There are many closed mills in the U.S. that could reopen if Canada's softwood exports were restricted, thus driving up price and demand for U.S. produced softwood.

Our target to stop the protectionist urges of politicians running for election or re-election must be expanded to include those that produce goods in the U.S. for the Canadian market. The more than two million jobs—

Mr. Speaker: Order, please. Sixty seconds.

• (1415)

ORAL QUESTION PERIOD

[*English*]

YOUTH

GOVERNMENT INITIATIVES TO ASSIST YOUNG PEOPLE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State. On February 6 in the House the Deputy Prime Minister promised special new programs "that will employ far more young people directly". On March 3 in the House the Prime Minister promised "very important" new job creation iniatives for youth.

Yesterday in the House the Secretary of State said that any new initiative "is not necessarily a job-creation program". Why would he, at this late date, contradict both the Prime Minister and the Deputy Prime Minister in respect to Government initiatives for young people?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, as I said yesterday, the Government's priority has been to develop job creation through the programs introduced by the Department of Employment and Immigration, and we are now working on programs that will not necessarily,—although I do exclude the possibility,—be job creation programs, but in any event will reflect some of the specific concerns of youth. In any case, these is nothing here that contradicts previous statements by the Acting Prime Minister and the Prime Minister himself.

SUPPRESSION OF CERTAIN PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): I am sure I understand. My next question is directed to the Deputy Prime Minister. Why did the Government terminate certain youth programs without announcing new ones, at a time when 700,000 young people are unemployed in Canada today? Does the Deputy Prime Minister think our young people can be satisfied with a phantom Minister and an utterly confused Secretary of State?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, Canadians love it when they hear the Liberal Party talk about employment. It is really something else!

Mr. Speaker, the Conservative Government has created or introduced job-creation programs to replace Liberal programs that were aimed at only one out of forty young unemployed Canadians, programs that cost so much money it was impossible to use the money for the purpose for which it was appropriated: $6 million out of $20 million in the Katimavik Program was used to pay for administration costs. Is that what you call job-creation programs?

[*English*]

TIMING OF INTRODUCTION OF PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Deputy Prime Minister had the right instincts when he wanted to get up in the first place. I will give him another opportunity.

Will he confirm to the House that new programs for young people are being withheld at the moment for strictly political reasons?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, we have repeated many times that we are now working on a program that will cover a number of areas that are not necessarily related to employment. For a whole month you people have been screaming for a change from job creation. That is what we are looking at. The Leader of the Official Opposition referred earlier to the matter of programs. I am sorry, but as far as providing programs is concerned, before this Government introduces new programs, it must have consultation.

Mr. Speaker: Order, please.

[*English*]

CANCELLATION OF KATIMAVIK PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is also directed to the Secretary of State. The principal recommendation to cancel the Katimavik Program is found in the Nielsen task force report on job creation which was in the hands of the Government in March, 1985. Why was it not possible for the Government to

have a new program if it had one year in which to develop it? Why was that not possible?

• (1420)

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, the cancellation of the Katimavik program has nothing to do with the Nielsen report. The program was too costly. Whether or not it is mentioned in the Nielsen report, we are trying to make you understand that our country cannot afford this kind of program, regardless of what the Nielsen may or may not recommend. That is all.

[*English*]

TASK FORCE ON PROGRAM REVIEW REPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, is the Minister not aware that the same task force report warned of an adverse reaction if Katimavik were cancelled during International Youth Year and the funds were not redeployed immediately for a similar program? Why was action not taken on the warning in the task force report? Has the Minister even read the report?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): After Question Period, Mr. Speaker, I will be at the disposal of the Hon. Member for Notre-Dame-de-Grâce to give him the necessary information and make him understand that the decision concerning Katimavik and other youth programs flow from a policy whose aim is to stress job-creation. Katimavik is not a job-creation program, so it is excluded. However, we will soon come up with projects designed to fulfil some of the Katimavik objectives. But again I repeat that the cost of the program was not consistent with the number of young people out of work.

[*English*]

OFFER OF GOVERNMENT PROGRAMS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State for Youth. Will the Minister of State for Youth make an attempt to clear up the confusion caused by her colleague and tell us precisely what program is being entertained to replace Katimavik? What other programs will be offered to the youth of the country?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, a great many different options are being looked at. When the Government is ready with programs, they will be announced.

Some Hon. Members: When?

SENATE COMMITTEE REPORT

Mr. Howard McCurdy (Windsor-Walkerville): The youth of the country are mobilized in response to your inaction. Will you not give them an answer?

Some Hon. Members: Order!

Mr. McCurdy: Will you not give them an answer with respect to the recommendations of the report of the Senate, and other reports, which demand immediate action? Will you not respond to them now?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the youth of Canada have never been as well served as they are being served now by such good job-creation and training programs.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. Champagne: The Hon. Member for Windsor-Walkerville suggests giving $5,500 per year to young people. He has said himself that $5,500 a year for an ordinary Canadian will not even pay for a decent holiday. I wonder what rich people do.

Mr. Speaker: A supplementary question through the Chair, please.

GOVERNMENT POLICY

Mr. Howard McCurdy (Windsor-Walkerville): My question is directed again to the Minister of State for Youth. Is it the policy of the Government to continue to sing its theme song, "*Who's Sorry Now?*, or will it respond to the needs of young people?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Government is responding to the youth of the country by creating jobs instead of seeing jobs lost. It will be helping young people to go through this part of their lives, which is very difficult following 20 years of Liberal administration.

Some Hon. Members: Hear, hear!

REQUEST THAT KATIMAVIK PROGRAM BE REINSTATED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Minister of State for Youth. The Hon. Member for Brampton-Georgetown may think the hunger strike is a joke—we do not!

Does the Minister agree with Katimavik supporter, and P.C. Member of Parliament for Ottawa-Carleton, who has said this about the program:

—Canada will reap the benefits from the better understanding of this country that young people will derive from their nine months with Katimavik.

If the Minister does agree with the Hon. Member for Ottawa-Carleton, then will she reinstate the program today?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, no one takes a hunger strike without a great deal of seriousness and sadness. It is a sad example for the youth of Canada.

Some Hon. Members: Hear, hear!

Mrs. Champagne: Katimavik had some very good aspects. It has been said, and repeated many times, that in this day and age, in this country, it is not something that the Government can afford for one-twentieth of 1 per cent of our youth population.

• (1425)

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is directed to the same Minister. How can she talk about cost effectiveness in government programs when last week the Government announced a grant of almost $40,000 to train a dog-catcher and kennel assistant? Does she really believe that dog catching is more important than the future of the young people of Canada?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I do not know the project to which the Hon. Member refers, but if it creates jobs, I am for it.

* * *

ENERGY

PRICE OF CRUDE OIL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. The Minister will know that the OPEC meeting in Geneva today broke down again and it now appears that the price of oil could quite realistically reach $10 per barrel. He is also aware that this will create rack and ruin in the western economy. Does the Minister plan to stand idly by and watch literally tens of thousands of jobs in the Province of Alberta and other parts of Canada go down the drain? What action does the Government plan to take?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this question has been put in the House on a number of occasions before, and my colleague, the Minister of Energy, Mines and Resources, has responded to it. She has been talking in particular to representatives of the Province of Alberta. We have had meetings with the industry. Once this situation settles a bit more, then we might be in a better position to make decisions.

IMPACT ON ENERGY INDUSTRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of Finance. A senior official from the Government of Alberta was quoted today as saying that there is fear in the streets that every major oil project is now threatened. Do the Minister of Finance and the Government plan to stand idly by and simply watch the people of Alberta bleed while they do nothing about this tremendously horrible situation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are concerned, as I and my colleague have said, about the impact of lower oil prices on the energy industry itself and about the peripheral impact on communities, particularly those in the Province of Alberta. However, as we have said, and as representatives of the Province of Alberta and the industry have said, during the very volatile situation in which we are right now, this is not the right time to make long-term policy decisions.

* * *

EDUCATION

FUNDING OF UNIVERSITIES AND COLLEGES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Secretary of State. As a result of the evasive remarks he made in the House and to the media yesterday, and the alarm this is now causing one million people who are directly involved in post-secondary education, is the Secretary of State prepared to identify with the Canadian Federation of Students and the youth of Canada by stating clearly that Canadian universities and colleges are deteriorating and that post-secondary education is critically under-funded?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, a meeting with the provincial Ministers of Education is scheduled for Friday morning and the issue of provincial education financing may come up for discussion. The federal Government already contributes a significant share of the funding and, generally speaking, I expect the discussions to be very constructive.

[*English*]

MINISTER'S POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, that is very helpful, but since the Secretary of State is not willing to support them is he then prepared to say that he disagrees with all of the student organizations and faculty organizations in Canada, and with the Premiers of all of the provinces who say that universities are under-funded?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, the associations of students and universities have expressed their views.

I must remind the Hon. Member that there has been a considerable increase in federal Government transfer payments, and the established programs financing has not been frozen or cut back. It has been increased by tens of millions of dollars and, as a Department and as a Government, I think we generously support post-secondary education in Canada.

Of course it is always possible to spend more money for everything, but the funds must be there and, under the present circumstances, we consider that the funds made available are geared to the Government's financial resources.

* * *

● (1430)

[*English*]

MEMBERS OF PARLIAMENT

REPORTED VISIT TO SOUTH KOREA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Is he aware of the fact that a delegation of five Tory MPs, led by the former President of the Conservative Party, left yesterday for a secret, two-week clandestine visit to South Korea?

Some Hon. Members: Oh, oh!

Mr. Murta: How do you know about it, then?

Mr. Rodriguez: If so, does the Deputy Prime Minister think it is appropriate that members of his Government should be accepting the largesse of the regime in South Korea?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I was not aware of the rather colourful circumstances described by the hon. gentleman. If Members of Parliament are on such a visit or trip, they are so without any sanction or approval or authority of the Government of Canada.

Mr. Tobin: Do you disapprove?

COST OF VISIT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in all fairness to the House and to the people of Canada, will the Deputy Prime Minister undertake to have tabled in the House the total cost of the trip and who paid for it? What is the purpose and what is the *quid pro quo* of the visit?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I guess reforms have left the hon. gentleman behind, because he seems to be unacquainted with the requirement of the Standing Orders which fully cover this situation.

APPLICATION OF STANDING ORDER

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Government House Leader who is responsible for the general area of conflict of interest of Members of Parliament, and it follows on the question asked by the Hon. Member for Nickel Belt. The five Conservative Members travelling to South Korea have not declared their interests in the registry, as required by Standing Order 105. How can the Minister tolerate this obvious and contemptuous violation of the rules of the House which he himself introduced—

Mr. Speaker: Order, please.

Mr. Gauthier: It is a question. I said: "How can the Minister"—

Mr. Speaker: Order, please. The Chair is in some difficulty finding that it is a question to the Government within the Government's responsibility when the Hon. Member is talking about the rules of the House. Does the Hon. Member have a question to the Government about the Government's responsibility, please?

Mr. Gauthier: Mr. Speaker, I am putting my question to the Government House Leader because he, as Minister, is responsible for conflict of interest in the House. How can he tolerate such an obvious breach of our rules and regulations?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member has referred to the Standing Order which applies to the registry of travel by Members. If he reads it, he will understand that there is no requirement to register travel before one goes on a trip.

Some Hon. Members: That is obvious.

Mr. Hnatyshyn: The Standing Order is quite clear. There is a registry available for Members. The Standing Order speaks for itself. I am not aware of the circumstances in respect of private travel by individual Members of Parliament regardless of Party, but the Standing Order is there and they can register when they return or before they go.

REQUEST FOR COMMITTEE REFERRAL

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, given the answer of the Minister, will he undertake at this time to refer the question to the Standing Committee on Privileges and Elections for appropriate disciplinary action?

Mr. Speaker: Order, please. That question is not a governmental question. If the Member is raising questions with regard to a breach of the rules, he may want to raise a point of order at some point on the matter.

Mr. Gauthier: I give you notice.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

TEXTILE AND CLOTHING INDUSTRY—PROTECTION OF JOBS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Since the Minister will be meeting with textile workers in Sherbrooke tomorrow, could he answer a very simple question which the Government has been avoiding for nine months? Is the Government now prepared to act upon the Textile and Clothing Board recommendations to stop the loss of thousands of jobs in that important industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I will certainly take the Hon. Member's comment as a representation. Of course my trip to Sherbrooke tomorrow is designed to meet with various industry representatives, union leaders, and company officials, so that we will be better acquainted in respect of the policy we hope to enunciate and what the industry and its workers would like to see us adopt as policy.

LOSS OF JOBS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the workers in the industry have made it very clear that, having lost 22,000 jobs in the last four years, they want action to protect their industry. Will the Government take action to stop the loss of jobs in this industry, yes or no, and why the long delays?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am quite surprised the Hon. Member did not mention that 112,000 jobs have been created in the Province of Quebec.

Mr. Cassidy: Not in textiles.

Mr. Stevens: I remind him that the jobs to which he is referring were as a result of rather sensational increases in textile and clothing imports in 1982 and 1983, which went as high as 25 per cent jumps under the former Government that was aided and abetted by his Party.

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WESTERN GRAIN STABILIZATION ACT

REQUEST FOR INTERIM PAYMENT TO PRAIRIE FARMERS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board and it concerns the Western Grain Stabilization Plan. With prairie farm incomes at a very low level this year, will the Minister tell us whether there will be a stabilization payment this spring and, if so, when?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that, as a result of the Government amending the Act last year, we were able to make quite a substantial interim payment prior to spring seeding. We are presently doing calculations to estimate what the payment might be, if any, for 1985-86. Indications are that there will be a payment and, as it looks presently with preliminary calculations, we intend to make another sizable interim payment prior to spring seeding, as we did last year.

* * *

[*Translation*]

YOUTH

KATIMAVIK PROGRAM—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Secretary of State. It is increasingly obvious to all observers that the Minister keeps improvising about the programs. In fact, there are three Ministers and three different versions, that is how they react. Mr. Speaker, his colleagues are too noisy, the Minister can hardly hear me.

Mr. Speaker: Order. The question, please.

Mr. Lapierre: Mr. Speaker, my question is quite simple. Since the Minister improvises as he goes along and since he has not done his homework, why does he not simply extend the Katimavik program instead of trying to dream up a program at the last minute?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I enjoy watching the Hon. Member for Shefford, the former Minister of Youth who did not accomplish anything at all when he held that portfolio. The Hon. Member for Shefford knows very well that when he suggests we should reinstate Katimavik and drop—I did understand what you said, you said we should forget about the improvised programs we are preparing. Let us be serious: either we establish the job creation programs wanted by young Canadians, or we do as you did—nothing!

Mr. Lapierre: I can tell the Minister I am not embarrassed at all, but I am one of the Department's godfathers . . .

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

REQUEST THAT MINISTER PROVIDE CLARIFICATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, we know that the Secretary of State has asked employees to work overtime, but they have nothing to do and are just trying to save face. Mr. Speaker, why does the Minister not tell us right now: We have nothing else, so we will extend Katimavik for another year until I can do my homework. That is what he should say.

Hon. Benoît Bouchard (Secretary of State of Canada): The answer is very simple, Mr. Speaker. Unlike your Government, we are going to use those $20 million to create jobs, and that is what is important to us.

* * *

[*English*]

WESTERN GRAIN STABILIZATION ACT

INQUIRY OF THE MINISTRY

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my supplementary question is directed to the Minister of State for the Canadian Wheat Board. In the event that the U.S. Farm Bill passes and there is a downward pressure on the price of domestic grain, will the Western Grain Stabilization fund be able to continue payments, even though there has been a large drain on it because of the drought situation?

Mr. Speaker: I think I have to find that that is a hypothetical question.

Mr. Blenkarn: He should have answered that question.

Mr. Malone: Yes, it was a good one.

Mr. Speaker: Order, please. The Hon. Member for Mississauga South and the Hon. Member for Crowfoot should go and have a discussion somewhere else about the quality of questions.

* * *

● (1440)

THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF FISHERIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister. Can the Deputy Prime Minister explain to the House why the Prime Minister would continue to undermine the credibility of the former Minister of Fisheries, the Hon. Member for Vancouver South, by stating to *The New York Times* that he, the Prime Minister, sought that Member's resignation when, in fact, the Member himself said in the House of Commons that he offered it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will remind the hon. gentleman that today is March 18, 1986. He is speaking about events that occurred in this House in September, 1985, and are long since behind us.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

PRIME MINISTER'S INTERVIEW REPORTED IN *NEW YORK TIMES*

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Deputy Prime Minister not recognize that the Prime Minister himself raised the issue in an interview given to *The New York Times* recently, and in that interview he claimed that he sought the Member's resignation when the Member himself, a long-standing Member of Parliament, indicated to this House of Commons that he offered it? Why would the Prime Minister do that to that Member?

An Hon. Member: Because he is not a nice man.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the matter is of record. Last September there was published, from the Office of the Prime Minister, an exchange of letters between the former Minister and the Prime Minister. I do not see what is to be gained, except wasting the time of the House, by rehashing events of last September.

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ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—TOXIC SUBSTANCES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of the Environment. It has been reported that a private firm carried out a seismic survey of the bed of the St. Clair River and found what it believed to be large deposits of mercury as well as possible deposits of other toxic substances. What investigation is the Minister carrying out of these findings, and can he tell us today whether or not they are accurate?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is making reference to a small Vancouver-based company called Thalassic that, quite independently, on its own, without any reference to my Department or to any departments of Government, undertook certain investigations into the bottom of the St. Clair River. The company is trying to sell technology to my Department and, for that purpose, is attempting to generate as much publicity as possible.

I have asked my officials to look into the report that the company tendered to the media and not to me. I understand the investigations were very hypothetical and tentative. Neither my Department's officials nor those of the Ontario Ministry of the Environment were impressed with those investigations.

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Minister report to the House as soon as possible on whether the findings are accurate and, in particular, will he tell the House whether the findings indicate that mercury is on the bottom of the St. Clair River? If so, will the firm be allowed to

mine or extract that mercury? If that is the case, what steps will the Minister take to ensure the health and safety of the public in the area?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the company in question has not made available to me nor to my Department, nor to any of my officials, the detailed results of its investigations.

I have a memo, which I would be quite prepared to share with the Hon. Member, from my officials outlining in considerable detail the weaknesses those officials found in the relevant technology. Until I can be convinced otherwise, I hold the view that the matter is not worth pursuing, but I have an open mind on the subject.

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UNEMPLOYMENT INSURANCE

RELEASE OF RECIPIENTS' NAMES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Employment and Immigration. I have just been informed that the Minister and her Department went on a paper shredding binge just hours after the misuse of UI recipients' names was made public, that is, the giving of those names to the Peat Marwick company for a survey.

How could the yet to be completed studies and investigations by both the Privacy Commissioner and the Minister's own Department have full and complete access to all the relevant information when the paper shredder started just hours after the question was raised here in the House of Commons?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I have said earlier, the material in question was recalled from Peat Marwick. That material is now awaiting the investigation of the Privacy Commissioner.

SHREDDING INQUIRY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to ask the Minister precisely whether she could tell the House what material has already been shredded, and does that material include the information received from Peat Marwick, including the computer tapes?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be glad to find out in detail about every single piece of paper. This did, of course, involve the names and addresses of some 30,000 people. It involved questionnaires that went to some 6,000 people, I believe. I will find out in detail exactly what has happened to every piece of paper and I will be glad to get back to the Hon. Member.

TRANSPORTATION OF DANGEROUS GOODS

CARRIAGE BY RAIL THROUGH METROPOLITAN TORONTO

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, my question is for the Minister of Transport. I understand the Minister met yesterday with officials of the Metro Toronto Residents Action Committee with regard to the lowering of speed limits for trains carrying toxic waste through Metropolitan Toronto. What action is the Government prepared to take in order to prevent he derailment of trains carrying dangerous goods through heavily populated areas?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, yes, I did meet with the officials to whom the Hon. Member has referred, including representatives of the MTRAC organization. I did undertake to advise them that we were actively looking at the issue of lowering speed limits of trains going through a particular section of Toronto to 25 miles per hour.

I should remind the Hon. Member that a special task force to look at the issue of the transportation of dangerous goods through the Toronto area has been established. This will clearly be one of the priorities which the task force will consider. I hope we will be in a position to have a decision on that matter very soon.

Mr. Benjamin: VIA Rail is already doing 25 miles an hour.

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PENITENTIARIES

CONSTRUCTION OF MAXIMUM SECURITY PRISON IN MANICOUAGAN CONSTITUENCY

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is for the Solicitor General. It concerns the construction of a maximum security prison in the Prime Minister's own riding.

In view of the fact that the Nielsen report recommended a moratorium on all future prison construction, would the Solicitor General not agree that, based on correctional considerations, it is inappropriate to spend $60 million to construct a prison in a remote part of the Prime Minister's riding and, indeed, anywhere in Quebec where there is no double-bunking?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I will perhaps have to wait until tomorrow to get the translation of the Member's question.

Some Hon. Members: Oh, oh!

Mr. Beatty: As far as the Nielsen task force recommendations are concerned, those have been sent to a parliamentary committee. It would be inappropriate of me to try to pre-empt discussion on those.

Oral Questions

REQUEST FOR CONSTRUCTION MORATORIUM

Mr. John Nunziata (York South-Weston): Mr. Speaker, the Minister knows that the prison is under construction. In view of the recommendations coming out of the Nielsen task force, would he not declare a moratorium on the construction of that prison, which has been referred to as a misguided exercise in pork-barrel politics, and will he not redirect the $60 million to fund Katimavik for a further period of three years?

Some Hon. Members: Oh, oh!

Hon. Perrin Beatty (Solicitor General of Canada): That is a novel proposal which the Hon. Member has made, Mr. Speaker. I do not know whether he feels it is appropriate for the Solicitor General to be funding Katimavik, but it would be something to which I would expect his colleagues to be very much opposed.

While we are waiting for discussion by the parliamentary committee, plans go on and continue to be made, and we intend to continue with business as usual.

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CULTURAL AFFAIRS

GOVERNMENT FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Communications. It concerns what the Government is calling increases in cultural expenditures.

Would the Minister confirm that the $75 million mentioned in the Budget is an increase in lieu of the cost of living increases which were promised by the Conservatives in the election campaign, that there is no replacement of the monies cut last year for cultural spending and, therefore, there is a net decrease in the money available from the federal Government for culture in Canada?

Mr. Clark (Yellowhead): You are better with four-letter words.

● (1450)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the additional $75 million allocation for the Government's cultural policies will be spent on programs on which consultations are already being held with the provinces and cultural bodies. The Canada Council, for instance will see a 22 per cent increase in its present budget, so that the Council will become the Government agency receiving the highest increase in funding under the last Budget.

[*English*]

DEPARTMENT'S BUDGET

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, could the Minister confirm that the 2 per cent which is being cut from every Department will not, in the case of his Department, affect any of the cultural agencies, but will be absorbed by his own Department rather than affecting independent agencies?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I am not responsible for all the cuts imposed on cultural agencies by the previous Government. What I am trying to define is a new budgetary policy, in agreement with the provinces and the cultural bodies concerned.

* * *

[*English*]

PENITENTIARIES

CONSTRUCTION OF PRISON IN MANICOUAGAN CONSTITUENCY

Hon. Bob Kaplan (York Centre): Mr. Speaker, with regard to the answer which the Solicitor General gave to my colleague, is he saying that the issue of whether the prison will be built in the Prime Minister's riding is in the hands of the committee to which the Nielsen report has been referred? Is that still an open question, as he has just suggested?

Hon. Perrin Beatty (Solicitor General of Canada): No, Mr. Speaker, it was his colleague who suggested that should be the case. I am not going to prejudge the committee discussion with regard to the recommendations of the study group. In the meantime we have a responsibility to continue running the Government.

Some Hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, Hon. Members opposite ask questions and then shout throughout the answers. Could they give us the courtesy of allowing us to respond to their questions?

We have an obligation to continue with our responsibilities in the meantime, and we intend to do that.

PAROLE CASE LOADS

Hon. Bob Kaplan (York Centre): Mr. Speaker, is that the reason why the Solicitor General is sabotaging the country's parole system by allowing parole case loads to have grown so large since he took office that parole officers themselves are saying that street supervision is presenting an undue risk to the Canadian people?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, that is the most tenuous supplementary question I have ever heard. There is no intention or action on the part of the Government to sabotage the parole system. Indeed, we are

considering significant reforms to the parole system which I hope will help to cut the case loads. They will also help to ensure that the public is better protected.

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FISHERIES

ALLOCATION OF CATCHES IN NOVA SCOTIA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of Fisheries and Oceans and is with regard to the rapidly growing shortage of fish in Nova Scotia. Will the Minister tell the House what he plans to do to redress the unbalance in fish allocation between the inshore and enterprise allocations, and when he intends to do it?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, there is, of course, an express concern by the inshore fishermen of the Southwest Nova area with regard to the allocation which was extended to the offshore fleet under the five-year enterprise allocation plan. When that plan was discussed with my provincial colleagues for the present fishing year, it was agreed by the Minister for Nova Scotia that that plan should remain in force. However, we are reviewing the division of access to that allocation, and I expect to have a response to the concerns of the inshore sector in Southwest Nova before Easter.

POSSIBILITY OF CONFRONTATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, last weekend there was the beginning of a confrontation between enforcement officers and the fishermen. Does the Minister plan to resolve this imbalance on a permanent basis, thereby attempting to prevent a clash between fishermen and enforcement officers in that area?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, our first objective is to determine if, indeed, there is an imbalance. There has been a suggestion that the inshore fleet is vastly over capacity and has been fishing beyong its normal allocations. We must look at that allegation in light of the important needs of those inshore communities. As I have informed the Hon. Member, I will be making an announcement soon with regard to a resolution of this problem.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEWFOUNDLAND AND LABRADOR MINISTER OF EDUCATION

Mr. Speaker: I wish to advise Hon. Members of the presence in our gallery today of the Hon. Loyola Hearn, Minister of Education of the Government of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

YOUTH

JOB-CREATION PROGRAMS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Employment and Immigration. Could she advise the House whether her Department has any programs dealing with the youth of the country? If so, how many programs are there, and how many young people are involved in those programs?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): See him in caucus tomorrow, Flora.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would be delighted to respond to the Hon. Member. This year some $700 million is being expended on job-creation and training programs for young people. That is considerably more than was expended by the former Government at the height of the recession in 1982.

Mr. Allmand: Not true.

Miss MacDonald: At that time far less than $700 million was spent, although the unemployment rate was 21 per cent.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

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AIRPORTS

PEARSON INTERNATIONAL AIRPORT—HIRING OF PORTERS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Minister of Transport. Yesterday the Minister promised to investigate the $4,000 a year buy-a-job scheme implemented by All Cap Baggage Service at Pearson International Airport. Have the Minister's officials conducted private and confidential inquiries with the porters involved at Pearson to determine whether those porters who signed a petition in support of the company did so, as reported, under threat of losing their jobs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated to the House and the Hon. Member yesterday, regional officials are investigating the matter in detail. As of this date I have not received a report. I repeat as well that 30 or 32 of the 40 have disassociated themselves from the dissenting view of the 10 or so who find the arrangements unsatisfactory.

REPORTED THREAT OF LOSS OF JOBS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, is the Minister aware that a number of those who have signed the petition and, in the Minister's words, have

disassociated themselves, have claimed that they did so under threat of losing their jobs if they did not support a company-written petition to associate themselves with the company's practices. Will the Minister reject this buy-a-job scheme in Canada's airports which is immoral and archaic?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, one of the reasons the matter is being investigated is to look into the allegations which the Hon. Member has just made. I would not want to draw any conclusions based on the allegations made by the Hon. Member, because he has been wrong in this House more than once.

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SPORTS

SKI TEAMS' INSURANCE COVERAGE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport. Does the Minister still think that the insurance industry has responded positively to his challenge with regard to coverage for Canada's ski teams since that so-called positive response has resulted in the coverage being cut in half while the rates have been increased by 500 per cent? Is he aware that those increased costs will result in a reduction in the amount of money used for the development of skiing in our country?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am delighted that the critic from the New Democratic Party has finally awoken and is asking some questions. He is aware that the challenge which we put out to the industry has had very positive results. The ski team is now insured. In the meantime I have taken the initiative of establishing, for the first time ever, a special committee which is utilizing the best know-how in the industry to ensure that these sorts of problems do not arise in the future.

Mr. Angus: Mr. Speaker, that know-how has resulted in a 500 per cent increase in rates.

GOVERNMENT FUNDING

Mr. Iain Angus (Thunder Bay-Atikokan): Is the Minister aware that in the past five years 50 national sports governing bodies have only had $23,000 in liability insurance claims awarded against them? Is it not time for the Government either to provide the funding for the ski association and the sports governing bodies, or to provide the required insurance coverage?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, if the Hon. Member cares to check with the sports governing bodies he will find out that they are delighted with the initiatives which this Minister has taken to help them in their efforts to get insurance. In the meantime, since most of the jurisdiction lies with the provinces, my colleague, the Minister of State for Finance, and others, are working with the provinces on a more global aspect to ensure that the concerns of the sports and insurance industries are satisfied.

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INCOME TAX

TORONTO NEWSPAPER READERS' RESPONSE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. What kind of message is he getting from the fact that over 15,000 readers have responded to an invitation from a Toronto newspaper to express their dissatisfaction with the unfair burden his Budget places on middle-income taxpayers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I recognize that there are those who would like to have taxes not increase. However, I think the majority of Canadians recognize that we have a very serious deficit problem, which they know we are addressing predominantly through reduced spending. Seventy per cent of deficit reduction is through spending reductions. A portion must be borne through tax increases, and we are carrying that out in the broadest possible way.

* * *

● (1500)

POINTS OF ORDER

QUESTIONS POSED TO MINISTERS

Hon. Herb Gray (Windsor West): Point of Order, Mr. Speaker. I wonder if you could give us your guidance on a matter which transpired in Question Period. Questions were put to the Government House Leader with respect to the Registry of Members' Foreign Travel. There was a suggestion that this could not pertain to a Minister's responsibility but was, rather, a matter of House Business. The questions were placed to the Minister because the travel registry concept was presented to the House by the Minister as a Government initiative. Under the circumstances, I respectfully ask for your guidance whether this would be, therefore, a matter that the Minister could be properly questioned about.

Mr. Speaker: I think I can deal with that. The President of the Privy Council (Mr. Hnatyshyn) wants to respond?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the opportunity to comment on the point of order. This provision was announced some months ago and was ultimately adopted by the House unanimously. Whether or not it was initiated by myself or the Hon. Member, we all accept responsibility for it because there was no dissenting voice heard when the matter was put to a vote.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on the same point of order.

Mr. Marcel Prud'homme (Saint-Denis): Yes, Mr. Speaker. I ask for your indulgence in letting me finish because I think it could be helpful. You may remember I have always favoured this kind of registry. I find now there may be some difficulty in coming to terms with this provision because there is no time limit. Maybe now the time has come to re-evaluate Standing Order 105 to see whether we should not come together to arrive at a timetable. The Standing Order now says "shall register" and "shall maintain a public registry". It is very vague. Someone could register in a year and it would still be all right. The Standing Order was made in good faith, but perhaps the time has come to re-evaluate it because, as it stands now, it does not say when you should register. I hope that some day Your Honour would like to take some time to look into it.

Mr. Penner: Mr. Speaker?

Mr. Speaker: The Hon. Member for Cochrane-Superior (Mr. Penner) on the same point of order? We have to be clear. The Hon. Member is speaking to the point of asking the Government House Leader questions. It is not the question of order that the Hon. Member for Saint-Denis said was the same, but which is different?

Mr. Prud'homme: A suggestion.

Mr. Speaker: On a different point of order? All right, on the same point of order with regard to questions? Then let me try and resolve that one.

The Hon. Member for Windsor West (Mr. Gray) makes the point that the matter originated with the Government. But, as the President of the Privy Council (Mr. Hnatyshyn) says, it ceases to be a Government matter once the House adopts it as a House rule. It then becomes a rule of the House. Therefore, questions with regard to the implementation or application of the registry may or may not be questions of order, along the lines the Hon. Member for Saint-Denis is putting, with regard to the registry. However, it is difficult for the Chair to find that questions to a Government Minister about the Government's administrative responsibility could apply to a matter which, by the rules, is under the administration of the Clerk. I instinctively found it difficult to find that question in order. Perhaps the Hon. Member may want to persuade me at some other time on that point, but that is why I ruled that way today. I am open to representations on that question.

S.O. 105—ALLEGED FAILURE TO COMPLY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to draw your attention to Standing Order 105, which was mentioned previously by my colleague from Saint-Denis. There is a strong desire on the part of all Hon. Members that these new rules be workable and serve the Members of the House well. Naturally, with new Standing Orders there is bound to be some looseness or loophole which was certainly never intended to be there in the first place. The way in which a matter like this can be handled is not to rewrite the rules every time we see an escape hatch or some possibility for abuse. The way we handle it is for the Chair, seeing a problem, to rule on the Standing Order and thereby build up a body of precedence which would have equal authority with the Standing Order itself. Therefore I would ask whether Your Honour intends to rule with respect to the time when a Member of Parliament shall register foreign travel which is not wholly paid for out of the Consolidated Revenue Fund.

Mr. Speaker: That is clearly a separate point of order. I have a feeling there may be some people who wish to address that matter prior to the Chair ruling. The only way it could be dealt with by the Chair would be for the Member to raise a point of order, claiming that somehow this rule had been breached. May I suggest, therefore, that is the proper time for the argument to be put, as opposed to the general way in which the Hon. Member is trying to put it right now. If he wishes to do that, that of course would be his right at an appropriate time. Can we end it there?

Mr. Penner: Mr. Speaker, I entirely accept the point you make. I find myself in some difficulty in saying there is a breach. However, in the minds of many Members and observers of Parliament, it would seem there was a breach of Standing Order 105 if the registry does not take place prior to the trip. That is certainly the position I would take and I would hope Your Honour would rule that this registration should take place before, not after.

Mr. Speaker: We are now into the dilemma, because if that is the case, then I must hear argument. The Hon. Member is raising that as a point of order today and asking me to rule on that matter, therefore the President of the Privy Council (Mr. Hnatyshyn) wishes to respond.

Mr. Penner: May I be clear on that?

Mr. Speaker: Yes.

Mr. Penner: Mr. Speaker, the interpretation I would give to Standing Order 105 is that a Member of Parliament, upon accepting an invitation and making plans to go, before departure would place his or her name in the registrar. This should not be done at some later date, or even perhaps in some other Parliament, it should be done prior to the trip. I think that is the intention of the Standing Order and I would argue that there should be a clear and precise ruling from the Chair that that is the intention of Standing Order 105.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as much as I have respect for the Hon. Member for Cochrane-Superior (Mr. Penner) and his reputation as a Member of Parliament, I am sure he would be the first one to acknowledge that, if he is making a specific suggestion that there has been a breach, whether in advance of travel or not, in all fairness he should first find out what the facts are before making any suggestion of a breach.

Point of Order—Mr. Penner

During Question Period I said, and this is the truth, that I am not aware of the circumstances with respect to the travel of certain Members of Parliament. I know, for example, that on many instances I travel with Members in the Opposition Parties during the course of parliamentary delegations I have, therefore, knowledge that people are on particular trips, and I am in a position to stand in the House and say that such a trip was under the auspices of an interparliamentary association, or paid for out of the Consolidated Revenue Fund. That is quite a different proposition that standing in this place and, on the basis of a newspaper report, suggesting that something is taking place, without first ascertaining whether or not this travel is done at the expense of the individual Member of Parliament, which is exempted from this particular provision, or that there is, in fact, no obligation on the part of the Member to register. That is the important thing to determine at the outset.

• (1510)

The point I want to make in pursuing this particular matter is that I know that newspaper reports are very often the basis of questioning in the course of events, but it seems to me that the Standing Order is very clear. It requires and obligates Members under certain circumstances to enter certain details with respect to foreign travel into a registry maintained in your office, Sir. It says nothing more, nothing less. There is no imputation that it has to be done before, during or after. Indeed, it seems to me rather preposterous, if you want to get the fullest detail with respect to travel, to suggest that a Member before they take the trip give the full details of a trip that is yet to be undertaken. It would be far more appropriate in my way of thinking for the Member to come forward after returning from the trip to disclose the full details as required under the Standing Order.

I do not want to prolong this, because it is an Opposition Day as I respect the right of the Opposition to have the fullest debate. But let me simply say this. This particular provision has been on notice to Hon. Members who have had a chance to cogitate on its implications for some months now. It was accepted by unanimous resolution of the House as a provisional order of the House. The purpose of a provisional order, and rules adopted on an experimental basis, is for us to benefit from the experience that will transpire.

I recall when I first introduced this matter by way of resolution, if we want to bring this to its logical conclusion, that the resistance to this proposal for a registry was not from this side of the House, but rather from the other side. I find it rather curious now to find members of the Opposition complaining about this very reasonable proposition and now wanting to have you rule in advance of any particular allegation that this is travel that might come within this rule.

Mr. Speaker: Order, order, please. It is clear that the matter was adopted by the House. Let me suggest—

Mr. Deans: Point of order.

Mr. Speaker: There is a technical matter I must deal with before I hear more argument. The Hon. Member for Cochrane-Superior (Mr. Penner) has raised a point of order. I must go to the Hon. Member for Cochrane-Superior and ask him precisely who has breached the rules and in what way? He has raised a general point of order. I am in a dilemma in that in order to investigate what the Hon. Member for Cochrane-Superior is claiming as a breach, I think I should have some facts.

Mr. Penner: Mr. Speaker, I do not think that we need to play cat and mouse in the House of Commons. We know that there is a delegation that has made a trip to the Republic of South Korea, and we know that one Member has placed his name on the registry and that others have not. This is a confusing, uncertain situation. It is one that I am sure Your Honour cannot tolerate, and it is one about which Members of Parliament should have some clarification. That is what the point of order is about and what I am asking the Chair to do.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) will be next. The Hon. Member will know that the Chair had to have that information in order to proceed.

Mr. Deans: Mr. Speaker, I will be brief. I had not intended to even enter into this debate. However, having listened to it, there is some confusion that I want to try to clear up, at least in my own mind. As I understand it, after looking at the rule, the requirement is that if a person travels on other than parliamentary business paid for out of the Consolidated Revenue Fund, it is necessary for that individual—

An Hon. Member: Or on his own account.

Mr. Deans: I'm sorry, or on his own account, I bet your pardon. You are correct. It is necessary for those individuals to list the trip together with the name of the sponsoring person or organization which paid for travel to and from Canada. That is a very simple requirement and, in fact, ought to be able to be adhered to in advance of the trip taking place. It is not necessary for the person to have taken the trip to know who is paying for it. Surely that question would be asked at the time the trip was offered. The decision as to whether or not the individual Member might accept the offer would be, at least in part, determined by the source of the funding.

I want to make just three points. The first is that it is the practice for parliamentary organizations to announce in advance that there is a parliamentary delegation going to a particular place. That practice has served us well, and I think that that practice should become the rule. It is not followed in every instance, but it has been a practice. The reason I say that is that there is circulated among the Members the announcement of the opportunity to take the trip. With that in mind, I think we ought to try to do two things. We should try to establish that as a practice for all trips that are paid for either out of the Consolidated Revenue Fund or funded by someone other than the Member.

Mr. Speaker: Order, please. We are debationg what the practice should be as opposed to hearing representations on a point of order, which is the Chair's dilemma at this point. Can the Hon. Member conclude on the point of order, please?

Mr. Deans: On the point of order let me then say that you will recall, Sir, that at the time the provisional rules were put in place there was an understanding arrived at among the Parties that as matters such as this arose the House Leaders would meet, they would attempt to resolve those matters and they would come back with some satisfactory solution. I was going to end by saying, I am confident that if the House Leader for the Government, together with the House Leader for the Official Opposition were to meet with myself we could easily enough determine how this could be arranged to meet the requirements of everyone in the House of Commons without asking the Speaker to make a ruling.

Mr. Speaker: May I suggest, please, for the sake of everybody involved, that that suggestion by the Hon. Member for Hamilton-Mountain (Mr. Deans) seems, from the Chair, to make the most sense so far. I take the Hon. Member for Cochrane-Superior's concerns seriously, but I think that given the newness of this and given the importance I think the House should place this on the experimental period, it would be wiser if the House Leaders were to discuss this matter prior to the Chair having to make a ruling, which the Chair may later have to do if there is no possibility of agreement. May I suggest, therefore, that I intend to leave it that way for the moment and wait for the House Leaders to meet.

If a Member wants to put a motion on the floor as to what the matter should be he has every right to do so, but not on a point of order. It would therefore be out of order now to do so. No motion is in order at this point. This is a point of order arising out of the Question Period. My view is that that is the wisest course of action. Did the Members want to object to that? Then I will have to rule, and I will rule now.

Mr. Gauthier: Since I am at the centre of this whole thing may I just put a point to you and to the House. Indeed I agree that this matter should be taken up by the House Leaders of all Parties. But I also think Members in this House should be able to put their points of view to the Ministers in question, in writing or verbally, otherwise it is just going to be a party of three persons navel gazing.

Mr. Speaker: They have every right to. The Hon. Member knows that we are here on a point of order. That is all that is before the House at the moment.

Mr. Penner: Mr. Speaker, in raising the point of order I was motivated by a strong desire to see the new Standing Orders work, and not to cast aspersions on any Hon. Members. Therefore, whatever route, whatever avenue will resolve the problem will certainly have my full support and agreement. I agree with Your Honour that if it can be done among the House Leaders, that is perfectly acceptable to me. If it is in order, Sir, at this time I would seek unanimous consent, if that is necessary, to withdraw the point of order.

Mr. Speaker: I thank the Hon. Member. No such consent is necessary.

• (1520)

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I was going to seek the unanimous consent of the House. I was ordered, as Chairman of the Committee on Management and Members' Services, to write to the President of the Privy Council (Mr. Hnatyshyn) to refer this matter before it was printed. I realize that the matter that has been dealt with by the House is exactly what we wanted to study in the Management and Members' Services Committee. We wanted to adopt the rule and have a registry. I may say, with all indulgence, that I do not agree with some of my colleague's remarks.

Mr. Speaker: Order. The Hon. Member has representations to make and I believe he knows where to make them. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 82—VIABILITY OF FORESTRY AND AGRICULTURAL INDUSTRIES

The House resumed consideration of the motion of Mr. Fulton:

That this House recognizes the dire circumstances faced by Canadian forest workers by impending legislative initiatives of the U.S. Congress and the equally dire circumstances faced by Canadian farmers as a result of the U.S. Farm Bill and condemns this Government for its failure to adequately protect the viability of these two vital sectors of the Canadian economy.

Mr. Speaker: Resuming debate.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, let me indicate to the Hon. Member for Skeena and all Members of the House that we welcome the debate on his motion regarding this issue. I am aware of his personal interest and the interest of other Hon. Members about this issue.

This is a sensitive issue at this time because of the negotiations and the impending decision in the United States about whether to proceed with the bilateral negotiations with Canada. However, I believe it is important to state for the record what progress we have made to date.

If the Hon. Member were to talk to Jack Munro of the International Woodworkers of America, or Mike Apsey of COFI, any of the mill management or labour groups, or the industry, he would find that they are very well aware of the Government's efforts to ensure that we work together in dealing with this very real threat.

Let me review for the House the strong united front that we have forged with all segments of the forestry sector in defend-

ing Canadian interests in this issue. I was involved in the 1982-83 countervail issue. In my opinion, the leadership shown by our Government is far ahead of what was shown in 1982-83 in terms of bringing together all of those interests who stand to lose from possible actions taken in another jurisdiction.

The lumber industry in all parts of our country have come together in CFIC, the Canadian Forest Industries Council. Of course, the provinces are key players, given the nature of the charges against their timber pricing and resource management policies. One of the first issues discussed by the Canadian Council of Forestry Ministers was Canadian response to the protectionist threats in the United States. We have closely involved the provinces during every step in dealing with this particular issue. In fact, in the recent meeting in the Hon. Member's Province of British Columbia, the provinces of British Columbia, Ontario and Quebec were directly involved in the second meeting of the series of current Canada-U.S. talks which were held just two weeks ago.

The International Woodworkers of America have made a tremendous contribution to a better understanding of this issue on both sides of the border by their comprehensive analysis of the productivity differences between American and Canadian sawmills, which is a major cornerstone of our argument that Canada's market share results from market factors, not some Government manipulation of the market-place.

Through our Washington embassy and our U.S. consulates, as mentioned this morning, we have undertaken a concerted educational effort to explain the Canadian case. I believe it is extremely important that we ensure that the arguments made on both sides are based on fact, so that this does not evolve into an emotional issue as a result of what is happening in those particular jurisdictions.

The Canadian industry has mounted a major defence in the United States against protectionist pressure in the Congress and with the administration. The industry has also worked closely with the federal and provincial Governments to ensure an effective defence of the Canadian case in the United States. I believe that our industry, through COFI, has effectively mobilized U.S. home builders, lumber wholesalers, shippers and other interests to lobby Congress against protectionist pressures.

All of the various members of the forestry community which I have mentioned, including the lumber industry and its workers, the provinces and the federal Government, have been working in very close harmony on this issue. Moreover, I do not see this changing in the very near future. Let me review some of the facts in this issue because I believe it is important that Hon. Members, Canadians and others understand the argument from our perspective.

The U.S. industry and some members of Congress are alleging that all of the problems associated with the North American lumber industry are due to our over-production in Canada because of our stumpage and forest management policies. Let me present our viewpoint on this issue arising from the recent fact-finding meeting held in Prince George in February.

It will come as no surprise that we disagree strongly with the intimation that certain provincial resource development practices may have a significant market distorting impact on North American lumber trade. It was our broad conclusion following the technical briefings in Prince George last February that there is no evidence of distortions as a result of Canadian provincial policies that could be said to be providing their producers with unfair advantage. Despite the attempts by the U.S. industry to discredit the argument, it remains our firm contention that market factors explain most if not all of the competitiveness enjoyed by Canada in the market-place. In particular, we would point to the exchange rate advantage enjoyed by Canadian mills over the past decade, and species preference that favours Canadian species in the North American stud-framing market. These factors have been the major determinants of Canadian competitiveness and of the growth in its market share over the past decade.

Let us briefly revisit the facts. The impact of the exchange rate can be viewed in one of two ways. On the cost side, the decline in the value of the Canadian dollar has more than offset a slightly higher rate of inflation in Canada. As the recent report from the U.S. International Trade Commission points out, the net result of this real exchange rate effect was equivalent to giving Canadians producers a production cost advantage of 11 per cent in 1984, compared with 1977.

It could be argued that it is more meaningful to measure the impact of exchange rate movements from the demand side. It is, after all, the different price signals sent to Canadian as opposed to U.S. producers that influences their respective decisions to produce. In this sense, the effect of the exchange rate movement has been to consistently send a higher price signal to Canadian producers than U.S. producers of similar lumber.

I have already referred to productivity studies by IWA and others. While we had severe reservations about the methodology employed by the U.S. ITC study, I believe it is important that Canadians are aware that the study showed that Canadian mills produce almost twice as much on average as do U.S. mills. Furthermore, the average Canadian worker produces 100,000 board feet annually, or 26 per cent more than each U.S. worker. Third, on an hourly basis, the average Canadian produces 29 per cent more than the average U.S. worker. Finally, the productivity increase between 1978 and 1984, both of which were peak years, was 40 per cent in Canada and only 26 per cent in the United States. We understand that the productivity advantage over U.S. sawmills may close and we will have to take steps to ensure that we maintain an advantage.

We must also deal with species preference. There is no question that in all markets in the United States, American consumers prefer Canadian spruce-pine-fir. There are many reasons why they prefer Canadian spruce-pine-fir over southern yellow pine. Even the Southern American Forest Products Association has recently confirmed that excessive warp, crook wane and moisture content are fairly common complaints from specifiers and users of southern yellow pine. I think there is a

preferential issue which must be dealt with in respect of the fact that they would prefer our species rather than theirs.

● (1530)

We must address the issue of whether or nor there are any Government policies which have had a significantly distorting effect on north American lumber markets. The technical briefings which were held recently with the U.S. administration will bring this issue out. In terms of Canadian provincial policies and practices, it is important to note that while unique institutional arrangements have been developed in Canada in response to ownership patterns and a resource base which differs markedly from that in the United States we share with the United States certain fundamental resource management objectives. We are not that far apart in terms of our objectives. There are common elements in our approach to resource pricing.

With respect to resource management, all provinces are committed to sustained yield. It has been brought to our attention that perhaps we do not have a sustained yield. We adhere to that policy while recognizing the difficult transition from an over-mature resource which we have in Canada to what might be termed, perhaps, a normal forest. There has also been an increasing commitment to reforestation in Canada over the past decade to ensure sustained yield in future years.

Besides that our producers have extra costs and much more difficult access to our resources, for example, in terms of road building activities. Even if there are allowances for that they are additional costs to our producers. I think it is significant that in both countries reforestation expenditures are viewed as an investment to be recouped from future stumpage and other revenues. We would conclude from the written and oral answers provided by the provinces to the U.S. question that there is no basis to suggest that provincial Government policies or practices have a market-distorting effect.

I could dwell on some of the U.S. policies but since time is at a premium I will not. I could deal with some of the American legislation and policies which have negatively impacted on their industry. Because of time constraints I do not think that I will get into that issue at this time. However, it is a major concern of their own producers that some of their own legislation works against their interests. Both Canada and the United States agree that there is clear evidence of significant tariff and non-tariff barriers in Third World markets which restrict access of North American lumber products offshore which can be dealth with on a joint basis. We agree that this is the way we should go with respect to this issue.

The Hon. Member for Skeena (Mr. Fulton) and the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) mentioned this morning the political dimension. Their points are well taken. It is a regrettable truism that it is the squeaky wheel which gets the grease. While the levels of rhetoric by Canadians on the lumber issue has been much more restrained than that of certain elements in the U.S. industry and its Congressional allies, it would be a mistake to underestimate the degree of political sensitivity and depth of political passion in Canada which would result from any untoward U.S. actions by its Congress or administration.

We are talking here about an approximately $3.5 billion industry on the lumber side alone. It is a big stake which Canadians have in this industry. Our forest products earn $15 billion annually for our economy. When one considers that the contribution of the forest industry to GNP is five times larger in Canada in proportionate terms than it is in the U.S., that there are 300 communities which are solely or almost solely dependent upon it for their livelihood in the forest product sector, and that there are about 300,000 jobs directly at stake in the forest products industry, it can be readily appreciated just how sensitive the issue is to all Canadians. It can be recognized how important it is to try to deal as carefully and as judicially as we can with the protectionist sentiments in the United States. It is important to point out how extremely disruptive they would be to the future course of Canada-U.S. relations.

In conclusion, the Canadian viewpoint is being presented to key Congressional and U.S. administration people at every opportunity. It is done on a political level, as the Hon. Member knows, through our parliamentary committees, private meetings, tours of our facilities, our Members going to see theirs, and through our industries sharing information. Moreover, we have brought together all of the sectors of the lumber industry including labour, government, industry and the provincial Governments in order to bring their talents to bear on the common defence of the Canadian position in the United States.

I would like to conclude by saying that our Government has put all the facts to the U.S. It has made a major effort to educate Americans on this issue. The question is—and I know it has been brought up before and will probably be brought up again—to what extent will they listen? Hon. Members must realize that this issue is a political one in the United States. As members of the Opposition have pointed out, some U.S. Congressmen are up for re-election. They are responding to the concerns of their constituents by trying to protect them against what they pereceive to be injustices. Therefore, it is my view, and the view of the Government, that the best strategy we have in dealing with this issue is to continue to put forward the facts as clearly and as concisely as we possibly can, as we have been doing, jointly and collectively with our partners. It is important to build good relations with the U.S. administration, relations which were seriously damaged by the previous Government. That is how we will protect our efforts and our jobs. Hopefully, we will succeed. The next few weeks will be crucial for all of us. I know we can count on the best efforts of all Members of Parliament as we try to deal with this very sensitive issue.

The Acting Speaker (Mr. Charest): Are there questions or comments?

Mr. Fulton: Mr. Speaker, I enjoyed listening to the remarks of the Minister. However, I am afraid I have the same

comment for him as I did for the Minister of International Trade (Mr. Kelleher). That is to say that he seems to be looking too closely at the facts. Because of the ruling with respect to 332, the update with respect to it and investigations which were made by the Department of Commerce for the International Trade Commission, the Americans seem to have dropped their ongoing arguments in relation to subsidy at our most recent meeting just 10 days ago. They seem to have dropped their ongoing arguments in relation to our stumpage programs. I am sure the Minister has taken a close look at Sam Gibbons' latest Bill and what it means, for example, in terms of bidding up in British Columbia. The most recent wood that was released under one of the small business programs there brought about a price per unit ten times that of what the forest company right next to that same sale was paying in terms of stumpage. The direction which the Gibbons' Bill is taking is quite different from the direction taken in the past. It has deleted the handling and transportation costs.

The question I wish to put to the Minister is this. Does he not think that now is the time, the only time, that we have to go to the United States, not we as parliamentarians but instead well trained and well-informed people who can deal with those 2 million plus Americans who derive their jobs directly from trade with Canada? This is the only window, as it has been said, which is open to us. We are the two largest trading partners in the world. The Americans tend to forget that. I think we should target them as a group. We should get the house builders, contractors and newspaper companies which receive 57 per cent of their newsprint from Canada on side. The forest industry, the workers and the Governments have done a good job—a damn good job—in mobilizing that type of factual material with respect to the differences between our two forest operations. What is at stake here is politics. It boils down to the lowest common gutter denominator in North America. It is politics and mid-term elections. The Republicans and the Democrats are figting for control of the U.S. Senate. They will do almost whatever is required to gain that control. Do you not think, Mr. Minister, that since in your own Estimates you have 14 more person years and $500,000 and since a $26 billion indusry is at stake, now is the time to deal with this issue? Do you not think your cabinet colleagues should say to you: "Gerry, go for it? Take the money and staff and whatever you need. Open a trade consulate in every single one of those States"? In this way we can get to those other target groups. We can get them going to save the Canadian industry from the slaughterhouse which I think we will see in May.

Mr. Merrithew: Mr. Speaker, I do not share the pessimistic view that there will be a slaughterhouse in May. The indications we have been receiving are, of course, that the administration is still very sympathetic to moving in. It will not let the lumber issue and the whole negotiation be held hostage in terms of settling this dispute.

I do not think I need to remind the Hon. Member that in this case we are a sovereign nation. That is a political reality of which we are aware. I have been dealing with these issues since 1982 or 1983. We are aware that the type of debate is changing. We are aware that the 332 investigation and the ITC have proven that we are not giving undue assistance to our industry to make it more competitive.

● (1540)

I wish I could share the Hon. Member's view that everyone listened and learned from those two investigations. However, we think it is important that we continue to make sure we have well established, proven facts and that representatives are brought here to examine our industry through and through from every aspect. We must make sure that every decision they make in their Congress, as a sovereign nation, will be based on facts.

The Hon. Member suggested that we intensify the lobby. Believe me, the private-sector and political groups from Canada have been intensifying their efforts on the widest possible basis as they try to deal with this particular threat. We have tried to point out to the Americans that the kind of protective legislation they may very well bring forward will probably have a far greater job-loss effect in their country than in ours. That must be pointed out. Members of the House of Commons are pointing that out, as are members of industry, labour and provincial Governments. We are doing it as effectively as we can and at some considerable cost.

I might point out to the Hon. Member that we do share with two or three different Departments the costs and efforts put forward in order to deal with this problem. We are expanding the trade consulates in the United States and will continue to do so. We have to make a very broad based effort to put forward the facts as we know them in order to make sure that the Americans make their decision on the right basis.

Mr. Fulton: Mr. Speaker, I have a small supplementary question. I wonder if the Minister could touch on the point to which I found 25 Members of Congress responding just 10 days ago while they did not respond to a lot of ongoing, well researched evidence in relation to the forestry sector that we have continued to put forward. We simply reminded the Americans that in the home appliance industry, their market penetration increased from 45 per cent of the home appliance industry in Canada to 95 per cent in just eight years. It is an issue of penetration. They are concerned about the 34 per cent of the market we hold in the United States but when they are reminded about some of the degrees of penetration they have achieved in the manufactured and semi-finished products sectors, it seems to take them aback a little. I think we might be able to focus on that and get the American people themselves to have the legislators shift ground, because they have definitely dropped the seven veils of Ali Baba. Does the Minister think that that might be a way of helping to remind Americans of what our huge trade relationship is all about?

Mr. Merrithew: Mr. Speaker, I would be pleased to respond very quickly to that. We are very much aware of the political reality of what is going on and the changing nature of the discussions between our two countries, particularly at the

political level. The kinds of facts the Hon. Member brought up along with other Members of Parliament are the kinds of facts we have to bring up with the Members of Congress in the United States. I believe those Hon. Members are serving a very useful purpose and will continue to do so. I very much appreciate that kind of help.

Mr. Hopkins: Mr. Speaker, I have a brief comment to make to the Minister, who I know is very interested in his job and is looking out for the best interests of forestry. Perhaps the Minister could tell us whether or not the tougher fibre of Canadian softwood is a big plus when it comes to competing with the softer texture of the fibre of trees which are rapidly grown in the southern part of the United States. Will that factor help negotiate the free trade deal? What measures are in place to help promote the sales of Canadian sotfwoods to the United States?

My second point is in relation to the research facilities in Canada. The Hon. Minister from Sault Ste. Marie, the Minister for International Trade (Mr. Kelleher), knows that the Petawawa National Forestry Institute is a sister operation to the research facilities located in Sault Ste. Marie, and the two work very closely together. Does the Minister see us putting more money into Canadian forestry research facilities in order to promote further the quality, texture, and more rapid growth of our own forest products so that we will be in a position to compete even better with the United States on the basis of quality products?

Mr. Merrithew: Mr. Speaker, I did touch upon the issue of consumer preference, and there is no question about that. The American consumers think that our spruce pine fir, because of its fibre and strength, is preferable to their southern yellow pine. I do not think that there is any question about that. We have to continue giving that kind of message to the American consumer because it is important.

The second point the Hon. Member brought up was whether or not we could find some mechanism through which we could help to promote and find new markets. We are prepared to do that with our American neighbours. We recently signed an excellent renewal of the Co-operative Overseas Market Development Program agreement, an agreement shared by the Province of British Columbia and two other provinces. It was signed along with the Council of Forest Industries. The first thing I heard when I went there was how important that program is as we try to find new markets. In the last 25 years, our trade with the European Economic Community has dropped by half and our trade with the United States has increased dramatically. We have to find new markets out there, so we put together that particular program and will continue with those kinds of initiatives.

The last point the Hon. Member made was to do with the importance of research and a continuous commitment to that. We are committed to research. It is very difficult in times of restraint to put all of the money we wish into that, but we are helping the private sector through FERIC, Forentec and PAPRICAN, and four laboratories out of six are undergoing expansions. I have tried to upgrade the minor capital programs of these laboratories and in fact we have been remarkably successful and have upgraded by 1,500 per cent. We are trying to direct our attention to improved research and to direct that research to the kinds of things the industry really wants.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): Order, please! It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Member for Hamilton East (Ms. Copps)—Trade—Provincial fresh water rights. (*b*) Grand Canal Company proposal; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Health—Exposure of workers to cigarette smoke. (*b*) Smoke-free offices—economic savings; the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Customs Tariff—Tariff placed on product not produced in Canada.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—VIABILITY OF FORESTRY AND AGRICULTURAL INDUSTRIES

The House resumed consideration of the motion of Mr. Fulton:

That this House recognizes the dire circumstances faced by Canadian forest workers by impending legislative initiatives of the U.S. Congress and the equally dire circumstances faced by Canadian farmers as a result of the U.S. Farm Bill and condemns this Government for its failure to adequately protect the viability of these two vital sectors of the Canadian economy.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise to participate in debate on what I think is a very important issue facing our country today. The motion talks about the problems we are having with trade in the forest industry and in the agriculture industry.

The problem in the forest industry is a bilateral one with the United States because our trade is taking place with the United States and our problem is protectionism in that country. Regarding agriculture, the problem is slightly different because the United States Farm Bill subsidizes exports of American grain and it subsidizes American farmers. The

problem with the Farm Bill is that it will disrupt world agricultural markets. Those are the two problems we face.

Today's motion speaks directly to a very important issue our country is debating today while the Prime Minister (Mr. Mulroney) is in the United States, and that is the whole issue of free trade with the United States. I want it to be very clear that I oppose a comprehensive free trade arrangement between the United States and Canada because it is more than just economics. A free trade arrangement will create a level playing field where economic integration will mean that the same rules that apply in Alabama will apply in Saskatchewan, and that will eventually lead to cultural, social and political integration.

Free trade is a question of independence for this country. It is a question of our sovereignty and our very nationhood. If we have a problem now with so much of our economy owned by the United States and 77 per cent of our trade with the United States, just think of the problems we would have if we had a comprehensive free trade agreement with the United States. We would always be going cap in hand to Washington.

• (1550)

When the Prime Minister was running for the leadership of his Party, he said in Thunder Bay that he opposed a free trade arrangement with the United States. He also said that the Liberals tried it with Laurier and lost an election, and that a free trade arrangement with the United States was like a mouse going to bed with an elephant, in that the mouse might feel very secure until the elephant rolled over. I agreed with the Prime Minister of the country when he said that. I think he was right then but he is wrong now. It is really a question of the mouse and the elephant.

[*Translation*]

And that is why, Mr. Speaker, this motion is extremely important. It is very important in the forestry industry, a sector vital to the creation of jobs here in Canada. It is also very important for Canadian farmers across the country. The problem for us in Canada is the protectionist policies of the United States. With protectionism in the U.S., we have unemployment here in Canada, a lot of it in the forestry industry and among our Canadian farmers. As the Prime Minister (Mr. Mulroney) said three years ago, it's like a struggle between a mouse and an elephant, because the population of the United States is now over 200 million, while Canada's population is only 25 million.

To me, free trade is not just a matter of economics. It is also a matter that involves Canada's independence, Canada's sovereignty, and forestry is a vital industry. I hope that today and tomorrow, our Prime Minister will have a serious discussion about this matter with President Reagan in the United States. It is important for Canada. It is important for Quebec and British Columbia and Ontario. It is important because 300,000 people work directly in this industry. There are also 700,000 people working indirectly in the forestry sector here in Canada. There are many lumberjacks and a lot of other people that depend on this industry. It is Canada's most important export industry, and last year, its economic value to Canada was $25 billion. Mr. Speaker, the Wilson Budget contains a cut in Government spending on the forestry sector.

[*English*]

The other issue is the U.S. Farm Bill. I cannot help but use the rest of my remarks asking colleagues on all sides of the House to rally with us in trying to point out to the Americans the danger of that Bill to Canadian farmers. Let us look at the headlines which have appeared in newspapers over the last few days and weeks. An article in the *Manitoba Co-operator* was entitled "U.S. Farm Bill will hurt". One in *The Globe and Mail* was entitled "U.S. Farm Bill could hurt Canada". In a story in *The Toronto Star*, the following was indicated: "Moves toward U.S. export subsidy may prove worrisome for Canada". Finally, an article appeared in *The Western Producer* which was entitled "Situation may lead to subsidy battle". Newspaper after newspaper are starting to tell Canadians about the danger of the American Farm Bill to our country.

I should like to spend a few minutes talking about that Bill. It became law in the United States toward the end of 1985. It is to become effective in June, 1986, or in about two or three months. It is a big threat. Why is it a big threat? What will it do? It will allow the American Secretary of Agriculture the power to reduce the export price of American farm products to other countries around the world. Also it will allow the American Secretary of Agriculture to increase subsidies to American farmers. Why are the Americans doing that? It is because of their sagging exports, because of their increased inventories of grain, particularly wheat, and because of massive subsidies by the European Common Market in what is amounting in reality to an all out trade war between the Treasury of Europe and the Treasury of the United States of America.

What will be the cost of this American Farm Bill? Mr. Speaker, even though you are not from a western Canadian riding, I am sure you will realize our problems. Over the next three years a conservative estimate, if I could use that word, of the cost to the United States will be $52 billion. That is what the Americans will be spending to subsidize the export of American farm products and to subsidize the income of the American farmer.

Mr. Benjamin: So much for free trade.

Mr. Nystrom: I hear the Hon. Member for Regina West (Mr. Benjamin). Free trade for whom? We are living in a fool's paradise if we think seriously that the Americans want free trade with Canadians. I think the Prime Minister is starting to realize that. Now he talks more about enhanced trade than he talks about free trade. In any event, the Americans will spend $52 billion in the next three years, and perhaps more. The Saskatchewan Wheat Pool is estimating that it will be over $60 billion in the next three years. What will the Americans do? First, they will subsidize the export of American food products to various countries around the world.

Second, they will subsidize the price of a bushel of wheat and the price of other farm products to American farmers.

Who will suffer? It will be the farmers of Canada, Australia, Argentina and New Zealand; they will be the victims of the American farm Bill. Our Treasury cannot compete with the Treasury of the United States or with the Treasury of the European Common Market. It is important for the Prime Minister to take a message to Ronald Reagan saying that the farm Bill is wrong and that the problems of the international grain economy or of the farm economy cannot be solved by building huge protective walls around the United States and having a trade war with the European Common Market.

How will the Bill work? The system in the United States is similar to ours in terms of advancing money to farmers before they sell their grain. In Canada it is called cash advances. In the United States it is called a loan rate. The only difference is that the American Government takes possession of the grain, whereas we just make an advance on what a farmer will receive when his grain is sold. The loan rate for wheat in the United States this year will probably be set, according to agricultural economists, at $2.40 per bushel. The loan rate automatically becomes the floor price of wheat, not just in the United States but on a global basis, because the Americans have 25 per cent of the world share of wheat production and we have only 5 per cent. If the price of wheat falls to $2.40 per bushel, how many Canadian farmers will survive? We do not have a program to subsidize our farmers like the one of the Americans. The United States now has a support level for wheat of $4.38 per bushel. If the world price is $2.40 per bushel on one hand and the support price is some $4.38 on the other hand, there is a difference of $1.98 which is made up by the Treasury of the United States. In other words, a subsidy of about $2 per bushel will come from the Reagan administration to the grain farmers of the United States. The victims of this will be the farmers of Canada because the Canadian Wheat Board cannot compete under any circumstances with $2.40 per bushel wheat anywhere in the world. Many of our importing customers will be waiting until June until the American farm Bill becomes law. Asian countries, African countries and even the Soviet Union will be looking to the United States where they can buy grain for $2.40 and $2.50 a bushel instead of paying a higher price here in Canada. We are in very serious difficulty, Mr. Speaker.

● (1600)

I checked the Chicago futures market for the price of wheat. In the month of March wheat is quoted at $3.40 a bushel. Do you know what it is for the month of July, Mr. Speaker? It is down to $2.50 a bushel, a drop of 90 cents a bushel. I ask you, how will farmers survive with the price of grain at $2.50, $2.40 or $2.60 a bushel, which is what the indication now is from the U.S. farm Bill and the Chicago futures market?

The Canadian Federal Grain Marketing Bureau spokesperson, Gary Moore, said recently that we can anticipate a drop in the price of wheat of between 20 per cent and 30 per cent in the calendar year 1986-87. You can anticipate a drop in the income of wheat farmers of $1 billion in the next crop year because of the American farm Bill. This farm Bill applies not only to wheat but to many other commodities. They are all listed in those summaries that we have seen accompanying that legislation. It works the same way. For example, there will be a subsidy of about $1 a bushel for soy beans.

What is the purpose of the farm Bill, Mr. Speaker? It is to try to drive down the price of grain in the world because the Americans feel that the European subsidy is too high. The Americans are trying to drive down the price of grain to break the backs of the European countries, a bit of a daredevil's war of who is going to say "uncle" first, the Europeans or the Americans. It is a battle of two Treasuries. It is a bidding war between the Europeans and the Americans.

The farmer in Kamsack, the farmer in Lethbridge, Yorkton or Kindersly is caught in the middle of this bidding war between the United States and the Europeans. The question is, what can we do about it? There are a couple of things. The Prime Minister is in Washington today. He must look at Ronald Reagan eyeball to eyeball, square in the eye, and tell him that his farm Bill will bankrupt thousands upon thousands of farmers across Canada and that he must not proceed with the U.S. Farm Bill. Second, the Prime Minister must initiate discussions with the President of the United States toward the beginning of an international wheat agreement, an effective and comprehensive international grains agreement where the price of wheat will have some reflection on the cost of production for farmers around the world.

We used to have such an agreement. It broke down in 1969 when the United States of America started to sell wheat below the agreed upon floor price. Because the Americans are the biggest producers of wheat in the world, they broke the agreement and destroyed the whole guaranteed pricing system for farmers around the globe.

What we have now is the law of the jungle. What we have now is the law of Rambo. If you are big and strong, if you are muscular and have all the devices of a massive Treasury behind you, you can subsidize your farmers and screw farmers in other countries. That is what we are seeing with the United States Farm Bill. This Parliament must speak as one, loudly, clearly, emphatically and aggressively. We must say that that is not good enough.

We have to support agriculture in Canada because if the farmer is better off, then we are all better off. If the farmer is better off, there are jobs in towns and cities for the young people of Canada. If the farmer makes $2 or $3, he will spend $7 or $8. That is why we have to defend agriculture.

This is a very important debate today. This Parliament must say to our Prime Minister, as this country said to Laurier many years ago, "We don't want a free trade agreement between Canada and the United States. We know that a free trade agreement between the two countries will affect more than just economics, it will affect our very political sovereignty, our very independence as a nation". Our vision of trade in the world must go beyond the shores of North America. Our vision must include China, the developing world, Japan and

the Pacific Rim. Our vision must include as well increasing production for Canadians. If we have free trade with the United States of America we will see a loss of jobs and a loss of some of the social programs that we know and we will see a loss of the very autonomy and the very nationhood of our country. We will see it affecting the farmers, the Canadian Wheat Board, the poultry industry and the dairy industry.

The time has come for Canadians from coast to coast to rally behind the flag of this nation, this great country of Canada, to stand up and to fight for ourselves with the patriotism that other countries such as the U.S., France and Britain have shown for years and years and years.

[*Translation*]

Mr. Speaker, it is a matter that involves Canada's sovereignty and Canada's independence. It is time to act.

[*English*]

The Acting Speaker (Mr. Gervais): Are there any questions or comments? If not, we will continue debate. The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, it is quite true that the debate taking place in this House today is of the utmost importance to Canada and to our future. Ever since the pioneer days of Canada, agriculture and forestry have been two major staples of the Canadian economy. Fewer and fewer people are participating in agriculture now, but the industry has certainly grown in great bounds of production right across the country.

We have had other staple crops, such as, for instance, fish and fur. But to drive the point home as to why today's debate on forestry today is of extreme importance let me say that 11 per cent or more of the Canadian labour market work in the forest or forest related industries. There is no way we can go into trade negotiations thinking that we are going to come away with a pat on the back and everything will be all right. We have to do our homework ahead of time. Hard bargaining is simply good business. The U.S. understands that very well. The Americans have been good bargainers over the years and that spells their success.

I suppose bargaining can best be illustrated by using the case of the cattle drover. He goes out to buy cattle and he goes to those farmers from whom he got the best deal last year. If we as a nation end up being a poor bargainer, then we will be had and more people will take us for a ride.

The Americans will not respect Canadians any more if we are the soft-touch in any free trade agreements. They understand hard business bargaining and will respect us more if we are tough than if we take everyting with a smile.

● (1610)

In relation to the jurisdictional structure of the forest industry in Canada it is important to point out that in my view one of the greatest weaknesses of the Canadian Constitution is the fact that the national Government in Canada does not have direct control over the natural resources of the country. They are, rather, under provincial jurisdiction. In the United States natural resources are under the jurisdiction of the national Government in Washington. That allows more direct action. Can you imagine having to deal with every state in the United States if those resources were under the jurisdiction of the various states?

On the very basis of our Constitution we have great difficulty dealing with forest-based industries and the management of our forests. The management of our forests in crucial to this entire argument. We must have good quality timber in the years ahead to compete favourably.

This morning during a question and comment period the Hon. Member for Lévis (Mr. Fontaine) condemned the Government for not having reforestation programs and for selling lumber without putting the proceeds back into the Canadian forest industry. He was saying that natural resources in Canada are under federal jurisdiction, which they are not. The forest resources in Canada are under provincial jurisdiction. I wonder what the Quebec Government would have done if the federal Government had gone into the Province of Quebec and started doing the work which legally belongs to the Department of Natural Resources of that province. We would have a real constitutional wrangle.

Let us get it straight. The provinces have always been in charge of managing the forests of the country. We all realize that some of them have done a very poor job. Based on its forest resources, British Columbia should be in far better shape than it is today. The forests in the Province of Ontario were the milch cow of a Conservative Government for over 40 years until the recent change. The money made from the forests were not used for the renewal of natural resources in the Province of Ontario. I suspect that you will find the same situation in many other provinces of Canada. In order to compete favourably, we must have our own house in good order.

The free trade issue is one of the most critical issues facing the Canadian economy today. There is no sense in denying it. There is a great deal of concern within the farming community across the country. There is a great deal of concern among sawmill operators, lumber dealers, and all forest-related industries. There should be concern in the labour community of Canada as well as in the business community. As I just said, over 11 per cent of the labour population of Canada works in forest-related industries.

The Minister of International Trade (Mr. Kelleher) and the Minister of State for Forestry (Mr. Merrithew) must sell their ideas to the forest-based industries of the country. They must talk to the farmers of the country who are very ill to ease and need real assurances. Free trade has implications for all regions and all economic sectors of Canada. How well we conduct the negotiations and how well we achieve the objectives of those negotiations will have an enormous impact on all of us for years to come. A closer analysis of a free trade agreement shows that some Canadians would gain and some would lose. It shows that some of the losers would be the textile and the agricultural industries.

A previous speaker in this debate talked about the problem between the European Economic Community and the United States. It certainly is a battle in dollars between the United States subsidization of their agricultural industry and the subsidization by the European community of their farmers. It remains to be seen who will win that dollar battle. We suspect that it will be our neighbour to the south. The European countries are already suffering from the high cost of subsidizing their agricultural community. They would desperately love to get out of that situation and lower those subsidies, but they do not dare to do so because the Party which does it will lose the next election. Farms in Europe are still small and farmers have a lot of clout. With so many political Parties, every vote is important.

Paula Stern, the United States' chief watchdog on trade, is not sure of the benefits of free trade with Canada. Free trade is clearly not supported by a majority of Canadians. Liberals have always supported freer trade, but not free trade, that is, a reduction of both tariff and non-tariff barriers, but not at the expense of our sovereigty, cultural identity, or ability to make our own economic decisions. If our economy is such that we are the captives of an international agreement, we will certainly be giving up a large part of our sovereignty and the right to make major economic decisions.

Any discussions must recognize the unique needs of the Canadian economy and Canadian society. The danger of being railroaded into a hasty decision now might later prove to be damaging to Canadian interests. Can we trust the Government's negotiating abilities? That question is on the mind of many Canadians. Time and again we have seen the Government cave in to the slightest pressure. The meeting in Quebec City between the President of the United States and the Prime Minister of Canada (Mr. Mulroney) one year ago was seen as a meeting of total agreement followed by a good bash. Canadians reacted to that with suspicion of this very close liaison. They were worried about what was really being given away. The facts are there, Mr. Speaker.

The other thing which started the spirited national debate between the United States and Canada in recent months was the issue of the *Polar Sea*. When the *Polar Sea* was going through the Northwest Passage there was no comment from the Government of Canada. That led Canadians to believe that the Prime Minister was indeed too cosy with the President of the United States. It again comes down to good business bargaining. You cannot have good business bargaining if you are willing to give anything away just to be a friend.

To date the Government has not provided us with an assessment of the costs by sector and region. Hundreds of questions remain to be answered. Some of the provincial Premiers have caused the Government to accept provinces as part of the negotiations because the provinces have too much at stake. They have too much at stake for the very reason I mentioned a while ago. The forest resources of the country are under the jurisdiction of individual provinces. That is a big source of income for provincial Governments and naturally they are going to be very concerned about what type of deal this Government strikes with the U.S. on the forest industry.

● (1620)

Farmers throughout the country are strongly opposed to free trade. The cultural industry is in a state of confusion and concern over free trade. Thousands of jobs could be lost if negotiations are not handled carefully and with resolve. If we look at the possible effects on agriculture, we have to look at the subsidization of some sections of the industry such as the dairy industry. We must make certain that agriculture is not on the negotiating table. How do you prevent this? I suspect the Government will put it on the table. If I heard the Minister of Agriculture (Mr. Wise) correctly, he recently said that if there was not a good agreement on agriculture with regard to free trade, there would be no agreement. Those are very brave words and I hope he means them. Farmers throughout this country will be watching the Minister very carefully to make sure he backs up those words.

Federick Stokelo, Director of International Business Relations for the U.S. Chamber of Commerce, said:

> I hate to say this, but U.S. business with Canada is treated as business in California.

He means that Canada is indeed treated like the 51st state. That statement comes from an American, not a Canadian.

The potential loss of supply management and agricultural marketing boards would prove disastrous. Twenty-five per cent of all Canadian farmers are in serious financial difficulties and the industry needs to be protected. Not only that, it needs to be supported. In the recent Budget we saw $700 million set aside for loans to the agricultural community. At the same time there are from 50,000 to 60,000 farmers who are facing financial risk if not bankruptcy. In farming today $100,000 is not very much when it comes to equipping the farm and putting it on a solid footing. Even if you lowered the amount of a loan to $100,000 on average, that money set aside will only go to service about 7,000 farmers. There will still be more than 50,000 with the same problems.

This is indeed a big challenge and it must be looked at seriously. Agriculture in Canada can no longer be looked upon as a way of life where people live on the farm because it is their home. It is not only their home, it is a place of business. Agriculture today is serious business. You can drive along a country road and see a large farming operation and not realize that there is more money invested in that farm than perhaps in a factory that you had just passed going through the local town. I use that example in order to emphasize the fact that we have to protect the agricultural industry as well as the forest industry in these negotiations. Until the Government gives those two industries some realistic responses to these problems, the people concerned cannot have any real faith in these negotiations. People who have been working for years to build up a farm or a sawmill operation are really going to be behind the eight ball if they see that these negotiations could mean the failure of their operation.

The Prime Minister said that sleeping with an elephant is terrific until he twitches or rolls over. Perhaps that phrase has been used enough. He also added that this is why the question of free trade was decided in the election of 1911, when it was defeated. It affects Canadian sovereignty, and we will have none of it, not during leadership campaigns or at any other time. That is what he said. Canadians are going to be watching closely to make sure he lives up to what he says.

I will not go over the time allowed me but I wish I could take a minute to talk about the U.S. Farm Bill and how some of its provisions will affect Canada. However, the bottom line is that those provisions are certainly going to affect Canada's trade. They are certainly going to affect our capacity to maintain a strong base in the farm industry. Hopefully we will be able to upgrade our forests and get some good research going in Canada, but the bargaining in that sector will have to be tough.

[*Translation*]

The Acting Speaker (Mr. Gervais): Questions or comments. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: Mr. Speaker, I listened to the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) who talked about international trade and the particular implications concerning our neighbour to the South, the United States.

Surely the Hon. Member knows that 80 per cent of our trade with the United States is now duty free. The Hon. Member also knows that the discussions we are having now with our southern neighbour have to do mostly with the irritants which developed on either side of the border when the previous Government was in office. All those irritants can be traced back to the Liberal Government, and that is why today the American Congress is questioning American imports of Canadian products.

The Hon. Member ought not to forget that those irritants are due to his own Government. I would like to hear his opinion on the difficulties we experienced when we tried to export pork. If our Minister of Agriculture (Mr. Wise) had not intervened at that time, our pork exports would have gone down.

Because you failed to take proper action when those irritants were developed, we have to pay additional taxes on salted fish, not to mention the fact that they create problems with respect to manufactured goods generally and forest products.

I would therefore ask the Hon. Member for Renfrew-Nipissing-Pembroke if, in the document he got from the Liberal Party research service, he can find an answer to the healthy climate they created for the development of the irritants which, to this day, hamper our trade with the United States.

[*English*]

Mr. Hopkins: Mr. Speaker, my researcher is upstairs. However, having been here a number of years, I know some of the incidents about which the Hon. Member speaks. I will say to him that as this Government goes along you are going to find that everything is not a bed of roses. You are going to run into a few irritants too.

• (1630)

The Hon. Member mentioned the question of the fish. That was a battle to protect the fishermen of Canada. I see nothing wrong with that. I originally mentioned in my speech that the Americans are tough bargainers and that this is why they are successful. They are not going to consider us anti-American if we are tough bargainers. If someone is complaining because we are too tough to deal with, I do not think that is a complaint, I think that is a plus factor.

If you want to talk about irritants, let me point out that because we have bought a lot of defence equipment from the United States our defence-sharing agreement ledger shows today that Canada is behind by $2 billion on defence trade.

An Hon. Member: Why?

Mr. Hopkins: Why? I will tell you why, because the former Liberal Government purchased 138 fighter aircraft from the United States and because we purchased a considerable amount of other defence equipment from the United States. The Americans have always had their defence-based industries. You might say, "Well why don't we?" Well, my answer would be that, in order to maintain a full capacity shipbuilding industry in this country, we would have to build at least one ship per year to keep everything in place. However, this Government is not even able right now to find the money to build an icebreaker.

You ask why? I say it is because the former Liberal Government bought a lot of defence equipment to build up our conventional forces, contrary to what we have heard from Members opposite, and certainly contrary to the defence budget that the Conservative Government has come out with lately and the estimates of the past year, which show a growth of minus .2 per cent in the defence budget of Canada after its promises in the election campaign of a 6 per cent growth.

To finalize my answer to the Hon. Member I say, sure, there are irritants. I would like to find out where there are no irritants at all between two countries that do so much dealing over the years. Do you think that if you are going to have 70 per cent of your trade with one nation in the world there are not going to be irritants? There is no great, pure society out there. You are going to have these irritants and you can debate them, but in debating them you are not going to get rid of the debate simply by giving away the kitchen and the dishes in it as well. If the other person is going to be tough on some of those points you have to be tough too, otherwise you are not representing or protecting the people of Canada.

The Acting Speaker (Mr. Gervais): Further questions and comments?

Mr. Horner: Mr. Speaker, I do not know how the Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) can compare the enhanced trade negotiations that we are trying to under-

take with the United States with the reciprocity of 1911. Right now 85 per cent of all the goods that flow from Canada into the United States are tariff free. Sixty-five per cent of all the goods that flow from the United states into Canada are tariff-free. It is a completely different situation. We are trying to get along with the United States, we are trying to make a deal.

I heard him bring up the matter of the *Polar Sea*. How can he have the nerve to bring up the *Polar Sea*? How can we be expected to defend our sovereignty in this country when we do not have a canoe or a peashooter to do it with? He spoke about his researcher being upstairs. I think he had better get his researcher down here.

I know the Hon. Member would not try to mislead this House, but he has misled the House. He talked about 50,000 to 60,000 farmers facing bankruptcy. The latest figure I got was that there were 1700 farmers facing bankruptcy. I do not know where he got that number of 50,000 to 60,000. I would like him to explain that, please.

Mr. Hopkins: Well, I thought I was being sufficiently above-board and drew a fair enough picture for the Hon. Member to understand, but obviously it went right over his head. I did not say that 50,000 to 60,000 farmers in this country were facing bankruptcy.

Mr. Horner: Check the "blues", that's what you said.

Mr. Hopkins: I will check the "blues", I certainly will. I said that 50,000 to 60,000 farmers in this country are having serious financial difficulties, and some of them are facing bankruptcy.

Mr. Horner: We are all having financial difficulties.

Mr. Hopkins: I am just answering your question. Mr. Speaker, can you call the Hon. Member to order? He is getting a little over-enthusiastic here. He says he does not know how I can bring the matter of the *Polar Sea* into it. Well, my goodness, it is part of U.S.-Canada relations and I simply did it because the arrival of the *Polar Sea* was only debated in this House months after the event. I said that there was no comment made on the *Polar Sea* at the time and that that simply gave Canadians another reason for saying that the Prime Minister of Canada was cosying up too much to the President of the United States. That is certainly a basis for some of their suspicions today on free trade, because they feel that if he is cosying up too much to the President of the United States then we are going to get a bad deal on free trade. That is on the minds of Canadians.

The Hon. Member mentioned the *Polar Sea* issue. I would like to ask him to stand up in the House at this time and tell us what Government Department is going to build an icebreaker and who is going to manage it. We want to hear that too.

Mr. Mantha: I think the Hon. Member is deceiving the House and the Canadian people. He said they bought 138 aircraft, or whatever was the figure he used. They might have bought them, but we had to pay for them.

I also want to remind the Hon. Member that our Armed Forces, 83,000 strong, if I might say to him, were professional fixers of used equipment, and they have medals for this. The purple Voodoo that is in North Bay is on loan from us to the Americans. Can he tell us the purpose of that purple Voodoo? What does it do for our defence?

The military, as you know, have always supported the previous Government. Last September 4, as you are well aware, between 71 per cent and 80 per cent went completely against you people because the previous Government did not give any equipment or any assistance to our Armed Forces as far as modern high-tech is concerned.

I know that the Hon. Member going to say that we are all in a fog, and I don't want him to do that. I just want him to answer the question: Why did you not keep up our defence? Is it so that you could use a truck to travel across the country and pour out the money for different assistance, for different beautiful buildings and everything?

Mr. Hopkins: I use the trade with the United States in defence matters in order to talk about the balance of trade. Now the Hon. Member from Nipissing is getting all mixed up with his Voodoos and he wants to go on. He said that nothing was done. We have the long-range patrol aircraft in this country which were purchased by the Liberal Government and produced at that time. The tanks that we have in the Canadian Armed Forces today were purchased by the former Liberal Government. The 138 fighter aircraft were purchased by the previous Liberal Government, and you said you are paying for them? A large amount of that money had gone into the deal before you even got into power. Let me remind the House that it was a Conservative Prime Minister of this country who cancelled the Arrow. If it had not been for that—

The Acting Speaker (Mr. Gervais): I am sorry to advise the Hon. Member that time for questions and comments is over. Resuming debate.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as Parliamentary Secretary to the Minister for International Trade, I would like to make a few additional comments on the motion introduced by my colleague from Skeena (Mr. Fulton).

With respect to the American Bill on agriculture, the Farm Bill, the Government is seriously concerned about the unfavourable impact this legislative measure might have on the Canadian agricultural community.

Just for the record I would point out that President Reagan signed the Farm Bill last December 23 when it became law after a protracted debate in Congress.

Basically the Bill deals with the levels of price support and income for various products, and some of its provisions are

trade related. As in the case of a number of domestic American legislative measures, the Farm Bill has had a serious impact on Canada's agricultural community. Our Government conveyed to the American authorities our deep concern about these provisions which will have negative repercussions on Canadian exports and farm income.

Generally speaking, we expressed concern about the over-all approach of a legislative measure which is likely to isolate American producers from the international marketplace.

The Bill guarantees support prices above market levels for American producers while exports would be subsidized in certain cases. We are concerned about American measures aimed at stimulating production artificially and overemphasizing direct export assistance to such an extent that it would depress world prices even more and perhaps be detrimental to Canadian exports.

We have expressed our deep concern about the extensive use of export subsidies to increase American exports of agricultural products. We are especially concerned about the Export Premium Program and the Targeted Export Assistance Program, both of which we consider direct export subsidies. Under the first, $2 billion in surplus public stocks must be placed at the disposal of American exporters at no cost as premiums to promote business sales and the development of export markets. The second program requires that $325 million in cash or in surplus public stocks be used for targeted export activities.

• (1640)

We have indicated to the American authorities that we believe these programs to be inconsistent with the support given by the United States to multilateral initiatives aimed at bringing about agricultural subsidies under control, and especially at preventing export subsidies for unprocessed agricultural products. In addition, to the extent that these programs would apply to processed agricultural products, they would be inconsistent with the commitments of the United States under GATT.

We have expressed our concerns about various other forms of export assistance which could have a detrimental effect on world markets, such as the continuation of short term export credit guarantees; the creation of a renewable credit fund for farm exports; the extension of intermediate credit for exports; and the development of pilot program to barter farm products for strategic resources.

We have also spoken about the dairy herd reduction program, which could cause an upheaval on the North American processing beef markets.

We have strongly protested against a number of provisions in the Bill which could eventually restrict access to the American market. In the case of sugar, for instance, we have expressed deep concern about the provisions which would have removed the Canadian allocation in the American quotas for sugar imports. We have told the American authorities that we consider these provisions inconsistent with the commitments of the United States under GATT. We have raised the issue of a possible application of the regulations on chemical residues to limit Canadian cattle and cattle product exports. We showed concern about prescribing discriminatory assessments on some cattle imports. We made it known that such measures did not conform with United States commitments under the GATT. Finally, we raised objections to a provision which was definitely aimed at restricting the potato trade by requiring spot checks and ongoing inspections of Canadian potato shipments entering through Northeastern ports.

The U.S. Government shares some of our concerns respecting the trade provisions in the Farm Bill and has attempted to have them removed. In some cases, efforts made by the Administration and our representations have been successful.

For instance, we succeeded in obtaining the removal of a provision that would have resulted in the loss of Canada's quota of sugar exports. Furthermore, we are convinced that the provisions concerning chemical residues will not hamper Canadian exports of cattle and cattle products.

The Administration has indicated it still is concerned about some of the trade provisions. Upon signing the Farm Bill, on December 3, President Reagan expressed some reservations. He indicated: "This legislation commands export subsidies that could well turn against the United States". The President added that he intended "to try, in conjuction with Congress, to correct those problems, especially in the area of trade".

In response to those efforts, the Congress has now passed the Food Security Improvement Act of 1986, amending some provisions of the 1985 Farm Bill. The President should be signing the new Act soon.

On the trade level, amendments to some provisions in the Farm Bill are now under way. For instance, the value of Government surplus commodities required for the grants in kind program is reduced from $2 billion to $1 or $1.5 billion. The value of Government surplus products or monies required yearly for the targeted export assistance program is to be reduced from $325 million to $110 million during fiscal years 1986 to 1988. Although those reductions are a step in the right direction, subsidizing levels still are high and we will maintain our pressures for a more satisfactory solution.

This Government continues to make representations to the U.S. Administration suggesting that they look with Congress for a solution that would alloy our concerns.

The concerns raised by the Farm Bill once more show that bilateral and multilateral trade talks are important if we are to study those issues and, more importantly, prevent other protectionist bills from coming into force.

As it has been indicated by American authorities, a major part of the trade provisions in the Farm Bill are based on the inability of the Administration to reduce what is perceived as

unfair trade practices on the part of the United States major trade partners. In that respect, one of the goals supported both by the United States and Canada, which is sprucing up before entering into bilateral and multilateral trade talks, is improving on the rules governing farm trade and strenghtening the access of farm products to markets.

Mr. Speaker, let us hope that this Government can rely on the support of the Opposition parties when it enters into those negotiations.

Turning to lumber, my colleague the Minister for International Trade (Mr. Kelleher) referred to a criticism levelled in the House of Representatives against Canada's Natural Resources Subsidy Bill, a criticism that was referred to the Chairman, Mr. Gibbons. In view of the particular concerns expressed by Members of the Opposition regarding the proposed legislation, I think it would be useful to advise them of the Government's views concerning it. Since the criticism is short and to the point, I will read it in full.

● (1650)

[*English*]

The dual pricing provision of the Bill would amend the countervailing duty law of the U.S. to expand unilaterally the definition of subsidy to include situations in which a natural resource is made available to foreign producers of downstream products at a price lower than the world market price or export price. The dual pricing provision has the following main shortcomings. First, proposals to define dual resource pricing policies as countervailable subsidies represent a fundamental departure from longstanding U.S. practice under legislation reflecting agreed international disciplines. These recognize that domestic programs which are generally available to more than a specific enterprise or group of enterprises do not constitute a countervailable subsidy. A radical departure from this approach, such as envisaged by H.R.-2451, would establish a precedent which could be extended to a wide range of policies and programs which differ from jurisdiction to jurisdiction, for example, tax policy, education and other social programs, irrigation and conservation. Generally available benefits, such as controlled oil prices in the 1970s, have been defended by the U.S. as not constituting a countervailable subsidy. Canada and the U.S. share a common interest in ensuring that the general availability concept is not eroded.

Second, to require that resources be sold in resource rich foreign jurisdictions at international prices established by export cartels, or less competitive producers, would be anti-competitive and perverse in its consequences. For these reasons the dual pricing provision is unacceptable to Canada.

The removal rights provision would amend the countervailing duty law to permit a finding of subsidization where no subsidy exists. This provision is not intended to deal with dual pricing policies. Rather, a determination of subsidy would be based on a finding of whether a Government's price for the right to exploit a resource is lower than the fair market value of that right, arbitrarily defined. Fair market value would be determined by simply using the price paid for removal rights in the country with the largest number of arm's length sales of such rights outside the country under scrutiny. In the case of forest products, Canadian prices for trees would be compared to U.S. prices for trees. If the Canadian prices for a comparable right in a comparable region are not as high as U.S. prices, then the difference would be deemed a countervailable subsidy.

The key question is why the U.S. price should be the bench-mark. First, this proposal presumes to deny other jurisdictions their legitimate right to pursue policies which differ from those pursued by the United States. To suggest that such policies should be deemed to confer a countervailable subsidy simply by virtue of the fact that they differ from U.S. policies is neither reasonable nor acceptable.

Second, the price of a natural resource *in situ* in one country tells us nothing about what the price for the same type of natural resource should be elsewhere. In the case of softwood lumber, the U.S. Commerce Department's decision, after a thorough investigation, demonstrates why the proposal in H.R. 2451 would be unfair. The decision states that it would be "arbitrary and capricious" to compare Canadian stumpage prices with U.S. stumpage prices in view of, *inter alia*, "the wide differences between species composition; size, quality and density of timber; terrain and accessibility of the standing timber throughout the United States and Canada; and the additional payments which are required in many provinces in Canada but not generally in the United States". In other words, comparing the price paid for Canadian trees—which tend to be smaller, harder to log and less accessible—with the price of U.S. trees totally ignores the realities of the marketplace. Yet the removal rights section would require this comparison to be made.

For all the reasons outlined in this critique Canada concludes that the removal rights proposal is wrong in principle and unwarranted.

[*Translation*]

Mr. Speaker, this shows clearly that the Government has spared no effort to defend Canadian interests and that we will fight not only to protect existing jobs, but also to create new ones in our country.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the motion before us today expresses our concern with respect to two resource areas which are important to many parts of Canada. In fact, every province of Canada has some investment in these two resource areas.

My constituency of Prince Albert is basically an agricultural constituency. However, in the constituency there is a pulp mill. A large proportion of the population of the City of Prince Albert have jobs related to that pulp mill. So we are talking about two resource areas which are directly affected by action, in this case legislative action, by the great friendly giant to the south. My colleague, the Hon. Member for Skeena (Mr. Fulton), has covered the effects of the possible legislation

coming up in Congress with respect to forests. My colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), expanded on the issue. He pointed out the effects of the U.S. farm Bill, which has just been passed, and which is just starting to affect the markets of the world. He also pointed out how it affects Canadian farmers. I, too, wish to spend a few moments on the effects of the 1985 U.S. farm Bill on Canadian farmers.

During 1985, U.S. farm commodities became uncompetitive in world markets. The declining farm income contributed a great deal to the already severe financial crisis faced by farms in the United States. This was a financial crisis which was matched, and which was perhaps even worse, than ours. As a result of sagging exports, since they were not competitive, large volumes of American grains were allowed to accumulate over a fairly long period of time. Those stocks, along with declining farm incomes, became an issue in the United States which forced the passage of the U.S. farm Bill. I suppose it should be pointed out that the farm Bill was not a favourite piece of legislation of the present administration. In fact, it was reluctantly signed by the President. The Bill authorizes the Secretary of Agriculture to reduce market prices to a more competitive level. At the same time it allows him to protect farmers' incomes by increasing the prices paid to farmers. In other words, even as the price of commodities is decreased across the world, the price paid to the farmer will continue to increase.

● (1700)

It would appear that Canadians are not the only program junkies. We see that the American farm Bill includes many very lucrative programs in some cases and programs aimed at reducing the amount of product on the market in other cases. It contains programs like the parity price programs, the soil bank, the acreage reserve, the conservation reserve, the payment in kind program, target prices and loan prices. These are all programs which are a part of the American farm Bill.

As I mentioned previously, the motion before the House is in two parts. One part deals with forestry and one with agriculture. There is one difference between these two industries as far as the problem is concerned, though both industries have a problem with trade and export. In the case of the forest industry, the problem is due to our penetration of the American market. We have increased our portion of the United States softwoods market to approximately 45 per cent. That is greatly resented by the lumber producing states and they have taken action against it. We feel a certain amount of compassion for that action. I hope that we would do the same thing if it happened to us.

The challenge facing agriculture is a little different. In agriculture, we are not penetrating the U.S. market to any extent except perhaps in the red meats area. Here the U.S. legislation is affecting the international markets. In the agriculture sector, Canada is a price taker rather than a price setter. In a great many sectors which concern us particularly, the United States is a price setter. Consequently, it is important that we deal with the United States and its relationship to the world market.

There are three points which should be made regarding the U.S. farm Bill. These are the three points which affect us. When looking through the technical Bill, we find that a number of products are affected, but a great deal of concern has been expressed about the use of land in the Bill and the attempts to reduce production by paying surprising subsidies under certain conditions.

The points in the U.S. farm Bill which affect Canada are, first, the way the Bill affects the price of grain overseas. The second point is that the aim of the farm Bill is to assist in the increase of U.S. exports to the markets of the world. This is done first by affecting the price. Lowering the price would directly affect the income of Canadian farmers. Second, because the Americans are increasing their exports to the markets of the world, they are moving into markets which we have traditionally accepted as being our markets. Therefore, that reduces the amount of commodities we may sell into those same markets.

Americans seem to be overwhelmed by the drop in their market share. They used to have about 35 per cent to 40 per cent of the world market. Beginning in about 1974, that share of the world market rose considerably and averaged something over 50 per cent for a short period of time. That share of the grain markets of the world has now dropped back to approximately 35 per cent to 40 per cent.

The third point with which we have to deal when looking at the farm Bill is that it reduces the cost of feeds in the United States and consequently reduces the cost of feeds in Canada. This will affect all meat producers. There is likely to be an increase in the production of red meats in particular both in the United States and in Canada as well as in the production of poultry and other so-called white meats. There is likely to be an increase in the production of livestock in the United States and that will reduce the amount of exports that we will be able to make of those products into the United States. It reduces our penetration of the U.S. market for those products and consequently we cannot expect to take advantage of the reduced cost for the price of feeds to increase income from the production of livestock.

How does the U.S. farm Bill affect the price of grains? I think that question has been covered to some extent previously so I will deal with it very quickly as it is a point which needs to be made because it is the basis of our concern. The U.S. loan price, which is technically a floor price for world grain prices, has been reduced by 27 per cent for wheat. It is down to approximately $2.40 per bushel. The price of Canadian red spring wheat can be expected to fall by an equal amount. These prices will probably fall by 30 per cent. This means that the price of No. 1 grade would fall to approximately $145 per tonne, a drop of $45 per tonne. The price of the lower grades will probably fall to $3 per bushel. The price of Ontario wheats may go as low as $115 per tonne. This price is far below the cost of production.

There is a further aberration in the export market caused by the American policy of increasing exports from the United States. As the previous speaker mentioned, last May the Government of the United States made available $2 billion to increase exports from the United States. Of course these subsidies were aimed at certain countries and certain markets, particularly the North African market. That United States grain was equal in quality to our No. 2 and No. 3 western spring wheat, and it was exported to Egypt and Algeria at approximately $100 per tonne. That is a level with which no farmer in the world can compete. I know it was aimed at the European market, but it had the effect of reducing the sale price of wheat around the world.

• (1710)

I could provide the same type of technical information on barley, coarse grains and corn. Corn will be reduced by 25 per cent on the loan rate. The effect on barley in Canada will be approximately the same. We can expect approximately $2 per bushel or $90 per tonne for western barley after the U.S. farm Bill comes into effect. Of course there will be slightly higher barley rates in Ontario. Oil seeds will not be affected because the soya bean reduction in the U.S. farm Bill was only 5 per cent. Soya bean and canola reductions will probably be 10 per cent or thereabouts. However, the producers of every one of those grains will experience a reduction in income.

The Bill will also affect the livestock industry. Chase Econometrics has indicated that possily the livestock industry will remain the same or be a little better. However, the statistics of the Government of Canada and those of the Government of the United States do not indicate that. Because of the lower price of feed and because of higher production in the United States and in Canada, the result will likely be lower prices in the livestock industry. There will possibly be less of a chance to sell livestock, which will also force down the price. The projected income of cattlemen because of the U.S. Farm Bill will either remain the same or be forced downward. The situation will be the same for hog production for exactly the same reasons. There may be an increase in the number of hogs, but the result will probably be a lowering of the price.

In summary, grain prices will be pushed down. Livestock prices may not be pushed down as much, but they will be affected negatively. The United States is putting some $52 billion into farm subsidization over a three-year to five-year period, and Canada cannot begin to compete with the Treasury of the United States.

What can be done? I should like to take a few minutes to put forward some possibilities. We must first recognize the problem immediately. We must ensure that the United States knows the effect of its actions on us. Also we must negotiate for more favourable action on the part of the United States. Then we must take action in Canada to ensure that we have adequate programs in place to allow for the survival of the family farm and the agricultural industry. They will be attacked by the effects of the U.S. farm Bill which was put in place to protect its farms. We must do something to protect our farms as well.

Mr. Nystrom: Mr. Speaker, when the Hon. Member for Prince Albert (Mr. Hovdebo) was speaking, I could not help but think that the U.S. Farm Bill is important and vital to Canada and that it might be wise to get all three Parties together to come up with a unanimously supported joint resolution in the House expressing our concern about that Bill. I see that the Minister for International Trade (Mr. Kelleher) has just left the Chamber. Perhaps he could get together with spokespersons in the other two Parties to see if we can come up with a joint resolution. The wording of our resolution might not be exactly what the Minister wants. It has been worded in the parliamentary context of condemning the Government; that is the way we do things around this place. I see the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) across the way. Perhaps he is in agreement with what I am saying and could take the initiative before the afternoon is out to try to come up with something of that sort.

It is important to impress upon Americans that we as Canadians feel very strongly about the U.S. farm Bill, which will subsidize their grain and other agricultural exports by $52 billion over the next three years. This will hurt Canadian farmers, as will a war between the Treasury of Europe and the Treasury of the United States. When exported grain from the United States is subsidized massively in places such as the Soviet Union, Asia and North Africa, and when the American farmer at home is subsidized as well, the price of grain falls. As I mentioned earlier this afternoon, the price of grain on the Chicago futures market has already fallen to around $2.30 per bushel. It will fall by another 90 cents between the month of March and the month of July.

If I am not mistaken, shortly we will hear an announcement in the House by the Minister of State for Canadian Wheat Board (Mr. Mayer) of a drop in the initial payment to farmers. Farmers are in serious difficulty. They call upon the House to exert some leadership, to put aside some of our petty partisan differences, and to speak with a united voice to the United States of America and to President Reagan. They call upon us to say that when the farm Bill comes into effect in June it will hurt Canadian farmers. It will mean that farmers from one part of the country to another will go broke, and it will mean a loss of jobs.

I wanted to make those comments. I appeal to the Government across the way. Perhaps there is some way to come up with a joint resolution of the House. I see the Minister for International Trade is now present in the Chamber. For his benefit I repeat briefly that it would be very nice if we could come up with a joint resolution of the House to express to the American Congress and the American Senate how we feel about the American farm Bill. I know there is a consensus on the matter. Perhaps we in all three Parties, over the next couple of days, can come up with some way of expressing it unanimously to the American administration; it might be very useful. Perhaps the Hon. Member for Prince Albert could comment on it.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary to the Minister of State for Science and Technology rises on a point of order.

Mr. Lanthier: On two occasions, Mr. Speaker the Hon. Member mentioned the fact that one of our colleagues was absent from the House. I point out to the House that first it is quite out of order under our rules, and second, that it is possible to follow the proceedings closely without actually being in the House.

The Acting Speaker (Mr. Charest): The point of order which the Hon. Parliamentary Secretary has raised is well taken.

The Hon. Member for Prince Albert (Mr. Hovdebo) has the floor.

[*English*]

Mr. Hovdebo: Mr. Speaker, I agree entirely with that approach. We owe it to the farmers of Canada, not only our grain farmers, but all other farmers as well. Every productive area will be affected. The United States took the action it took for exactly the same reasons that we are now asking this Parliament to do. First, we must recognize the problem. The farmers expect that of us. Second, we must make sure the U.S. knows what its Bill will do to Canada. We must then get together with the Americans. Either on an international or a bilateral basis we should come to some kind of an acceptable arrangement where we reduce hurt to both countries to the lowest possible level. We cannot start competing with the U.S. Treasury. We can certainly make sure by action on an international basis and on a national basis that our agricultural industry and our family farms particularly can survive.

• (1720)

The Acting Speaker (Mr. Charest): Are there any questions or comments? If not, we will resume debate. The Parliamentary Secretary to the Solicitor General (Mr. Towers).

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, it is a pleasure to see that the New Democratic Party is now starting to see the light of day. It is nice to see that the New Democrats know that all is not evil that comes out of the United States. For so long they have been critical of our neighbour to the south. When President Reagan came into office they did much talking about Reaganomics, but you do not hear New Democrats using that word any more because Reaganomics are working. It is good to know that the New Democrats are finally coming around. They even want to change the resolution which they tabled last night. They have seen their mistake. I hope they keep coming in that direction—

Mr. Benjamin: That is the only way we could do it. Read the rules.

Mr. Towers: —because that is the direction we should be taking. I am pleased that the Hon. Member for Yorkton-Melville (Mr. Nystrom) will perhaps lead his Party in a slightly different direction and give us all the support we need.

I am happy to have this opportunity to respond to the motion because I know the U.S. farm Bill is on the minds of many Canadian farmers. I am also pleased to have this opportunity to set the record straight on the inaccurate assumptions upon which the motion is based.

The last time the Minister of Agriculture (Mr. Wise) and Mr. John Block, former Secretary of Agriculture in the United States, met in Canada they announced the formation of a joint horticultural committee composed of representatives from Canada and United States industries to correct and resolve existing trade differences between the two countries. The process has already started.

We have to recognize that we are dealing with a new phenomenon today. The Opposition seems to be looking backwards, looking at things that have passed instead of looking to the future, a glorious future that we may have in world society. We do, however, have some problems which world society has not had to face before, the European Economic Community and also a very strong United States economy. We have to make sure that we are not hurt in the process. That is what this exercise is all about.

There is no question that the U.S. Farm Bill carries with it serious consequences, not only for Canada but for producers in other countries as well. I think it would be fair to say the provisions are aimed at the Europen Economic Community, yet countries such as Canada are bound to experience some fall-out. We have to make sure that that fall-out will do us as little damage as possible.

The United States is a huge trading nation. Thus it has the ability to influence world commodity prices in a way that Canada, and most other trading nations, cannot. It would be a mistake to assume anything different. We have neither the level of trade nor the treasury to compete in the subsidy war.

We in Canada, however, can benefit from being a good neighbour to the United States. Perhaps members of the Opposition are not aware that before you can have a good neighbour you must first know how to be one. Respect and trust cannot survive and last for any length of time on a one-way street.

The U.S. Farm Bill allows the Secretary of Agriculture to reduce U.S. loan rates per bushel of wheat and feed grains to a maximum of 20 per cent below the basic rate in 1986-87. The formula for setting loan rates in the following years is being finalized. In essence though the Secretary can reduce the loan rates a further 5 per cent each year. This has placed severe downward pressure on world grain markets. Further pressure is also resulting from the two export assistance programs.

In the longer term, the Farm Bill may tend to reduce U.S. wheat production toward the end of the 1980s. In the shorter terms, "payment in kind" from Government stock as part of deficiency payments and as export subsidies will maintain

downward pressure on gain prices. U.S. grain stocks are expected to remain high for the balance of the 1980s unless export demand strengthens marketing.

The United States Government tried to control production somewhat, Mr. Speaker, by bringing in what they called the payment in kind or the PIK Program. The Government of the United States did not achieve the success it hoped it would under that program because farmers were paid to take a percentage of land out of production. The land they took out of production was the poorest producing part. They increased fertilizer and chemical use for weed control and produced just as much grain. That is why the PIK Program was not as successful as the United States Government had hoped it would be.

The Minister of Agriculture spoke with the former Secretary of Agriculture at considerable length about this Bill when he visited Canada recently. The U.S. administration is well aware of our concerns, and the lines of communication remain open. In fact, even as I speak, the Prime Minister (Mr. Mulroney) is in the United States meeting with the President, and I am confident this issue will be raised.

I might just bring to your attention, Mr. Speaker, an excerpt from *Parliamentary Alert*, a publication which many Members get. I would like to read it for the benefit of the House. Under the heading "Prime Minister in Washington", it reads:

> Ottawa interest will shift from Parliament Hill to Washington this week as Prime Minister Mulroney travels to the U.S. capital for talks with President Reagan. Trade and acid rain are the main subjects of interest on the agenda.
>
> The Prime Minister's Washington visit has been stretched to cover four days.

This is significant because when foreign diplomats journey to other countries visits are only for one day, but this one is for four days. The article continues:

> He arrives from Montreal Monday evening, to be greeted by Secretary of State George Schultz.
>
> Tuesday morning he meets with President Reagan for an hour in the Oval Office. Following lunch at the State Department he travels to Capitol Hill to meet members of the Senate Foreign Relations Committee. The day will end with dinner at the White House. Wednesday morning he has breakfast with Vice-President George Bush, and then returns to Capital Hill to meet members of the House Foreign Affairs Committee.
>
> ● (1730)
>
> Back to the White House he joins President Reagan for a working lunch in the family quarters. He will then visit Arlington Cemetery and end the day with dinner at the residence of the Canadian ambassador A. E. Gotlieb. A farewell ceremony will take place at the Reflecting Pool Thursday morning.

That makes sense to me, Mr. Speaker, as I am sure it does to a lot of Canadians. That is the way to deal on tough issues and that is the way to create understanding and goodwill. If there was ever a time in Canadian history when we needed good understanding with our friends south of the 49th parallel, it is now. There is no question that the subsidies contained in the Farm Bill are not helpful to Canadian grain growers, but the Government is doing all it reasonably can in response.

In that regard, I would like to commend my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), for the initiative he has shown on behalf of Canada's grain farmers. He has initiated a series of meetings with four other major grain and oil seed exporters: Australia, Argentina, the United States, and the EEC. Together, through negotiation, perhaps we can sort out the concerns about trade and subsidies that we are discussing today.

One fact that will always speak well for Canada in international markets is the quality of our grain. We remain committed to maintaining the highest standards. In doing so, we are protecting an international reputation which will continue to serve the industry well. It is still unclear how, or if, the Farm Bill's dairy herd termination program will affect Canada. We may know more by April as the administrative details are worked out.

At this time, however, we have obtained assurances from the United States Department of Agriculture that the program will be managed in such a way as to minimize disruptive effects on the North American beef markets. For example, the American Commodity Credit Corporation is required to buy 400 million pounds of meat under the program, half of it for domestic food programs. This should reduce the chances of a sudden massive glut on world markets. We are continuing to monitor this program closely and, as I said, are keeping the lines of communication open between our two countries. This is very important.

My colleague, the Member for Blainville-Deux-Montagnes (Mrs. Landry), mentioned the problem we have with regard to beef producers. Beef producers in Canada form one component of our agricultural industry which is competing well with its counterpart south of the border. This is why enhanced trade is so important to beef producers in Canada. One thing we can do is to produce beef well.

We cannot control world commodity prices. Canada certainly cannot win a subsidy war with the United States, or the European Economic Community for that matter. However, through domestic programs we can assist producers who are faced with low commodity prices. Of course, we must be careful to strike a balance between the need for assistance and the need to keep the borders open to our key export markets.

Our most recent domestic program to respond to low commodity prices is the $700 million Commodity Based Loan Program. This program recognizes the fact that a farmer's ability to meet his loan payments is tied to the rise and fall in commodity prices. This program was one of several important provisions for farmers contained in the last Budget.

One of the things which many people seem to forget is the benefits which will accrue to farmers as a result of the latest Budget introduced by the Government. It is our stabilization programs which primarily serve producers during periods of low commodity prices. Due to the Government's initiatives, our agricultural stabilization network is stronger and more effective than it has ever has been. For instance, we amended the Western Grain Stabilization Program to trigger a record initial payment last spring. We anticipate another significant pay-out this spring, as the Minister responsible for the Wheat Board mentioned today in response to a question during Question Period.

Tripartite stabilization for the red meat sector is now a reality and a success story in the country. That is again due to the leadership shown by the Government and the faith it puts in consultation. Stabilization plans for red meat now represent between two-thirds and three-quarters of a hog, fed beef, and lamb production in the country. I am confident that more provinces will sign for more commodities in the future. For the first time in Canada, thousands of red meat producers have the opportunity to participate in an equitable national plan which cushions them from downward price swings. Other types of producers also benefit from payments under the Agricultural Stabilization Act. In fact, since we have been in government more than $483 million worth of payments have been made to Canadian producers under this Act.

Now and in the future Canada's farmers will reap the benefits of the actions the Government has taken to strengthen the structure of the farm industry through better, more effective stabilization programs. This brings me to the second part of the motion. Far from failing to take measures for farmers, the Government has in fact introduced far more agricultural initiatives of far greater significance than Canada's farmers have seen in many years. I am going to take a minute to list a few in order to refresh the memories of the Members opposite.

We introduced a $500,000 capital gains tax exemption on the sale of farm property. The NDP fought that. It did not want to give farmers that break. We introduced farm fuel tax rebates. In the February 26 Budget we extended the rebate program to 1988, and we are getting rid of some of the red tape. Farm Credit Corporation interest rates have dropped to their lowest level since 1979. We extended the small business bond program. We earmarked $80 million to reduce interest rates on about 5,400 Farm Credit Corporation loans. We are establishing farm debt review panels and are supplementing them with effective legislation aimed at strengthening the farmers' negotiating position. We provided drought assistance to prairie farmers amounting the $200 million in 1985, and we are working with the provinces to improve crop insurance coverage for producers who have endured consecutive years of drought. This program is moving ahead for the benefit of farmers. Crop insurance will certainly be a great benefit to farmers in the future.

We placed a high priority on agriculture at the First Ministers' Conference, and there have been productive follow-up discussions with provincial Governments on ways in which we can work together to serve farmers more effectively, such as the crop insurance plan I just mentioned. If that plan is to work, it must be carried out in conjunction with the provinces.

We acted to halt the flood of subsidized beef from the European Economic Community in 1985 reducing imports to less than half of the 1984 level under the previous administration. We have taken further action on behalf of Canada's beef industry for 1986. We doubled the size of loans for advance payments on grains. We introduced a long-term dairy policy representing a federal commitment to Canada's dairy farmers of close to $300 million annually.

In short, Mr. Speaker, the Government has introduced nearly 200 agricultural initiatives worth more than $4 billion-since it has taken office. The Budget of February 26 singles out the farm sector, perhaps more than any other, for further assistance. That is action, that is delivering, that is commitment. We are going to keep on taking action, keep on delivering and keep on placing a high priority on agriculture because we are determined to see Canada's farmers through to better and more prosperous times. I thank the Minister of Finance (Mr. Wilson) and the Minister of Agriculture for their assistance in helping us to put those programs inplace for the Canadian farmer.

• (1740)

The Acting Speaker (Mr. Charest): Are there questions or comments?

Mr. Dick: Mr. Speaker, I would like to ask the Hon. Parliamentary Secretary to comment, given the importance of this debate, on the fact that there is not one Liberal in the House and, for the first time, three NDP Members.

The Acting Speaker (Mr. Charest): Order, please. I think the Hon. Member knows full well that such a question is not in order. Questions or comments? Debate.

Mr. Les Benjamin (Regina West): Mr. Speaker—

Mr. Dick: Here is one of the three NDP Members.

Mr. Nystrom: It is quality.

Mr. Dick: I know, and you do not have it.

Mr. Benjamin: It is not only quality but proportion. I think the hon. gentleman really should not say anything at all.

It escaped my friend from Red Deer that my colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), pointed out a few minutes ago that the only way under our rules that you can put forward this kind of resolution is to word it so that it is against the Government. That is the only way we can do it. The hon. gentleman has been here long enough to know that.

Mr. Nystrom: Old Conservative rule.

Mr. Benjamin: However, my colleague made an excellent suggestion. The agriculture and trade and forestry critics from all three Parties could get together and come up with a resolution that we can send out of this House unanimously to the Government and the people of the United States.

The argument for free trade which has been going around for the past couple of years is that if Canada can negotiate free trade with the U.S., then the Americans would cease bringing in protectionist legislation, as they have in the past and as they are doing now. Anyone who believes that, including my good friend from Red Deer, is either naive, ignorant or plain stupid.

Mr. Nystrom: Maybe all three.

Mr. Benjamin: How many times do we have to learn our lesson? Anyone who thinks that American producers, processors or manufacturers will hold still, along with their legislators, for either Canadians or other countries maintaining or obtaining a larger share of the U.S. market is dreaming in Technicolor. I want to remind my hon. friends opposite of the experience over the past 15 years with cattle and beef products. Do you remember 1969-1970 when the Cattlemen's Association and feedlot operators told us to leave them alone? They wanted a free and open market. They did not want anything to do with orderly marketing or market management. Yet when the Americans shut down the border—and I was here at that time as was my colleague—who were the first ones down here in Ottawa crying their heads off for help? Do you remember?

Mr. Towers: It was Trudeau who shut the border down.

Mr. Benjamin: No, no. The Americans closed the border. Then there were hog and pork products. We still have some of that going on. We had countervailing duties last year. In fact, an individual state in the U.S. can, for any reason under its jurisdiction, prohibit the import of a product from Canada. They are doing that with Canadian hogs right this minute.

Mr. Towers: Pork.

Mr. Benjamin: Pork, hogs, what is the difference? I think you make pork out of hogs.

There are a few other things. I have a little list here. They grow a lot of raspberries in Quebec and British Columbia. There is countervailing duty there. There is saltfish, lumber, steel and steel products. One often wonders, given this 4,000 or 5,000 miles of undefended border with our good friends and neighbours for over 200 years, whether a good fence would not make some good neighbours.

Mr. Comeau: Is that what you are suggesting?

Mr. Benjamin: Mr. Speaker, it is not a case of being anti-American. It is a case of being pro-Canadian. It is making a stand on our traditions, culture, experience and our ways of doing things. I remember someone who used to grace this House of Commons for many years starting in 1935. He was premier of our province for 17 years and then came back here in the early 1960s. He was accused of being anti-American. Tommy Douglas said: "I like Americans. They are nice people. They are good neighbours. They are good friends". He said: "I like my relatives, too. I like my friends. But I don't want them taking over my house and my having to live in the garage."

Canada, by itself, cannot do very much to stop any decision that the U.S. administration and Congress decide to make. We can, however, do more to remind our good friends and good neighbours to the south about our traditions and practices. They have said over the past number of years, in fact I think since my hon. friend from Red Deer came here, that the Canadian Wheat Board was somehow subsidizing to grain producers and therefore it was unfair. Bless his dear departed soul, although there was not much good we could say about him it was R. B. Bennett who started the Canadian Wheat Board. It was not put into practise until about 1939 or 1940, and that was just because of the war, but he started it. It was a principle of orderly marketing. Yet Americans are saying they want the issue of hog marketing agencies in our provinces on the table.

You can ask hog producers in Saskatchewan and *la belle province* about the system they have devised, totally under provincial jurisdiction, to help protect the marketing capacity and incomes of hog producers. That has always been questioned by our friends south of the border. Our dairy, poultry and egg producers have always been challenged by U.S. Governments on those organizations which they collectively and voluntarily set up for themselves through their provincial and national Governments to try to protect themselves. It was to try and make their industry and the results of their labour a lot more viable.

The Prime Minister (Mr. Mulroney) is in Washington right now. That is fine. We enjoy it. They are going to have him over for a steak dinner, and perhaps in the swimming pool tonight. Who knows? That is nice. It is good that leaders of countries get together in a friendly, informal manner. It is not a case of being anti-American; it is asking our national Government and this Parliament to remind the Americans and to ask them to show some respect, regard and understanding for our rights, traditions, history and methods of doing things, many of which are historically different from theirs, just as they would like to receive from us, our respect for them, for their nation and their people for exactly the same things, their rights, traditions and history. It is a two-way street. Just because they are bigger than us—if they really are, and I believe they are—a nation that gives first place to showing respect for the independence and the sovereignties of other nations, they have to be persuaded, by whatever means we can find, not to do the things they have done in the past and what they are proposing to do now. My colleague the Hon. Member for Skeena (Mr. Fulton), pointed out very well earlier today just what is in store for us in the forest industry alone.

• (1750)

I believe that an overwhelming majority of the American public do not know or do not understand what is happening, and that is what we have been asking in this resolution. There are groups who think that you can negotiate a free trade arrangement between a small nation and a big nation. If one considers Canadian history and the history of other countries in the British Commonwealth, in the southern Pacific, in Asia and in Africa, one finds that in the days when we were colonies we all got what was called the empire preferential tariff treatment. Even after 1930, after the statute of Westminster, there were still countries in the British Commonwealth that were colonies that got that preferential treatment. Right up until the Second World War even Canada got that preferential tariff treatment. We had most of our eggs, at that time, in Great Britain, our trading eggs.

Up to and during the Second World War we provided Britain with most, if not all, but certainly the largest part, of their butter, cheese, bacon, ham and beef. When the war was over, so much for having all of our eggs in one basket. Most of that market we lost within a very few years. What are we doing? We are in the process of putting our eggs in one basket again. It seems to me—and I say this to the Minister in all sincerity—that we could do more on a commodity by commodity basis, bilateral agreements in terms of quantities, minimum maximum prices, and let the market play around from there for a given period of time by agreement with a number of countries in a host of commodities. We should not rely on the economy of some large power. Even the Hungarians have got out of being totally dependent on trade with the Soviet Union. There have been some very complimentary articles in the North American press about their moving out into trading with other countries of the world. We are in a similar position economically, not ideologically.

I get a little tired in the middle of February of paying $2, $3 for a head of cauliflower and a buck and a half or $2 for a pound of tomatoes at the supermarket. I went to Mexico for a couple of weeks about a year ago now. There is a country which desperately needs some hard currency. In this country you ought to see the tomatoes they grow and the cauliflowers. Those people may be poor but they are mostly not hungry and they produce.

Why do we not make a deal, perhaps a straight barter arrangement, with Mexico on things such as purebred cattle, dairy herds, apples or Canadian wine in exchange for fruits and vegetables, especially in the five or six-month period of the year when we cannot grow anything here except snowballs? You could make a deal with Mexico, the Caribbean countries and Central America.

I must even fault the co-operative movement, of which I am an ardent member and supporter. I found out that the Federated Co-Ops from Thunder Bay to the Pacific Ocean do not buy their own fresh fruit and vegetables; they buy them through Scott National. Who is Scott National? It is a subsidiary of the multinational corporation that has all those farms in Arizona, California and Florida. We could not even sell the fresh vegetables grown in the Qu'Appelle Valley north of Regina to the local supermarkets in Regina. We had farmers in the Qu'Appelle Valley up to here in potatoes, turnips, cabbages and corn who could not sell them 20 miles away. Why? Because somebody else controls what is coming into this country, at what price and when. How long are we going to hold still for that? I hope all my colleagues find that somewhat embarrassing in terms of what we can and should be doing ourselves, among ourselves and with many other nations in the world.

Caribbean and Southeast Asian countries grow things that we can use and there are things that we have that they could use. We do not have to be in a situation where 80 per cent of our exports are to the United States.

Mr. Nystrom: Seventy-seven.

Mr. Benjamin: Seventy-seven per cent, all right. Sixty-five per cent of our imports from Americans come here. The trouble is that the other 35 per cent that they do not export to Canada is handled by U.S. corporations in Canada, and the heads of the U.S. companies in Canada get their orders at the end of a telex. So much for your economic sovereignty and independence.

I believe very sincerely that the United States administration and Congress and the American people would fully respect and recognize Canada speaking up and standing up for itself in that full, frank, firm and straightforward manner, whether it is our Prime Minister (Mr. Mulroney) meeting with the United States President or MPs and Senators meeting with U.S. Congressmen and Senators, or businessmen here meeting with businessmen there. They will understand and respect that because they expect the same kind of understanding and respect themselves. They get that from us. They have no respect for this hands and knees syndrome in which we crawl down and plead and beg them to honour and respect us as a sovereign and independent nation. Again, it is what Tommy Douglas called many years ago, "this supine acquiescence". If the American administration and Congress tell us to jump, we ask how high. I find that demeaning. I don't blame the Americans for that, I blame us. The time is overdue that we told not only the United States but other nations that we are willing to negotiate, to bargain and make deals because we respect how they operate, but we expect the same from them.

● (1800)

I recall the years of the international wheat agreements that marked a milestone in international trade and understanding among many countries. Who killed those agreements?

Mr. Nystrom: The Americans.

Mr. Benjamin: Who killed the international grains arrangement? As soon as it infringed on what the Americans believed were their rights, they killed an agreement that was a milestone for the grain trade in Canada. We must continue to fight for our rights as a nation on behalf of Canadians and our national independence.

[*Translation*]

The Acting Speaker (Mr. Charest): It being 6 p.m., it is my duty to inform the House that in accordance with Standing Order 82(12), the proceedings on the motion have expired. The Hon. Member for Broadview-Greenwood (Ms. McDonald) has the floor.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—EXPOSURE OF WORKERS TO CIGARETTE SMOKE. (B) SMOKE-FREE OFFICES—ECONOMICS SAVINGS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the question that I want to pursue at this time is extremely important. It concerns the health of Canadians, particularly those who work in areas under federal jurisdiction.

The question I raised with the Minister of National health and Welfare (Mr. Epp) specifically dealt with two studies which documented the extent of lung cancer deaths among people who are not smokers, but involuntary smokers. These are studies which show how very expensive smoking is in the federal workplace and how much money would be saved by introducing controls.

It is not only very interesting, but shameful that the studies were obtained by the Non-Smokers Rights Association under the Access to Information Act because they had not been published. The Minister said that at least one would be published. One of the studies dates back to January, 1984 and certainly could have been published. The sad fact of the matter is that the harm caused to involuntary smokers and the deaths among involuntary smokers as a result of smoking is much greater than imagined.

Let us consider that the so-called acceptable risk of developing lung cancer from involuntary smoking is 6 to 7.5 per 100,000 smokers every year. While I will not go into the details, that is a reasonable calculation. The amount of contaminant required to produce a rate above that acceptable level is reached when one person out of 60 smokes one cigarette a day. Consequently, it does not take an excessive amount of tobacco smoking to reach a level above what is considered acceptable.

One can understand the seriousness of the problem when we consider that the average level of exposure to smoke in the workplace is 270 times this acceptable risk level. The study concludes, in very cautious and conservative language, that habitual exposure to the smoke from one or more cigarettes per 60 employees per day would expose employees to risks of developing lung cancer from involuntary smoking greater than risks currently considered acceptable by American regulatory agencies for involuntary exposure to carcinogens in air, water or food.

That is the cautious and scientific way of saying that many people are being hurt. These include people under our jurisdiction; every federal employee of a Crown corporation or a company regulated by federal law. All of our employees at the House of Commons and the Senate are exposed to risks that would not be tolerated with other substances. The Government has suppressed this study. When I have raised the question, I have been told that either no legislation is necessary—that it will all be worked out in some type of friendly fashion—or that I should just be patient. I will not be patient with this level of damage that is being caused.

• (1805)

The other question is with respect to the costs. If the Government is not concerned about the health of Canadians, and it has shown precious little concern thus far, it should be concerned about the deficit. It should be concerned about the amount of money which is spent every year as a result of cigarette smoking. We know that $3 billion in taxes comes in every year from tobacco. However, the pay-outs are more than $8 billion a year to cover the costs of medicare, absences from work and so forth. In other words, every time a smoker pays $2.50 for a package of cigarettes, other people are paying $3.50 for the damage which is being done.

My concern is with the very specific costs incurred in the federal workplace. It is interesting to see that millions of dollars could be saved every year. The staff side of the National Joint Council has proposed to restrict smoking to smoking areas only with separate ventilation. One estimate has been done as a result of this proposal which assumes that there would be costs in doing these renovations. Such renovations would take five years to pay off. After these costs are paid off, the excess of annual benefits over cost would be $33 per employee. This comes to a total of $6 million a year for Government alone. If we add federal Crown corporations to this, it is another $12 million a year. If we look at the federal private sector, there is another $9 million a year to consider. Of course, if no smoking were permitted in the workplace at all, the savings would be enormous. One estimate in this respect amounts to over $2,000 per employee per year. There are others which are lower at $305 per employee per year and around $550 per employee per year. In other words, there are enormous costs involved. We are talking about hundreds of millions of dollars a year which could be saved by not permitting smoke in the workplace. These are just money savings. I am not even talking about the savings in terms of suffering and the harm which is caused to families of people who are hurt through tobacco-related diseases.

I call upon the Government to take this problem seriously and to bring in legislation to control smoke in the workplace. The level of 35,000 deaths per year from tobacco is unacceptable. A responsible Government would act promptly and vigorously to deal with this very serious problem. It is Canada's number one preventable health problem.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like you to know that when tobacco was first introduced in Europe in the 16th century it was recommended for medicinal purposes. But it soon became apparent that the smoking habit was harmful because it was associated with health hazards.

The fact that our diseases—lung cancer, myocardial infarct, peripheric vascular disease, and obstructive and chronic respiratory syndrome—have been directly linked to tobacco has caused deep concern among health specialists.

Tobacco smoke is a complex mixture in which more than 3,000 chemical substances have been identified. It is so complex that it is practically impossible to single out one specific substance as being the main factor with respect to any given disease caused by smoking. Still, a number of chemical substances known to be carcinogenic have indeed been detected in tobacco smoke.

In February 1985, the International Agency for Research on Cancer gathered a group of experts to assess the risk of cancer from smoking. In their judgment, there is enough evidence to say that smoke inhalation causes cancer in laboratory animals, and that it has been amply demonstrated that tobacco smoke is a carcinogenic agent in human beings.

With these findings in mind, Mr. Speaker, I am pleased to point out that significant progress has been made in recent months to restrict smoking in the workplace. Employers realize that they can apply those restrictive measures at little or no cost, and that they stand to gain considerable benefits with respect to employee motivation and productivity in a saner and safer work environment.

The list of companies which apply a restraint policy is impressive and gets longer every day. Here are some of them: the Office of the Auditor General, the Department of Regional Industrial Expansion, the Department of National Health and Welfare, the Insurance Corporation of British Columbia, Boeing of Canada Limited, Halifax Insurance, and Maritime Telephone and Telegraph.

In many cases, sections reserved for smokers are equipped with independent ventilation facilities.

In addition, some airlines have already banned smoking on all flights and VIA Rail has separate cars for non-smoking passengers.

The Department of National Health and Welfare has ongoing studies on the hazards of tobacco smoke. The Government will continue to rely on sound scientific data to draft its policies and plan its action concerning smoking and tobacco smoke.

● (1810)

[*English*]

CUSTOMS TARIFF—TARIFF PLACED ON PRODUCT NOT PRODUCED IN CANADA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, about a month ago, I raised a question in the House which essentially asked of the Minister of State for Finance (Mrs. McDougall) why it was that central Canadian steel suppliers and mills like Stelco and Algoma were allowed, because of their industrial practices, to smother new technology and companies using new technology on the West Coast. Actually, the issue is much older than some of us might suspect. It is probably as old as Confederation. For me the issue is at least nine years old.

In approximately 1977, because these companies suspected and only suspected that there would be a glut on the market of wide-flanged steel, they applied for and received from the Government an additional tariff of about 30 per cent which had the effect of almost destroying the fabricating industry in British Columbia. At that time, because of those additional tariffs on imported steel, it was possible for fabricating companies in Ontario to supply that kind of steel to a building company in Edmonton cheaper than it could be supplied from Vancouver. The companies in central Canada, because they had an unnecessary paranoia about pricing, almost destroyed the industry in British Columbia. New technology has now been added to the industry in B.C. and that has added a new wrinkle to the problem.

There is a company in my riding called Titan Steel and Wire. It has up-to-date, state-of-the-art technology for creating the kind of wire that is used in bridges and concrete works. The company cannot get raw materials from the Canadian steel mills as the Canadian product is inferior for its requirements. If you do not accept my word for that, Mr. Speaker, let me read telexes from the supplier in question. A telex dated November 21, 1985, from Stelco to Titan reads as follows:

> Can meet all your requirements as specified except that we cannot guarantee tensile . . . our max coil weight is 1600 lbs—

Those are the two critical factors in the manufacture of this wire. A telex of November 26, 1985, from the same company to Titan reads as follows:

> As far as coil size is concerned Stelco's is admittedly below that of new rod mills. As you know the rod mill was in the forefront of technology when it was installed. Newer mills around the world use the Stelmor process and gain competitive advantage from the production of larger and larger coils. However I doubt there is a rod mill in North America that could both produce the steel grade you require and process 4000 pound coils. Bethlehem might come the closest.

There is not one mill in North America that can do it, yet these companies refuse to allow the Department to change a tariff item so that Titan Steel and Wire can get the product from offshore and remain competitive.

It is a fact that the eastern mills are not interested in supplying this product. There is not even a salesman out on the West Coast who is trying to sell products from the East. Second, the eastern mills cannot supply the product, as these telexes have pointed out. Third, these mills are expecting new production lines to produce inferior products to suit the supplier rather than the new technology. I find that offensive to the market system. Since when does the open market system allow the supplier to dictate to the user what kind of products he can use? How in the world can Canada be on the cutting edge of new product lines if the supplier can dictate to the user?

● (1815)

According to the notes from the mill itself, the benefits of foreign suppliers are as follows: A 4,000-pound wire bod bundle is more efficient to use and results in a better quality finished product because there are less welds in a length of finished product; aluminum killed wire rod provides a better grain structure in the steel which results in a better quality finished product; and the chromium addition in the wire rod reduces tensile variation in the steel and improves the inner structure of the steel. When it comes to quality, why should the user not dictate what should be the quality rather than the supplier?

I guess what I find most offensive is that the officers in charge in the Department go to the supply companies in question for direction because government Departments do not have the technological expertise to determine whether or not there should be a change in tariffs. They go to Stelco and they go to Algoma for a definition. I find that offensive. If it is not conflict of interest, why do the heads of the tariffs division go to the user for a definition rather than to the supplier? Why do they go to Stelco? Why do they not go to Titan Steel and ask what the definition ought to be?

If we do not do this, we will surely move into a period of industrial stagnation. If the supplier can dictate to the user, we will never come to the cutting edge of technology. I have been on this issue, as I said, for about nine years; I am not about to quit now. I am looking to the day when the Department will recognize that the regions of the country have special needs which either the tariffs or the mills recognize.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have a few comments to make regarding the questions raised by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). The Minister of State (Finance) (Mrs. McDougall) who is responsible for tariff policy, as my colleague is aware, has examined the application made by the manufacturer of wire products in the Hon. Member's riding.

As my hon. friend pointed out, the company, Titan Steel & Wire Co. Ltd. in Surrey, has asked for a reduction in customs duty on the wire stock it imports to manufacture metal products such as strand screens, for use in pre-stressed concrete, and gravel screens. The Minister realizes that Titan wants to reduce its costs, and it would like to be able to help the company by granting it a tariff reduction.

Mr. Speaker, I shall now provide some general information that is very relevant to this particular case. Titan's request was considered in the light of legislation allowing the Governor-in-Council to reduce or remove customs duty on items imported for use as manufacturing stock in Canada. The legislation is aimed at reducing the cost of the materials Canadian manufacturers need, in the event they cannot obtain such materials from Canadian producers, and if they can prove they need a tariff reduction to increase their competitive position. However, Mr. Speaker, tariff reductions of this kind are not granted when other Canadian companies might suffer adverse effects.

Regarding the tariff change requested by the company in my hon. friend's riding, when the Department of Finance asked the opinion of the parties concerned, as is usually done in such cases, two Canadian wire producers objected to the request being approved. They informed the Department that they produced wire stock that was directly competing with the kind of wire imported by Titan. Moreover, both companies felt that since they were also manufacturing metal products using the wire stock they produced, it would not be fair to remove customs duty on imported stock.

● (1820)

According to these two companies, this would give Titan a competitive edge which would be unfair, as you will understand, Mr. Speaker. On the other hand, they have offered to provide Titan with the type of wire it needs, and Titan has indicated its willingness to discuss the matter with them.

In view of these two points, the Minister of State for Finance has decided to reserve her decision following the request of the Hon. Member to give the parties involved enough time to examine the possibility that an agreement may be reached with Titan, which could then obtain the milled wire it needs from these Canadian producers.

The Hon. Member has indicated that Titan manufactures metal products mostly for export. In this regard, I must point out that, under certain provisions of Canadian law, companies can obtain a rebate or refund or fees paid on all material imported to produce goods for export. Titan can therefore obtain a refund of the duties paid on imported milled wire it uses in the manufacture of metal products for export. It seems to me that such a rebate does in fact reduce tarif costs as requested by Titan.

In conclusion, Mr. Speaker, I hope that you will recognize that the position taken by the Minister as concerns the request made by the company through my colleague aims at solving a difficult problem and finding a solution which will be fair and equitable for all parties involved.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands ajourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Wednesday, March 19, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

MAPLE SYRUP PRODUCERS' RECOMMENDATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to draw the attention of the House to a worsening problem. Today many Members of the House received representations from Quebec maple syrup producers expressing concern about maple grove disintegration.

They indicate that 85 per cent of Quebec maple groves have sustained damages up to 51 per cent. Among other things, they reveal that losses incurred by maple syrup producers have been estimated at $87 million.

I would like to draw their recommendations to the attention of Hon. Members. First, to negotiate a genuine bilateral agreement with the United States so as to reduce considerably all forms of air pollution; to establish a work schedule for those negotiations; to dispatch research teams to find solutions; and, finally, to compensate agricultural producers for the losses and damages they have incurred.

Mr. Speaker—

Mr. Speaker: Order, please. The 60 seconds have expired.

* * *

[*English*]

PROVINCIAL AFFAIRS

RE-ELECTION OF NEW DEMOCRATIC PARTY GOVERNMENT IN MANITOBA

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday the people of Manitoba spoke, and spoke wisely. They decided to stand up for Manitoba by electing a Government that will stand up for Manitoba against unilateral cut-backs in federal transfer payments to the provinces, and against the federal Conservative strategy to destroy medicare by starving our health care system to death instead of either funding it adequately or having the courage to follow its hidden ideological agenda and openly advocating more opportunities for patient participation, as the CMA likes to call charging the sick. It is reassuring to know that there will be an NDP Government to stand up not just for Manitoba but for medicare as well.

By the way, Mr. Speaker, much media comment to the contrary, the NDP Government in Manitoba is not the only NDP Government in Canada. Yukon also has an NDP Government and that Territory is doing very well these days as a result.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my constituency, the great riding of Moose Jaw, has the distinction of having the lowest priced gasoline of any constituency in Canada. Last weekend the price of regular gas in Davidson, Saskatchewan, was 38.6 cents per litre.

In spite of this price I feel that there are many unanswered questions in the industry, and gas prices should be much lower right across Canada. For example, why have we seen such a small reduction in the pump price of gasoline when world level crude oil prices have dropped so dramatically?

The middle man in this arrangement is the refiner. I, and many thousands of Canadians, would like to know why the refiners' price decrease has not been passed on to consumers.

* * *

• (1405)

[*Translation*]

ENERGY

REDUCTION IN PRICE OF PETROLEUM PRODUCTS

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, as we all know, the price of gas is following the drop in crude oil prices, for the greater benefit of the Canadian consumer. However, we cannot stop there. I think it is high time the big oil companies adjusted their stride and started cutting wholesale prices for heating oil and diesel fuel. When they do, the independents will be able to offer heating oil users a better price. It is now up to the big companies to show some respect for the small independents who often have to pay for this drop in prices out of their own money, in order to compete. I hope they will soon get the message and adjust their prices so that all consumers will be able to benefit from lower prices on diesel fuel and heating oil as well. It is time all Canadians were

able to benefit from the energy policy introduced by our Government, whether they are buying gas, diesel fuel or heating oil.

* * *

[*English*]

EMPLOYMENT

LACK OF APPLICANTS FOR BRICKLAYING JOBS

Mr. Sergio Marchi (York West): Mr. Speaker, I should like to draw the attention of the House to a catch-22 dilemma which Mr. Peter Zilli, the owner of Prill Construction in my riding, is facing. He is in dire need of 20 bricklayers. After nine months of repeated calls to Employment Canada, it has yet to meet the order. Moreover, he has spent over $1,000 placing national advertisements, informing Canadians of these $24 per hour job opportunities. On the other hand, Mr. Zilli has tried unsuccessfully to hire foreign workers, or to sponsor immigrants. Immigration Canada has prohibited these initiatives on the grounds that there are unemployed Canadians available.

Employment and Immigration Canada cannot have it both ways. There must be greater efficiency and precision in the system, for companies like Prill Construction find themselves in a precarious and frustrating position. In the meantime I urge unemployed bricklayers to call my Toronto office at 743-3153.

Mr. Speaker: Order, please.

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ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER LEVELS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the rains fall, the waters rise, and much of southwestern Ontario, a landscape of sandbags and tenuous levees, awaits the inevitable deluge. The Americans are prepared; the State of Michigan has declared a state of emergency before the crisis. However, in Canada we have from the Minister of the Environment (Mr. McMillan) an unfulfilled promise of a visit to the threatened communities, and the almost ludicrous announcement of an emergency weather warning system to tell us what we already know—the floods are coming. The floods are coming, not to the rarified laboratories of Burlington but to Windsor, Tecumseh, St. Clair Beach, and other communities in Kent and Essex.

Is it the result of legendary Tory ignorance of Windsor, traditional insensitivity toward this distant corner, or misplaced caution that the federal and provincial Governments together have failed to provide emergency flood damage control to avoid emergency flood relief?

AGRICULTURE

MEASURES ADVOCATED TO ASSIST AGRICULTURAL INDUSTRY

Mr. Albert Cooper (Peace River): Mr. Speaker, agriculture is the historic root of the Canadian economy. We have what it takes—the land, advanced techniques, and excellent farmers. However, with all of this, the industry is in crisis. The Government of Canada recognizes this and has given agriculture a high priority on its agenda.

I want to offer three suggestions which I feel will help alleviate the problems faced by our farmers. The first is crop insurance. Crop insurance should provide coverage of real costs on a farm by farm basis. This would then cover disasters such as the recent drought. Second is commodity prices. The EEC and the U.S.A. Government must be persuaded to include agricultural commodities under GATT. This should eliminate the huge world surpluses caused by subsidies, and should result in higher prices. The third is domestic prices. We need to look at higher domestic prices on agricultural commodities in order to protect our agricultural industry and allow it to continue to be the base of the Canadian economy.

* * *

[*Translation*]

TRADE

QUOTAS ON CARS IMPORTED FROM CERTAIN COUNTRIES

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, there is an unfair situation in this country that is affecting the automobile retail sector. More and more cars manufactured in so-called developing countries are imported without being subject to customs duty or to the import quotas set for cars imported from countries like Japan.

A Toyota dealer in my riding of Verdun-Saint-Paul is outraged at these discriminatory measures. He considers this to be unfair competiton, and he is right.

When some countries manage to sell nearly 80,000 cars a year in Canada at very competitive prices, it would make sense to put them on the same footing as industrialized countries and make them subject to the same customs tariff. We should also get rid of all import quotas on foreign cars in order to promote a free and competitive market that would certainly benefit the Canadian consumer.

* * *

● (1410)

[*English*]

SCIENCE AND TECHNOLOGY

CANADIAN PARTICIPATION IN CONSTRUCTION OF SPACE STATION

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, Canada's scientists and engineers were jubilant yesterday following the

Prime Minister's (Mr. Mulroney) announcement of our involvement with the mobile service centre of the space station.

This project is designed to lead Canadian space activities into the next century through the development of strategic technologies involving a new generation of robotics and artificial intelligence. It is expected that up to 80,000 person-years and $5 billion in revenue will be created in Canada as a result of this program. Universities and industries in all regions of the country, and especially the high technology riding of Nepean-Carleton, will benefit.

When launched, the space station will be the most complex and visible technological achievement in history. The Government has ensured that Canada and Canadians will be central to that achievement. This decision is a further demonstration of the Government's commitment to science and technology.

* * *

YOUTH

SENATE DEBATE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, yesterday in the Senate, Senator Paul Yuzyk, a Progressive Conservative, said:

Of all the youth that appeared before our committee and the hearings across Canada—

Mr. Speaker: Order, please. The Hon. Member knows that it is out of order to refer to debates in the Senate.

* * *

CHILD CARE

PROVISION OF FUNDING

Mr. Neil Young (Beaches): Mr. Speaker, a study released yesterday by the Canadian Day Care Advocacy Association again shows the great need for, and the benefits of, additional funds for child care. The study showed that although there are almost two million children age 12 and under in Canada, there are only about 172,000 licensed child care spaces.

The Economic Council of Canada says in a study, also released yesterday, that "increased provision for child care and increased access to parental leave for child rearing" would help lessen occupational differences between men and women.

The Prime Minister (Mr. Mulroney) promised during the election campaign not only to establish a parliamentary task force on day care, but also promised to allocate federal funds for day care.

The need has been shown again and again, and the benefits have been clearly demonstrated. The time has come for the federal Government to show its good faith to Canadian families. Now is the time to fulfil campaign promises. Now is the time to provide additional moneys for child care.

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

PARLIAMENT HILL

DIEFENBAKER STATUE—SHOWING OF MAQUETTE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, just over one year ago the House gave unanimous consent to a motion that I introduced to have a statue of the Right Hon. John Diefenbaker commissioned and placed on Parliament Hill. I am pleased to inform all Members that an artist has been chosen and that a maquette has now been completed.

John Diefenbaker served this House and this country with dignity, honour, and compassion. This statue pays tribute to the great contributions he made to Canada: the Bill of Rights, a vision of opportunity and prosperity, and a commitment to the freedoms we cherish so deeply.

I hope all Members will take an opportunity to view the maquette which will be on display in the Commonwealth Room today from 3 p.m. to 4 p.m. I hope Members, with all Canadians, will join in celebrating the unveiling of this statue next September. John Diefenbaker was a great Canadian, and I can think of no better way to commemorate his role in our nation's history than with a statue on the grounds he loved so much—Parliament Hill.

Mr. Speaker: Order, please. Sixty seconds.

* * *

LABOUR RELATIONS

NEWFOUNDLAND GOVERNMENT EMPLOYEES' LABOUR DISPUTE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the statement by the federal Minister of Labour (Mr. McKnight) yesterday that he has no intention of trying to influence the Government of Newfoundland to conform to national labour standards is indeed a poor reflection on the Government.

The Constitution, the Charter of Rights, and the principle of equal pay for work of equal value have been flagrantly violated by the Newfoundland Government in dealings with provincial government employees.

The same jobs with the same Government, with the same job descriptions, pay workers $3 per hour more or less depending upon which building they are working in. Yet the federal Government will not promote the Constitution, the Charter of Rights, or the concept of equal pay for work of equal value if the violator happens to be another Tory Government.

The federal Minister of Labour should ask the Newfoundland Government to negotiate the problem and stop the suspensions and fines so that people can get back to work.

* * *

CANADA POST CORPORATION

NEED FOR IMPROVED SERVICE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the new President of Canada Post is going to need the patience of Job

and the wisdom of King Solomon to get that organization turned around. The top priority is to improve the service.

I had a letter last week from J. Michael Clancy, a constituent of mine, in which he states that a letter he mailed on August 27, 1979, was received marked "Returned to Sender" on March 7, 1986. In other words, it took Canada Post six years and 192 days to return this envelope, which was mailed from Richmond Street West in Toronto to Spadina Road, a few blocks away.

● (1415)

The other key priority is the Government's request, announced by the Minister of Finance (Mr. Wilson), that Canada Post reduce its operating deficit to zero by the end of fiscal 1987-88. Canada Post has been studied to death. It is time for sound co-operative action by management and all employees to improve service and productivity.

ORAL QUESTION PERIOD

[*English*]

INTERNATIONAL LABOUR ORGANIZATION

CONDEMNATION OF NEWFOUNDLAND GOVERNMENT'S LABOUR LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Labour. On behalf of Canadians the Minister has been attending the regional meeting of the International Labour Organization and has been elected its honorary chairman.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I hope that does not come off my time, Mr. Speaker.

It must be doubly embarrassing for the Minister, acting in that capacity, when the International Labour Organization condemns the labour practices in the Province of Newfoundland, with reference to the present strike, as not being up to acceptable ILO standards.

The Government of Canada has so far refused to uphold its obligations as a member of the International Labour Organization by persuading, or attempting to persuade, the Province of Newfoundland to bring its labour legislation into accord with those standards.

Why does the Government take this position, and what does the Minister intend to do about it, now that the International Labour Organization has recognized him in an honorary capacity?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I appreciated the kind words of the Leader of the Opposition, but I knew there was more to come.

An ILO study mission came to Canada last summer and visited three provinces to seek more information on complaints filed by workers in four provinces. The Hon. Member is correct that the standards and structures in three of those provinces were found to be lacking as compared with those of the ILO.

The responsibility of the Government of Canada is to assist the ILO in transmitting that information to those provinces. I have transmitted it to them for their consideration. I have also sent a letter to those provinces offering my assistance in interpreting the intent of the ILO.

Mr. Turner (Vancouver Quadra): That is virtually acting like a post office, Mr. Speaker.

CANADIAN LABOUR PRACTICES

Right Hon. John N. Turner (Leader of the Opposition): Why does the Minister adopt this position of neutrality? Does he not realize that he is sending a message to the workers of the world that, while in the past our country has condemned labour practices in Poland, Chile, and other repressive countries, we have these practices here in Canada and he is doing absolutely nothing about it?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I thought the Hon. Leader of the Opposition was serious in his request for information. It is simply rhetoric to compare the labour practices in Canada to those in oppressed regions which we are presently discussing in Montreal. I can assure the Hon. Member that not one government member, worker member, or employer member would compare the labour practices in this country to those of the countries which he just mentioned.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): It may be coincidental, Mr. Speaker, that our federal Minister of Labour, who has the honour to head this organization at its hemispheric meeting, refuses to condemn a Tory Government in Newfoundland, a Tory Government in Alberta, and a Social Credit Government in British Columbia. Is that type of friendship more important than protecting the workers in those provinces and ensuring internationally accepted labour standards?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure you would not allow me the time necessary to explain labour relations in our country and the division of power to the Liberal Member of Parliament.

Mr. Gauthier: You cannot explain them, that's why.

Mr. McKnight: I have had discussions with the Government of Newfoundland and the Canadian Labour Congress. The Hon. Member should be aware that, when one is offering to solve a problem, the only discussions which are meaningful are those between the two parties.

● (1420)

APPLICATION OF ILO STANDARDS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Labour. He had better make up his mind and get his story straight pretty soon. He said yesterday at the ILO Conference in Montreal that he had no intention of urging the Government of Newfoundland to comply with ILO regulations. Will he tell us now whether or not he has urged the Government of Newfoundland to comply with ILO standards to which Canada is a signatory?

Hon. Bill McKnight (Minister of Labour): I am not sure whether the Member came in late, Mr. Speaker, but I think I have answered that question. His premise is completely false. The statement I made yesterday was that I had communicated to the provinces, as we are bound to do, for their consideration. I have already said that I had discussions with the Province of Newfoundland. I had discussions with the Canadian Labour Congress. I am offering my services to assist in resolving a very difficult situation.

Mr. Tobin: Mr. Speaker, the Pontius Pilate routine is not amusing.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member knows that kind of thing is not appropriate. Therefore, just a question, please.

Ms. Copps: What is wrong with that?

MINISTER'S ROLE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, how much further must Premier Peckford of Newfoundland go in destroying basic workers' rights and the concept of collective bargaining before this Minister finds his conscience and a sense of responsibility, and takes a leadership role in preserving workers' rights?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I find that very strange coming from a Member whom I have not heard raise his voice in concern about collective bargaining in his own province since I have been in this position. I assure him that, if he recognized federal jurisdiction in matters concerning the International Labour Organization, he would recognize that this Minister and this Government have gone further than the previous Government ever did in transmitting the concerns of a UN body to those partners in Confederation.

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the important discussions going on between the Prime Minister and the President of the United States.

In Kitchener, Ontario, on October 10 the Minister said we will not be discussing medicare, or unemployment insurance, or bilingualism. They will not be on the negotiating table. Yesterday in Washington an American official said both sides understand that there are no preconditions and that nothing is taken off the table. A Canadian official agreed with this. Will the Minister explain this obvious contradiction to the House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I expressed the position of the Government of Canada on frequent occasions, including in Kitchener-Waterloo. The position I took then is the position of the Government of Canada.

PRECONDITIONS INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a Canadian official was quoted in today's press as agreeing that there are no preconditions, that medicare, marketing boards, and a whole range of other matters will be discussed. Is the Minister now telling the House that the official is wrong and these items he listed in Kitchener will not be discussed? Will he assure the House that is the case?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if a Canadian official suggested that medicare was going to be discussed, that Canadian official is wrong. I speak for the Government of Canada on the matter. I have made it clear that medicare and the other matters referred to by the Leader of the NDP are not at issue in trade negotiations.

Mr. Broadbent: It is pretty clear that the American officials are saying one thing and Canadians are saying another.

Some Hon. Members: No!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary is directed to the Minister of the Environment. Will he assure the House that when a statement is made by the leaders of both countries on the important subject of acid rain, included in that statement will be a commitment not simply to research but to a specific timetable for cleaning up the acid rain mess on this continent?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not know where the Leader of the NDP has been the last 18 months. Our position is clear. We are totally committed to specific targets, specific schedules, and specific commitments of cash.

Mr. Broadbent: We are talking about the other side.

Mr. McMillan: As I said in New York City, what is good for the goose is good for the eagle.

Some Hon. Members: Hear, hear!

* * *

● (1425)

[*Translation*]

SOCIAL SECURITY

INQUIRY CONCERNING SOCIAL PROGRAMS GOVERNMENT INTENDS TO MODIFY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. In his speech—

Mr. Masse: One of the big guns!

An Hon. Member: He doesn't look like Chrétien!

[*English*]

Mr. Speaker: The Hon. Member is sitting in the correct seat.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Beatty: Move over one seat to your left!

Mr. Speaker: Order, please.

[*Translation*]

Mr. Garneau: My hon. friend, like the Minister of Finance, seems to think that the closer you get, the better the target.

Mr. Speaker, my question for the Minister of Finance is as follows: On page 12 of his Budget Speech, the Minister indicated his intention of proposing changes in the Government's social expenditures. Since family allowances have already been partially de-indexed, and since the Government has backtracked on de-indexing old age security pensions and the Nielsen Task Force has said the Canada Assistance Plan is a valid one, I would like to ask the Minister of Finance what social programs he intends to change, as he said in his speech.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wish to congratulate the Hon. Member on his promotion to the front benches.

[*English*]

In response to the Hon. Member's question, we have indicated that a range of the universal social programs will be under review this year in advance of next year's Budget. The four principles which I established in the Budget will be the principal guidelines under which we will be reviewing these programs.

[*Translation*]

CONSULTATION METHOD TO BE USED BY GOVERNMENT IN REVIEWING SOCIAL PROGRAMS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I shall repeat my question, since the Minister has given no indication of what he intends to do. Could he inform the House which social programs he intends to review and what kind of consultation process he intends to use prior to making a decision?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, over the next little while we will be making clear the various social programs which are under review. As I indicated in the Budget Speech, we will be looking at the unemployment insurance system following the report of the Forget Commission. Universal social programs, payments such as family allowances and Old Age Security, will also be reviewed. This will be done under the guidelines established in the Budget whereby we will be using the tax system as a means to reduce the benefits of upper-income Canadians and directing more to those in greatest need. As I think the Hon. Member well knows, the consultation has started with a number of interest groups which have expressed an interest in discussing this with us.

* * *

INTERNATIONAL LABOUR ORGANIZATION

NON OBSERVANCE OF CONVENTION BY PROVINCES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Labour. In light of the fact that Canada has signed an ILO convention, after consultation with the provinces, and in light of the fact that four provinces, Newfoundland and three others, have broken the convention, will the Minister of Labour tell us who speaks for Canada?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member is fully aware of the make-up of the Confederation of Canada. Canada has signed some 26 conventions of the UN, 11 of which impact solely upon the provinces, and the balance impact upon the federal Government. The decision which has been taken by this Government is that we will not sign conventions unless the provinces, our partners, are already in compliance, or agree to be the signatories of those conventions.

ROLE OF FEDERAL GOVERNMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, was it not the intention of Canada to live up to the convention? If it was not, why did you sign it after having consulted the provinces? Why are you allowing them to breach it?

Some Hon. Members: Order!

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member knows that I did not sign it, and that this Government did not sign it. I am sure the Hon. Member knows that. I will say to the Hon. Member that Canada has not been found guilty—

• (1430)

Mr. Rodriguez: Who speaks for Canada?

Mr. McKnight: —of any breach of an international convention by the ILO. It is the provinces that have been found guilty.

We have, through our offices, delivered the message to the provinces that the ILO found them in contravention. As Minister of Labour, I have written to my colleagues in the provinces.

Mr. Rodriguez: Not good enough.

Mr. McKnight: I have discussed personally with them any assistance they may require in interpreting the ILO study mission's findings last year.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES' EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. While regrettably the Prime Minister is coming home empty handed—

Some Hon. Members: Oh, oh!

An Hon. Member: Open your eyes.

Mr. Crosbie: You're empty headed.

Mr. Speaker: Order, please. Just the question, please.

Mr. Caccia: It is reminiscent of the emperor's clothes. He is coming home empty handed, with no acid rain cuts, no program, and no timetable for emission controls, as the Minister will agree. We have agreed to wait for another five years of research. What will the Government do in the meantime to cut the 26 million tonnes a year of SO_2 coming across the border?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if Moses came down from the mountain and put the Ten Commandments on that table, the Member for Davenport would complain that not enough was done.

Some Hon. Members: Hear, hear!

Mr. McMillan: Since 1980, when the Hon. Member's Party was in government, until now, absolutely nothing was done by Canada and the United States jointly to move even an inch on the acid rain problem. Now we have the head of the United States Government accepting that acid rain is serious in both countries, and serious because it is a trans-boundary problem. He has committed himself to bilateral mechanisms to ensure that acid rain is not just a one-summit wonder. Furthermore, he committed himself to hundreds of millions of dollars of cash to abate acid rain in the United States.

Mr. Speaker: Order.

Mr. McMillan: That is more than the Hon. Member's Party did.

Some Hon. Members: Hear, hear!

Mr. Caccia: We all know the adage that when you are on the defence you go on the attack.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Is it possible that everyone can cooperate to keep the noise level down today? The Hon. Member for Davenport.

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is very simple, and I hope the Minister will reply to it. Will the Minister agree hat we have lost one year waiting for this envoys' report and now are locked in for another five years of research without any cuts being admitted, accepted, or implemented by the United States administration? Why was the Prime Minister such a chicken?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not go on the attack when I am on the defence; I go on the attack when I have a weak target.

Some Hon. Members: Hear, hear!

Mr. McMillan: The Prime Minister has achieved a real triumph on behalf of Canadians and I suggest that, instead of being a bad news-boy, the Hon. Member should join other Canadians across the country in rejoicing over a major Canadian accomplishment. We have a commitment by the President of the United States to spend hundreds of millions of dollars, not on more research, not on more development—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear! More, more!

Ms. Copps: Add some time on to Question Period.

Mr. Gray (Windsor West): Take away one of their questions.

Mr. Speaker: Is everyone now ready for more questions?

Mr. Rossi: Tell them.

Mr. Speaker: Order, please.

Mr. Rossi: Why don't you tell them?

Mr. Speaker: Order, please.

Mr. Rossi: They are overdoing it, not us.

Mr. Speaker: Order, please. Everyone. The Hon. Member for Winnipeg-Birds Hill.

ABATEMENT PROGRAM INQUIRY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Hon. Minister of the Environment. Is he telling the House that the President has agreed not only to research, not only to endorse the Lewis-Davis report, but has agreed to an actual abatement program in the United States, with timetables for reductions of acid rain depositions? Is that what he is telling us?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I suggest that the Hon. Member read the report of the Canada-U.S. envoys which the President of the United States fully endorsed today.

The report reads:

> In short, although the primary purpose of this . . . program is to demonstrate the kinds of technologies that would be needed for any future acid rain control program, it should also result in some near-term reductions in U.S. air emissions that affect Canadian ecosystems.

It is there in black and white. Read it.

ENVOYS' REPORT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, if the President has not gone beyond the report itself, then that is clearly not enough.

Will the Minister say on behalf of the Government that, in spite of the endorsement by the President, the Government will push the Americans to go beyond that report, both in Congress and in subsequent administrations, to do more than what is obviously going to be done within the context of the envoys' report? The Minister himself has said that would not be enough.

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, that is implicit in everything that was said by the President and the Prime Minister today. For example, they have established bilateral mechanisms to do the very thing that the Hon. Member has recommended. This is not the end of the road; it is the beginning.

INTERNATIONAL LABOUR ORGANIZATION

VALIDITY OF CONVENTIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, all I can say is that it is a good thing we only have the blarney summit once a year.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

An Hon. Member: That's unparliamentary.

Mr. Speaker: Order. The Hon. Member for Hamilton East on a question.

Ms. Copps: My question is directed to the Minister of Labour. He made an incredible admission in the House today when he said: "I didn't sign the agreement". Is he saying that all ILO conventions signed by previous Governments of Canada are no longer valid?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I presume I would not have to explain that to the Hon. Member. I said, in reply to a question from an NDP member who stated that the provinces agreed and concurred with the signature of the federal Government, that I and this Government did not sign it. I could not say whether the provinces concurred with the signing of that ILO accord.

I want to inform the Hon. Member that the Government and this Minister have acted in accordance with the ILO rules and regulations. The ILO itself and Director General Blanchard recognize the division of responsibilities between the federal and provincial Governments in this country better than the Hon. Member does.

Mr. Speaker: Order. The answer is getting long.

NEWFOUNDLAND LABOUR DISPUTE

Ms. Sheila Copps (Hamilton East): The Minister is putting into question the very existence of ILO agreements that have a history in this country dating back decades. Does he not believe that the Government's signature on the ILO convention means anything? If he does, why does he not follow the advice of the ILO and meet with Mr. Peckford to resolve the situation in favour of the workers of Newfoundland, as suggested by the ILO?

• (1440)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member, in her last statement, made the suggestion that the ILO requested that the Minister of Labour meet with the Premier of the Province of Newfoundland. That is absolutely untrue. What this Minister has done was to communicate to the Province of Newfoundland on two separate occasions, one as late as yesterday. I have discussed with the CLC whether there is any optimism on its part that the good offices of either

the federal Government or the Minister of Labour could be used in settling this dispute.

The Hon. Member should know that one can have a party, but unless the invitations are accepted it is not much of a party.

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[*Translation*]

MINISTER OF STATE (YOUTH)

STATEMENT ALLEGEDLY MADE BY MINISTER ON HUNGER STRIKE OF SENATOR JACQUES HÉBERT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State (Youth), who stated yesterday that Senator Hébert's gesture was a very poor example for the young people of this country.

Whatever we may think of hunger strikes, what kind of example would the Minister prefer: an example that shows courage and a true commitment to young people, or the dishonesty of someone who abused her authority by acting as a recruitment officer for a political party—

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows that part of his question was inappropriate and I must ask him to withdraw it, judging by what I heard. I must ask him to withdraw the part about "dishonesty".

Mr. Hnatyshyn: Ask him to repeat the question in English.

Mr. Broadbent: So Ray will understand.

Mr. Speaker: Order, please. Could the front benches please come to order? I must ask the Hon. Member to withdraw his comments about the Minister being dishonest.

[*Translation*]

Mr. McCurdy: I agree, Mr. Speaker.

[*English*]

Mr. Speaker: The Hon. Member for Kootenay West.

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CENTRAL MORTGAGE AND HOUSING CORPORATION

APPROVAL OF MORTGAGES IN SINGLE-INDUSTRY TOWNS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing. In the past 12 months Cominco Limited in Trail, British Columbia, has been forced to lay off about 800 employees. One result of these lay-offs is that some banks have not accepted, or are now considering not to accept any new mortgages unless they are CMHC approved. Will the Minister reassure home owners in single-industry towns that they will not be subject to this arbitrary action taken by the banks? And may I ask the Minister what action he can take to prevent this?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the mortgage insurance provided by CMHC to high ratio mortgages, to the best of my knowledge will continue to be provided to the areas to which the Hon. Member refers, Revelstoke and Trail, British Columbia.

I should tell the Hon. Member and the financial institutions of Canada that CMHC is presently reviewing its mortgage insurance because at the present time it appears that the beneficiaries of that mortgage insurance happen to be the financial institutions with 100 per cent guarantees for their loans. As to the concerns of individuals who may be having difficulty, CMHC will be as flexible as possible and we will suggest to the financial institutions that they take that into effect in the same manner as CMHC.

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UNEMPLOYMENT INSURANCE

RELEASE OF RECIPIENTS' NAMES—CONDUCT OF INVESTIGATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. On March 5 and March 6 I asked the Minister if the Peat Marwick investigation, which she appointed, would cover her role and the role of her personal staff in the illegal release of unemployment insurance information. At that time she did not answer my question. Now that there have been allegations of shredding in her office, will the Minister tell the House who has been appointed to carry out that investigation? And will the investigator cover the role played by the Minister and her personal staff?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that there is no shredding going on in my office. I would also like to say to the Hon. Member that all documents which have been returned from Peat Marwick are intact. They are in safe storage and available to the Privacy Commissioner who is, indeed, carrying out this investigation.

INVESTIGATION BY PRIVACY COMMISSIONER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my supplementary question is directed to the Minister of Justice, who is the Minister designated with respect to the Privacy Act. Could the Minister tell the House whether the investigation carried on by the Privacy Commissioner covers the role played by the Minister of Employment and Immigration and her personal staff, and whether the Privacy Commissioner will also investigate any allegations of shredding in the Minister's office?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. gentleman understands that the Privacy Commissioner does not report except through the Minister of Justice to this House, so I have no way of knowing at the moment exactly what the Privacy Commissioner is investigating. But I can make an inquiry for the Hon. Member if he is really serious and wants the information.

* * *

YOUTH

INSTITUTIONAL TRAINING PROGRAM

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister keeps trying to tell us how much her Government has done for youth, so will she tell us today why she has instituted a 40 per cent cut in institutional training at community colleges over the next three years? And will she indicate how such a cut will help the young people of our communities?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to answer the Hon. Member. I can say that this Government is doing more in the field of training than any previous Government.

Mr. Crosbie: Right on. They will never learn.

Miss MacDonald: The funding which comes under the Canadian Jobs Strategy is now also available for the training of young people. That is taking place in project after project across the country. There are 9,000 young people presently involved in one single program alone, the Job Entry Program, which allows for young people who have not had those training opportunities previously, those people who are disadvantaged and who have—

Mr. Speaker: Order.

Miss MacDonald: I would love to speak longer about that issue.

STATEMENT MADE BY NOVA SCOTIAN MINISTER

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, will the Minister then explain why the Nova Scotia Minister for Skills Development told his Legislature on March 11 that the federal Government was cutting its international training by 10 per cent this year, 15 per cent next year, and 20 per cent the following year? Or is the Minister saying he was lying to his Legislature?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, that question shows the Hon. Member's complete lack of understanding of what is going on. I will explain it to him step by step. Yes, there is institutional training and that will be continued. But there is now also access to training under the $900 million Canadian Jobs Strategy, and which was not available before. So Nova Scotia will be able to acquire more training for its students as, for instance, it is doing for black youth, as it is doing with young people in Sydney right at the present time, and as it is doing with project after project—

Mr. Speaker: Order, please.

Miss MacDonald: —throughout Nova Scotia and elsewhere.

Mr. Speaker: Order. The answer is becoming long.

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[*Translation*]

AIRPORTS

FUTURE OF MONTREAL AIRPORTS—PUBLICATION OF CONSULTANTS' REPORT

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of Transport. The future of Montreal's airports, especially Mirabel, is in a way closely connected to the conclusions that the Advisory Committee on this question is about to disclose in its final report.

Could the Minister inform the House today exactly when the report will be released and whether our regional organizations, such as the Committee to promote Mirabel Airport, will be able to report to the Minister through a standing committee of the House of Commons?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I cannot give the Hon. Member a precise date. I have not as yet received a report. My understanding is that it will be presented to me some time in April or May. Of course I will take the Hon. Member's representation into consideration, that being her suggestion that it be referred to the standing committee.

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NORTH AMERICAN AIR DEFENCE COMMAND

ANTI-BALLISTIC MISSILE CLAUSE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Media reports today state that Washington issued a statement to allay Canadian concerns about their adherence to the Anti-Ballistic Missile Treaty of 1972. Why would Washington and Ottawa not simply reinstate the ABM clause in the signed NORAD agreement itself in order to allay the concerns of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, of course, is a

member of a Party which took that clause out. It was one of the actions it took that, in fact, made sense because circumstances had changed. There was, however, a concern in Canada about the integrity of the ABM Treaty. It was precisely for that reason that, at the summit meeting in Washington, the Prime Minister of Canada secured from the President of the United States an explicit underlining to the United States of the importance of full compliance with the ABM Treaty and other existing arms control obligations.

● (1450)

GOVERNMENT POSITION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the same Minister. Does the Minister not realize that by refusing to put the ABM clause back into the NORAD agreement, the return of which would simply protect Canada from becoming involved in active ballistic missile defences except on the Government's own decision, the Government is showing that it is not serious enough about its commitment to put that commitment in writing in the signed NORAD agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member was right the first time when he supported the action taken by the Liberal Government to remove that particular clause from the treaty.

The point that needs to be underlined now, because there is concern in the country, whether legitimate or not, about the integrity of the ABM treaty, is that in full recognition of that concern the Prime Minister of Canada deliberately sought and successfully achieved an assertion from the President of the United States of the fundamental importance of the integrity of the ABM treaty. That should reassure any doubts that might exist, in the mind of the Hon. Member, or elsewhere in the country.

* * *

EMPLOYMENT

GOVERNMENT'S SPENDING FREEZE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Is she aware that, as a result of the federal Government's spending freeze, important job-development and Section 38 programs have been stalled and virtually curtailed, and important jobs are not being developed?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, some 160,000 Canadians have benefited from the Canadian Jobs Strategy in the first six months of its operation. That is an excellent record. I can assure the Hon. Member that the freeze has not affected the programs of this Department. If there is a specific area in question, it may be that the regional allocation to that area has already been used up. I will look into the question with regard to the Hon. Member's area and report back to him.

EXPENDITURE OF ALLOCATED FUNDS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I can guarantee that allocations have not been used up and that ample funds are available. I want her to assure us that where the freeze has actually curtailed or stalled Section 38 and job-development programs, the freeze will no longer stall those programs, and those funds will be loosened up so that we may start creating much needed jobs, particularly in the hard pressed areas of Canada.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, projects, both under Section 38 and under the Canadian Jobs Strategy, are being approved every day. I have assured the Hon. Member that if there is a specific problem with regard to his area, I will look into it.

* * *

ABORIGINAL RIGHTS

RELEASE OF COOLICAN REPORT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. As the Minister knows, the Coolican report on comprehensive native claims policy was released this morning. It urges the Government to get on with the job of settling these outstanding claims, and it takes a position different from the position taken by the Nielsen task force which indicates that the process should be deferred. Will the Minister endorse, accept, and support Coolican, and reject Nielsen?

An Hon. Member: Now you're in trouble.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, if life were that simple, we would all be in trouble. Quite clearly, the Nielsen task force recommendations are before the Standing Committee and any views that any Member has may be made known to the committee.

With respect to my own responsibility regarding the so-called Coolican task force which I commissioned, the report will be tabled today at the conclusion of Question Period. I have already indicated, as I think the Hon. Member well knows, that there will be some weeks of public discussion. It is my intention to take recommendations forward to Cabinet by June following that public discussion.

EXTINGUISHMENT OF RIGHTS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary question is directed to the Minister of Justice. Is the Minister now prepared to tell the House that he can accept the recommendation of Coolican that the blanket extinguishment of aboriginal rights will no longer be a precondition for the settlement of a successful comprehensive native claim?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can certainly repeat to the Hon. Member the assurances given to him by my colleague, the Minister of Indian Affairs and Northern Development. He was spot on. Led by the Deputy Prime Minister and the Prime Minister, we will come to a consensus without too much time passing. We will then announce it to the hon. gentleman and I am sure he will be happy with it when the time comes.

* * *

FINANCE

ELIMINATION OF INVESTMENT TAX CREDIT FOR FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. I would like to ask him about the phasing out of the investment tax credit for farmers contained in his Budget, a measure which will take about $150 million per year from Canadian farmers and approximately $50 million per year from Saskatchewan farmers. Why did the Minister eliminate the investment tax credit for farmers without replacing it with some equivalent tax benefit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member thinks back, he will realize that what he said is not true. We have provided farmers with an immediate lifetime capital gains tax exemption of up to $500,000. That happens immediately for farmers, while for other individuals it will be phased in over a four or five-year period. I would also draw to his attention the fact that we have put in a very major program to assist those farmers who are in trouble with major debt loads and, as well, we have extended the farm fuel tax rebate for another year. Those are three very important measures that are helping farmers—

Mr. Speaker: Order, please.

GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, for one of those measures to help, the farmer must quit farming. What Saskatchewan farmers want to know is why he did not bring forward an equivalent tax benefit that would be worth the $50 million per year that they will lose because of the elimination of the investment tax credit.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first the Hon. Member is way, way out of line as far as the numbers are concerned. Second, the capital gains tax exemption starts this year, 1986, only for farmers and not for other investors. For other investors it will be phased in over a long period of time.

FERRIES

SERVICE BETWEEN PRINCE EDWARD ISLAND AND NOVA SCOTIA

Mr. Pat Binns (Cardigan): Mr. Speaker, my question is directed to the Minister of Transport and is with regard to the service provided by Northumberland Ferries Ltd. between Prince Edward Island and Nova Scotia. It is extremely important to our economy that this service commence operations when the ice goes out of the Northumberland Strait. Can the Minister assure the House that his Department will negotiate the earliest possible start-up date rather than use a fixed date which does not reflect local needs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, the date of May 1 was selected after very thoughtful and careful consideration, and in an attempt to provide some degree of certainty. If there are indeed some extenuating or compelling reasons to start service earlier, I would certainly be prepared to entertain them considering the recommendations made by the Hon. Member.

* * *

SOCIAL SECURITY

REVIEW OF PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Finance. In the review of the eligibility for social programs that he is contemplating in the next year, is he now telling Canadian citizens that, in addition to a tax increase next year, they can look forward to a tax back for those above a certain level of income?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, I think the Hon. Member is jumping to conclusions. If he has any suggestions, though, on how he feels we should proceed with this review using the four principles that I have established, I would be very pleased to hear his suggestions or those of any of his colleagues.

POSSIBLE EFFECT ON UPPER-INCOME GROUPS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, does the Minister of Finance not agree that with the four principles upon which he is going to rest his review of social programs, he leaves open the possibility of tax or a drawback on those with incomes above certain levels?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I encourage the Hon. Member not to jump to any conclusions. The whole purpose for raising this matter in the Budget at this time is to allow for a full year of reasonable debate so that we could understand the various elements of this particular matter and then come to the House of Commons at budget time next year with some specific proposals. I encourage the Hon. Member to participate in this debate in a reasonable, objective way, rather then jumping to fast conclusions and getting things way off track.

GRAIN

DETERMINATION OF INITIAL PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of State for the Wheat Board. The Minister knows that the loan rates set by the U.S. Farm Bill will likely drive the prices of grain down by 30 per cent. In view of the serious financial situation faced by the farm community, would the Minister consider establishing the initial prices of grain at 90 per cent of the world price in order to alleviate the cash flow problems of farmers?

● (1500)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a very serious situation as far as Canadian grain producers are concerned. He should know that presently the Government is going through the exercise of setting initial prices. We are looking at several things in order to show as much support as we can for prairie and other grain farmers. We will be going everything we can to keep them as high as we can, including looking at setting initial prices higher than normal in line with the intent of the question asked by the Hon. Member.

* * *

POINT OF ORDER

USE OF APPROPRIATE LANGUAGE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, a while ago you were kind enough to bring before the House some good suggestions and guidelines regarding Question Period which have been useful to us. I need some clarification. I should like the Chair to review the "blues", and I will be doing the same, with regard to what happened when the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) rose in his place today to ask a supplementary question. He started by using a very short one-liner. At that point the Chair said that the Member was not allowed to say what he had said, if my memory serves me well.

All that I heard the Member say was that the Pontius Pilate routine was not amusing. I think these words are far from being unparliamentary. If a short one-liner is allowed before a supplementary question, certainly a seven-word one-liner is not a long one. I ask the Chair to review what happened and to provide us with more guidelines which we need, because I thought my colleague had acted properly.

Mr. Speaker: Order, please. I would be happy to review the decision which I reached on the spot; if the Hon. Member is asking me to do that, I would be happy to do so. The Hon. Member knows that the Chair has some concerns about what language is used in this place. While things may not be so unparliamentary as to require withdrawal, I think Hon. Members know that there are also times—and, for instance, the other day I took the same action with regard to a comment by a Minister—when those kinds of comments about people as

opposed to actions move us closer toward something which is unparliamentary. That is the only reason I asked the Hon. Member to proceed right to his question. The Hon. Member has asked me to review what was said, and I will do that.

Mr. Tobin: Mr. Speaker—

Mr. Speaker: Order, please. The Hon. Member for Saint-Jacques (Mr. Guilbault) asked me to review it, and I am happy to do it.

Mr. Tobin: I am just trying to be helpful.

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, in the interests of being helpful, I want to make clear that I talked about a Pontius Pilate routine. Those were the words, and when you review the "blues", you will find them—

Mr. Speaker: Order, please.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on the same point of order. I am thankful that the Chair said it is willing to review the "blues". At the same time I should like the Chair to think of the right of a Member being able to rise in his place and ask a question which is not outside our rules, and not being interrupted while doing so. I would like the Chair to consider this at the same time.

Mr. Speaker: I am not quite sure what the Hon. Member is asking the Chair to consider. Perhaps he would like to be more specific.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I can repeat what I said. While the Chair is reviewing the "blues" to determine whether what my hon. colleague said was acceptable or not, I ask it to consider the effect of interruptions on interventions by Members unless they are clearly out of order.

Mr. Speaker: Order, please. I rose because it seemed to me that it was improper language. That is exactly why I did it. I will continue to do that if I think that something improper has taken place.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise in order to confirm discussions which I had with opposition House Leaders in respect of the business for tomorrow. I should like to designate tomorrow as the sixth allotted day in this trimester.

Tabling of Documents

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING OF REVISION AND REFERENCE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am pleased to table in both official languages an amended version of Order in Council No. 1986-602 which was originally tabled yesterday.

Pursuant to the provisions of Standing Order 103(1), this Order in Council stands referred to the Standing Committee on Communications and Culture.

* * *

INDIAN AFFAIRS

TABLING OF TASK FORCE REVIEW—CLAIMS POLICY

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour to lay upon the table, in both official languages, the report entitled "Living Treaties and Lasting Agreements", the report of the task force review conference of claims policy.

* * *

INTERPARLIAMENTARY DELEGATION

TABLING OF REPORT OF COMMONWEALTH PARLIAMENTARY DELEGATION TO SOUTHEAST ASIA

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to the provisions of Standing Order 101, I have the honour to present to the House the report of the visit of the Commonwealth Parliamentary Delegation to Southeast Asia, in both official languages.

* * *

[*Translation*]

INTERNATIONAL ASSOCIATION OF FRENCH SPEAKING PARLIAMENTARIANS

PRESENTATION OF FIRST REPORT OF CANADIAN SECTION

Mr. Gilles Bernier (Beauce): Mr. Speaker, pursuant to Standing Order 101, I have to honour to present to the House, in both official languages, the first report of the Canadian section of the International Association of French speaking parliamentarians which sent a delegate with the mission to Sahel in Africa last week.

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

[*English*]

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Sergio Marchi (York West): Mr. Speaker, I have the pleasure to present a number of petitions from the cities of Ottawa, Toronto and Montreal. These petitions are signed by hundreds upon hundreds of young Canadians who urge the Government to reinstate the Katimavik program at a time when its strength and conviction is most dearly needed.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I am pleased to present a petition signed by residents of Longueuil, the riding of Louis-Hébert, and others from Montreal. They urge the Government to reconsider its decision to end the Katimavik program which has enabled young people to get better acquainted with their country and its linguistic and cultural heritage. As in duty bound your petitioners ever pray.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present two petitions urging the Government to reconsider its decision to end the Katimavik program. I also have the honour to present another petition—

[*English*]

It asks the Government to reconsider its decision to stop full funding of Katimavik and to reinstate that program for the young people of Canada, and it supports Senator Hébert and his work.

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have the honour to present a petition from a few residents of eastern Ontario and western Quebec in support of the re-instatement of the Katimavik program.

[*English*]

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have the honour to present to the House a certified petition on behalf of residents of the riding of Sarnia-Lambton. My constituents are protesting the continued operation of the Morgentaler Clinic in the City of Toronto, for the stated purpose of performing unlawful abortions as an affront to law-abiding citizens of the country.

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, it is my responsibility to present two properly certified petitions. One concerns Dr. Morgentaler and the other concerns gas prices. Some of the petitioners are from my constituency.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I have the honour to present a petition signed by several residents of the riding of Huron-Bruce protesting the continued operation

of the Morgentaler Clinic in the City of Toronto in violation of Section 251 of the Criminal Code.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to table three petitions. The first comes from citizens of the Ottawa region, the second from the south shore of Montreal, the third also from the Ottawa region and from the Outaouais region. All these petitioners ask for the re-establishment of the Katimavik program and support Senator Hébert in his endeavour.

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to present three petitions. The first comes from New Brunswick residents and a few constituents of the Province of Quebec; the second is from residents of the Ottawa region; the third comes from residents of the National Capital Region. All these petitioners urge the Government to reconsider its decision concerning the Katimavik program and to support Senator Hébert in his courageous fast.

• (1510)

[*English*]

CANCELLATION OF UIC BENEFITS TO ARMED FORCES—CONTINUED PREMIUMS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the honour to present five petitions from the residents of San Josef and Holberg, British Columbia, who are retired members of the Armed Forces. They wish to protest the Government's cancellation of unemployment insurance benefits for retiring members of the Armed Forces and to protest additionally the requirement to pay continued unemployment insurance premiums while working and receiving Armed Forces pensions.

POSSIBLE CLOSURE OF CN SHOPS—MONCTON

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the honour to present a number of certified petitions signed by a number of residents throughout Atlantic Canada expressing their concern with regard to the future in the shops located in Moncton.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour of presenting a petition from a vast number of residents of the riding of Gatineau, who humbly pray the House and the Government to reconsider and to reinstate the Katimavik Program.

I have another petition with a large number of signatures, Mr. Speaker, both from the riding of Gatineau and from the riding of Champlain, in which Parliament is asked to reconsider the termination of Katimavik.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have two petitions to present to the House. The first one is from people in the Ottawa area, who maintain that Katimavik was a success, and that in their opinion, the decision to terminate the program should be reconsidered. These people support Senator Hébert and his hunger strike aimed at making the Government reconsider its decision.

[*English*]

I have another petition from people in various cities in the Provinces of Ontario and Quebec. They call themselves the friends of Katimavik and say that the Government's decision to cancel the youth program, Katimavik, is a short-sighted budgetary measure at the expense of Canadian youth. They urge the Government to re-instate with full funding the Katimavik program for the young people of Canada.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I have the honour to present three petitions certified from the people of my riding of Perth claiming that the operation of the Morgantaler clinic in Toronto is an affront to those people and they wish this Parliament to take influence in the matter.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour of presenting several petitions signed by Toronto citizens who are asking the Government of Canada to re-instate full indexation of family allowances.

[*English*]

I may add that many of the signatures are from the riding of the Minister of Finance (Mr. Wilson), (Etobicoke Centre).

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a petition addressed to the honourable House of Commons of Canada, in Parliament assembled. This petition from Gatineau asks that the decision to terminate the Katimavik Program be reconsidered.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I also have a petition addressed to the honourable House of Commons of Canada, in which the Government, considering that Katimavik was a success, both as a means of training 20,000 young people who took part in the program over the last decade and as a means of carrying out important community projects, reverse its decision to cancel this excellent program.

Petitions

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to present a petition signed by many people from the provinces of Quebec and Ontario, which says that Katimavik was a great success and is asking for the decision to terminate Katimavik to be reconsidered.

Mr. Alain Tardif (Richmond-Wolfe): I join my colleagues, Mr. Speaker in presenting a petition signed by a number of people from various ridings throughout Canada. Those petitioners also ask for the re-establishment of the Katimavik program, and they express support and sympathy for Senator Hébert.

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I also have two petitions to present to the Hon. the House of Commons of Canada. They originate from the ridings of Gatineau, of Hull-Aylmer, from ridings of the Ottawa region and from other regions of Ontario, and the petitioners ask that the Katimavik program be maintained because it has been an unqualified success.

[*English*]

Mr. John Nunziata (York South-Weston): I am proud and honoured to present to the House a number of petitions signed by residents in Toronto, Scarborough, Ottawa, London, Nepean, Red Deer, Montreal, Kanata and other constituencies in Canada protesting the Government's short-sighted decision to end the Katimavik program. The petitioners request the Parliament of Canada to restore full funding to that very worthwhile project which benefited thousands of young people in this country.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a petition from Ottawa residents which is in order and is certified. The petitioners humbly pray and call upon this House to reinstate with full funding the Katimavik program for the young people of Canada.

[*Translation*]

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am pleased to present a few petitions signed by 25,000 Windsor residents.

[*English*]

I have 100 petitions bearing 2,500 signatures obtained by and from young people at the following high schools: Assumption, Brennan, Centennial, Forester, Hands, Herman, Kennedy, L'essore, Lowe, Masey, Monarch, Riverside, Shawnee, St. Annes and Walkerville, St. Clair College and the University of Windsor. And that is just the beginning, Mr. Speaker. These petitioners wish the reinstatement of Katimavik.

I also have several petitions from Ottawa asking for the reinstatement of Katimavik.

I have a further 101 signatures on several petitions from small towns in southwestern Ontario, near Windsor, asking for the reinstatement of Karimavik.

I have 400 signatures from Halifax, Nova Scotia demanding the reinstatement of Katimavik.

I have a further set of petitions from Saskatoon, Saskatchewan demanding the reinstatement of Katimavik. And from Brandon, Manitoba, I have one more petition demanding the re-instatement of Katimavik.

Mr. Speaker: May I say perhaps what I should have said at the beginning that I am assuming all Members are presenting only certified petitions. I hope.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is the House agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notice of motions for the production of papers may be allowed to stand.

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—ENERGY—FALLING WORLD PRICES

Mr. Russell MacLellan (Cape Breton-The Sydneys) moved:

That this House regrets that the Government's energy policy has proven to be disastrous for both the industry and the consumer in its failure to give the consumer the benefit of falling world energy prices and in its confusion and lack of direction, creating uncertainty for the oil and gas industry in the face of the Government's inability to cope with changing international conditions and its refusal to fulfil its commitments.

● (1520)

He said: Mr. Speaker, it is a shame that we had to move this motion, but the situation in the energy industry leaves us no alternative. It is becoming chaotic. The policy of the Government is benefiting no one, except perhaps the integrated oil

companies. The policy of the Government is not benefiting the consumer, the producer, or the independent retailer.

There were drastic price reductions in world oil in January. These reductions have not been passed on to the consumer at the pumps. There were two price declines at the pump which are not, in any sense of the word, adequate for the consumers of the country. Consumers are being gouged. The first price decline of 2 cents a litre was only at the pump and not in the wholesale price. Therefore, independent retailers had to take 2 cents a litre off their profit margin in order to remain competitive. Independent retailers did not benefit from this first price decline which came grudgingly from the industry at the reluctant urging of the Government. Through the policy of the Government independent retailers are being squeezed by the large integrated oil companies to the extent that they may not be able to remain in business.

At the forefront of this policy is Petro-Canada. Petro-Canada's wholesale price to retailers in the United States is 4 to 6 cents a litre cheaper than it is to retailers in Canada. The people's own oil company is selling gasoline in the United States cheaper at the wholesale level than it is selling it to its own retailers in Canada.

With regard to producers, all Canadian-produced crude used in domestic markets has been undervalued since early January of 1986 by between $4 and $6 Canadian a barrel. That is because the integrated oil companies switched from a west Texas intermediate posted price to a west Texas intermediate spot price. The lowest possible price which could be paid for crude oil in the world is being paid by Petro-Canada to producers in western Canada. This is tragic at this time while we are trying to safeguard and foster this industry in an attempt to keep together what we have achieved in this country in relation to production and security of supply.

Canadian producers are losing up to $6.6 million a day based on deliveries to domestic markets of 1.1 million barrels per day. The 1.1 million barrels per day produced in western Canada amounts to nearly 80 per cent of Canada's total crude consumption of 1.4 million barrels per day, the rest being sold as imports, mainly to the United States. This 1.1 million barrels per day represents 85 per cent of Canada's total crude production of 1.7 million barrels per day.

What is all this nonsense the Government has been telling us about prices not being able to go down until it flows through the system? Eighty per cent of our oil comes from western Canada and is refined in the country. Still, there have only been two measly reductions at the pump and consumers continue to be gouged by an artificially high price. Producers are being gouged by being paid the lowest price for crude oil in the world. This is being done by the people's own oil company, Petro-Canada.

The price is being kept artificially high. Petro-Canada has done nothing for prices. It has not led price declines in the country. The first price decline was 1 cent per litre by Imperial Oil. The next day Petro-Canada followed with a 2 cent a litre reduction. The second reduction at the pumps was announced jointly by Imperial Oil and Petro-Canada. Petro-Canada is keeping the price of gasoline artificially high and it is being aided and abetted by the Government. The Government need only call the president of Petro-Canada and tell him to start acting in the interests of the Canadian consumer. The result of this is that in January alone Canadians paid $302 million too much at the pumps for gasoline. That does not include the extra which they paid for heating oil and other petroleum products.

The United States has not had this problem. Their prices went down at the pumps when world oil prices went down. The prices at the pumps in the United States reflected the price of world oil and the fact that refined gasoline is a separate commodity from crude oil, the same as crude oil is separate from pork bellies. In Canada we have had to listen to all this nonsense about a flow-through period which has just been a con of the Canadian people.

This is all because the Government is changing the role of Petro-Canada. Petro-Canada was set up to explore and develop energy sources in the country and to establish a security of supply on which we could rely. Petro-Canada is no longer doing this. In fact, it is backing out of five wells off the East Coast of Canada. It is reducing its exploration and development budget. It is no longer a window on the market for Canadians. Consumers cannot rely on Petro-Canada to act on their behalf at all. Petro-Canada is being told by the Government to make money at all costs, to drive up its profits in order to present the best possible picture so its shares will draw the best possible price at a private share sale. This is not in the interest of consumers, but in the interest of serving the policy of the Government, which policy is not in the interest of Canadian consumers.

The philosophy has changed with respect to Petro-Canada and the people of the country realize it. At one time Petro-Canada was a source of pride. We could buy from our own oil company and get a fair deal. People wanted to do that. Now they look upon Petro-Canada as a gouger, a monster out of control causing problems in the country which have never been experienced before, at both the producer and consumer levels. All of this has been exacerbated by the Government's policy with regard to Petro-Canada to do nothing to help the producer or the consumer. If the Government's policy was to act in the best interests of the industry and the consumer, we would not have these problems in the country at this time.

Not only did the Government change its policy to act against Canadians, it also purchased the down-stream assets, the refining and marketing capability, of what was once Gulf Canada in Ontario and western Canada. Now they have such a large number of stations they control the marketing industry. They have consumers by the throat. Not only that. There are hundreds of producers but only four major refineries. There are smaller companies with maybe one refinery, but just four major refineries. They pay producers the lowest price and then gouge the consumers.

• (1530)

What does all this mean? It means the Government has taken a good public-minded Crown corporation and turned it against Canadians. This party is diametrically opposed to using Petro-Canada to gouge the industry and consumer. Petro-Canada was set up for the benefit of the oil and gas industry as well as the consumer, not to act to their detriment.

Certainly the reduction in the price of oil will cause a reduction in oil exploration and development, the non-conventional sources in particular. It is not the industry that caused this cloud. It is the Government, through its jaundiced policies and crazed directions to Petro-Canada, which has caused the problem. It is the Government that backed away from the commitment to the Husky upgrader which was made by the former Government. Why? The Government says it is worried about world oil prices. It does not bother to consider for a minute the fact that when the upgrader is finished world oil prices will be higher. It does not consider for a minute that its own budget documents indicate the price of crude oil will be U.S. $22.50. Mind you, that is on page 23 of the document. On page 20 the Government says the price is going to be U.S. $23.88. On the one hand the Government says the price will average U.S. $22.50 this year, on the other hand it says it has to reconsider the Husky upgrader because of the price of oil. No wonder no one has any respect for this Government or its economic policies.

The Government is also applying retroactively regulations which have yet to be implemented under the Petroleum Incentives Program Act. As a result, Canadian companies, particularly Husky-Bow Valley, have been squeezed out of wells they wanted to drill on the east coast. Initially they wanted to drill 10 wells. The Government talked them into reducing that to seven. Then the Government, through the retroactive application of regulations which no one has seen officially, has reduced the number of wells to two. This is diabolical. The Government has also said that if Petro-Canada backs out of exploration it earned without cost through a back-in provision, the partner who replaces Petro-Canada will not receive funds under PIP for their interest.

Where are we going here? What is happening? Our energy policy is in shreds. Consumers are being taken advantage of completely, yet the Government is not moving. The industry even visited the Government yesterday to explain the dire situation facing them throughout Canada. The Government would not listen. The Minister is frozen to her deregulation switch. She is going to hold on for dear life. The industry is going to suffer regardless.

What is happening to the industry, and by that I mean primarily the small and medium oil companies? They are in a tremendously difficult position, teetering on the brink, because of the policies of this Government. They are ripe for bankruptcy or takeover by the multinational oil companies. They have proven reserves of oil and gas. The large oil companies are able to withstand this bad time because of their integrated nature. They realize the small companies are vulnerable, and if they wait until they become even more vulnerable they can pick up their reserves for practically nothing. They can steal it out from underneath this country. That is a tragedy. Yet, how can you blame them?

The Government is saying to its own Crown corporation: You do the same thing. Petro-Canada led the price increases last fall but did not lead the price decreases this spring. The multinationals have a shield; they just follow behind Petro-Canada's gouging and they are safe from criticism because Petro-Canada is leading the way.

What is going to happen? Producers presently receive a rebate of 75 per cent of royalties due, up to $3 million. That is a provincial responsibility. Similarly, they are exempt from the PGRT up to the first $500,000. At the current rate of 10 per cent that means $5 million worth of oil and gas production is exempt. The Government should consider increasing this threshold in order to protect the small and medium producer. It should use this policy as a lever to force the producing provinces to reduce their royalties. It has to be done. This Government has to move because everyone is suffering; everyone except the integrated oil companies. This is tragic. There has never been such an injustice in Canadian commerce like the one being perpetrated by this Government. The time to review the policy is not in five months, the time is now. The Government has to act now on behalf of the industry and consumers. We should not sell our oil and gas to foreign countries for less than we pay for it in Canada. That is not commerce in the interests of the Canadian public. The consumer deserves better from this Government. The industry, which put faith in the Government, deserves much better.

• (1540)

The Acting Speaker (Mr. Friesen): Are there questions or comments? The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, perhaps I did not hear the Hon. Member correctly. He suggested that the Petroleum Gas Revenue Tax, which is a tax imposed on the industry and which will be phased out by the Government, will give a dramatic increase in revenues to the oil industry. I believe he said it had a threshold of $500,000 in terms of income and that the smaller companies do not have to pay this tax right now. He suggested that the threshold should be increased. In other words, smaller oil companies should not have to pay the tax.

This is a big issue right now. The Canadian Petroleum Association, the voice of big oil, has been pushing for the elimination of the PGRT. I know that such a move will benefit the big oil companies since they are the ones paying the tax. I think the Hon. Member has quite correctly pointed out that some small oil companies do not have to pay this tax while others which are small but not the smallest have to pay some. To what would the Hon. Member increase the threshold?

Mr. MacLellan: Mr. Speaker, that is a very good question posed by my friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). I do not have a particular figure since I have not had an opportunity to thoroughly investigate the

matter. However, I will be having meetings next week with the express purpose of finding out exactly what threshold could best service the industry in order to protect Canadian companies which are now just hanging on by their fingernails.

Mr. Waddell: We in the New Democratic Party do not believe that the PGRT should be eliminated with respect to provincial royalties. We feel that is a provincial matter. The pressure is coming from the big oil companies which will be able to survive no matter to what level oil prices drop. They are integrated companies with a great number of assets. They will be able to ride out the storm. It is the small Canadian companies which are in real danger. As the Hon. Member has pointed out this may result in the elimination of the Canadian industry completely. It is the perfect time for big multinational oil companies to take over small Canadian companies.

What is the Hon. Member's position and that of his Party with respect to a floor price for oil, or with respect to a negotiated price for oil? I have always believed that the real problem has been created by the ups and downs. As a westerner, Mr. Speaker, you know about the boom-and-bust syndrome in Alberta. That most recent boom lasted only about three to six months. It seems to me that the bust part of the syndrome is now coming on. I would like to see this situation levelled out so that we can have continued growth in western Canada.

Do members of the Liberal Party believe that there should be some sort of negotiated price if the price of oil keeps dropping dramatically? It seems to me that getting rid of the PGRT would allow better benefits to flow to small Canadian companies. In other words, they would receive a livable price for their oil and they would not have to sell it all out now at fire-sale prices.

Mr. MacLellan: Mr. Speaker, first I would like to correct my hon. friend. I do not think he meant to say that we advocate doing away with the PGRT. What we are saying is that the threshold of $5 million should be raised in order to allow small and medium-sized Canadian companies to gain more benefits and relief from the PGRT. However, that would have to be linked to a commitment from the provinces of Alberta and Saskatchewan in order to reduce the royalties so that a further benefit could accrue. There is certainly no need to do away with the PGRT, as far as I can see, since it would be allowed to move into higher amounts. It would only affect the larger corporations which I feel are better able to weather the storm. At least that is the way it looks to me right now.

With respect to a floor price, the Liberal Party is not prepared to advocate the setting of a floor price at the present time. No one from the industry has come to my Party requesting that a floor price be set. We are not about to go out to the industry and suggest that a floor price be put in place when no one in the industry has come to us asking for such a price. Why would we do that? If we were to do that we would be saying to consumers that they will have to pay higher prices for gasoline while we are advocating that the price come down. We would be saying that consumers get the benefit of the world price reduction in crude oil. We would also be saying to the business community, the manufacturers and the industries that they will have to pay more for oil for industrial purposes. This would be like saying to these groups that they must place themselves at a disadvantage with respect to competitors in other countries. We have not been asked to advocate a floor price. We see a definite downside to the imposition of such a price. We are certainly not advocating a floor price at this time.

Mr. Gagnon: Mr. Speaker, I listened with interest to what the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) had to say. He talked about raising the Petroleum Gas Revenue Tax credit to a figure above $500,000. However, he did not have a specific figure in this respect. Perhaps the Hon. Member can tell us from where this money would come. Would there be some sort of a dip into the Treasury? Is the Hon. Member proposing to raise the debt?

Mr. MacLellan: Mr. Speaker, it would give me great pleasure to address the Hon. Member's question. There will be nothing more serious to the country than the loss of our oil and gas industry. I think there is a definite possibility that we will lose it. I think we are being very kind to the Saudi Arabians and other countries. Not only does price reduction mean that these countries will be able to compete with other producers, it means that conservation will be relaxed while consumption will be increased. It will also mean that synthetic oil projects will no longer be economically viable. We must be mindful of these points. We cannot throw away everything that we have worked for in light of the policies of this Government and the former Liberal Government. I refer to the Government's goal to achieve self-sufficiency and Canadianization. That cannot be thrown away.

If the Hon. Member is worried about the cost, and of course there is a relationship with respect to what will be most harmful to the country, then I say to him: Go to the industry and tell it we will relax this measure now but when prices increase again they will have to pay it back to the Government of Canada. That is perfectly fine with me, if that is what the Hon. Member wants to do.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to make some comments on behalf of my Party. I will not speak extensively on this matter.

I wish to say that we are in a crisis situation. Canadians should not be smug, thinking of it as being just an Albertan problem because it is a Canadian problem as well. It is somewhat ironic that we are in a crisis when oil prices increase dramatically and that we are in a crisis when oil prices decrease dramatically. As I said before, that is all part of the boom-and-bust syndrome. This syndrome is incorporated into the Western Accord as we follow world prices. It is a situation we have to get out of in Canada. It is not doing the country any good, and it could devastate Alberta. Right now Alberta is like the *Titanic*. It has a big hole in the side as a result of lower world oil prices. The lifeboats and preservers have been thrown overboard. The Province does not want to use them because of ideological grounds. The party is still going on.

Well, it has to come to an end at least. Perhaps that is somewhat unfair. Perhaps the party is grinding to a halt because of this recognition. We could face up to 40 per cent unemployment in Alberta if oil prices continue to drop. I saw the news at 11:30 this morning with respect to OPEC oil prices and they may, in fact, be stabilized now somewhat. However, I believe that is very doubtful because we are not sure what will happen. My Party believes that the way to protect the Alberta producer is to establish a temporary floor price until the market stabilizes.

● (1550)

The Minister accused us of living in a fantasy world because I and others have been leading advocates in the House for lowering the prices at the pumps. However, I suggest that is a different matter. The reason we are not seeing lower oil prices at the pumps is that our system is not competitive. There are a few companies, including Petro-Canada, that control the market and they are simply not quickly passing on the dramatically lower oil prices. In fact, at a time when the price at the pumps should be reduced by 10 cents a litre, these companies are creaming off profits.

The fact is that it could be a matter of Government policy to lower the prices at the pumps in order to benefit consumers, while being stabilized at the small producer level. However, nothing is being done and we are getting the worst of all possible worlds as a result of the so-called free market economy.

I was in Alberta and met with some small producers. They will be devastated by what is taking place in the Province of Alberta. Husky Oil, Petro-Canada, Suncor, Syncrude, Canadian Roxy, Sulpetro and Pembica Resources have formally announced lay-offs or staff cut-backs totalling 1,500. Ipso, the Regina-based steel maker, will eliminate 695 workers. The Canadian Association of Oilwell Drill Contractors predicts that 4,000 jobs will vanish in that sector this spring. Dome Petroleum has informed its bankers that it has no intention of making payments on its massive debt of $5.2 billion. We could face another banking crisis if Dome Petroleum goes under. The President of the 30,000 strong Petroleum Services Association says that the total job loss in that sector this year will be 6,000 and could go as high as 15,000.

The Alberta Energy Board has chopped the provincial allowable daily input by 300,000 barrels a day, which is approximately one-third of total production. One oil man is quoted as saying that it is Armageddon in Alberta and that every major oil project is threatened. Clearly there are problems in Alberta which we must address and I will make some suggestions about how we can deal with those problems.

The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) stated that the Government's energy policy is in tatters. Originally, the federal Government's energy policy was to get rid of the National Energy Program, go to world oil market prices and phase out the petroleum and gas revenue tax which provided a lot of money to the federal Government. The oil companies despised the PGRT because they had to pay tax for once. The Government's move to world oil prices gave the oil industry another windfall since it increased the price of their old oil which they obtained at very low rates. The oil industry was to become the engine of economic growth that would create 300,000 new jobs in Canada and the Minister of Finance (Mr. Wilson) and the Minister of Energy, Mines and Resources (Miss Carney) stated that this would be the Government's major economic policy.

In March or April of 1985 the Government entered into the Western Accord with the oil producing provinces of British Columbia, Alberta and Saskatchewan in western Canada. What has become of the Government's energy policy? It is in tatters because the price of oil has fallen dramatically in the so-called free market which is essentially controlled by OPEC. The result has been the lay-offs and cut-backs which I have just mentioned.

Now, the Government has changed its policy. The Minister of Finance has announced a new policy of consumer-led economic growth because of lower oil prices at the pumps. While that may be a legitimate policy, the Government has made a 180 degree turn from its original energy policy. I challenge the Government to tell me that it has not changed its policy. Furthermore, the Minister has not even been honest in explaining this policy. His Budget estimates the price of oil to be $22.50 a barrel for the rest of 1986 and he projected revenues according to that figure. Therefore, he has underestimated his deficit by $2 billion in order to bring the deficit under that magic figure of $30 billion.

The Government's original policy was to rely on the oil industry as the engine of economic growth, but its present policy is to rely on consumer-led recovery and growth through lower oil prices. While that may be a commendable policy, it is a complete change from its original energy policy.

The Government has created the worst of all possible worlds because the oil industry is suffering in Alberta and the consumer is not getting justice at the pump. Our system is so non-competitive that those lower prices have not been passed on to consumers, yet the Government has done nothing to make the system more competitive. In fact, it has closed a refinery in Montreal.

I asked the Minister of Energy, Mines and Resources why oil prices were not 6 cents a litre lower. I even introduced a motion in the House stating that the price at the pump should be 6 cents a litre lower. When I suggested that gasoline prices were cheaper in California and other states directly across the border, the Minister replied that our system is different from that in the United States. She explained that we do not have the refining capacity that exists in California, yet the Government has closed a refinery in Montreal.

I suggested that Petro-Canada could be used to set the pace by passing on lower oil prices through the system. Clora and George McAra in Gravenhurst, Ontario entered into a long-term contract with Petro-Canada and put their life savings in a gas station. They attempted to reduce their gas prices in order to be competitive and we saw that Petro-Canada locked their station. The Government oil company is attempting to restrain

competition exactly as the big multinational oil companies have done in the past.

I asked the Minister about her policy for Petro-Canada. The Conservative's policy for Petro-Canada is to have it act like any other oil company. That is not why Petro-Canada was established. In my opinion it was established to be a leader. It was established to be a leader in the industry and it has been a leader in the opposite direction in this case.

● (1600)

In the column written by Diane Francis in the Toronto *Star*, she states:

> By my calculation, such a calamitous collapse means gasoline prices should be shaved by about 12 cents a litre.

She stated that last week U.S. posted prices fell to $20 a barrel while Canadian posted prices were as low as $15 a barrel, and by her calculation gasoline prices should be shaved by about 12 cents a litre. She continues:

> Instead, we have seen savings of a penny here or there and a great many excuses from Petro-Canada and its rivals.
>
> Why?
>
> "Because there are only four refiners and no competition in Canada", says Ron Greene, president of Renaissance Energy Ltd.
>
> By comparison in the U.S., there are literally hundreds of refiners competing viciously to buy oil, which means the prices often are upwards.

I hope that the Parliamentary Secretary will address the Government's policy of expanding Petro-Canada to buy all those gas stations. Why did the Government do that? Do we really want Petro-Canada to own all the gas stations? Or is it more important to have Petro-Canada involved in heavy oil, the tar sands, exploration in the oil upgraders, and so on, which is going to be the real energy future for Canada? I do not want to put down individual retailers, but lots of different people can sell gasoline. Selling gasoline is not in the strategic nature of control of the energy supply. Importing, discovering, participating in some of the frontier resources, becomes strategic. Perhaps the Parliamentary Secretary can tell us why the Government has acted this way with Petro-Canada? Again, it has the worst of all possible worlds.

Let me recap. The oil industry is in tatters. The consumer is not getting a break at the pump. Petro-Canada is out of control. So what is the Government doing? In western Canada it is very important to develop future resources. This is very hard to do when oil prices are falling. We have to look ahead to the future because in the 1990s we are going to have another oil shortage. One of our great projects was the Husky upgrader, a proposal entered into between the federal Government and the Governments of Alberta and Saskatchewan. The upgrader is at Lloydminster right on the border of Alberta and Saskatchewan. The Governments of Alberta and Saskatchewan were to put up a $300 million loan guarantee to Husky, a Canadian private oil company, while Ottawa was to provide a $750 million loan guarantee and a $50 million grant. But the federal Government reneged on its promise.

Mr. McDermid: Not true.

Mr. Waddell: The Parliamentary Secretary says that is not true. Premier Getty of Alberta is quoted in the *Calgary Herald* on March 8 as saying he did not know what to do to make Ottawa uphold its commitment. He is quoted as saying: "What do you want me to do? Tackle them?" What kind of relationship is that with the provincial Government? What kind of policy is that towards the upgraders and the future of our energy sector?

The Hon. Member for Cape Breton-The Sydneys and I are members of the legislative committee on Bill C-85, a Bill to phase out the Petroleum Incentive Programs out in the frontiers. We were shocked when the Nova Corporation, the Independent Petroleum Association of Canada, Husky-Bow Valley, and the Canadian operators came before the committee to say the Government had sold them out. But that is for another debate. It was cutting back dramatically on exploration in Atlantic Canada.

The oil industry in Alberta is in disarray. The consumers are not getting the benefits of lower oil prices. Eastern Canada and the offshore has seen its oil exploration phased out. The Minister of Finance is misleading us in his budget papers, not intentionally, but in the sense of a different figure for oil prices. So where is the Government's energy policy? What has the much touted Minister of Energy, Mines and Resources been doing? We have the worst of all possible worlds.

I want to draw to the attention of the House what I believe can be done in this situation. There is an important article in the *Calgary Herald* of March 13 by Dave Speirs. He talks about the oil industry and says that the oil industry in western Canada is composed of a full spectrum of companies. On one end of the spectrum are a few large fully integrated major companies. They employ many Calgarians who participate in western Canadian exploration, work in the frontiers, in the tar sands in the *in situ* recovery megaprojects and refine and market oil. He goes on to state, and I quote:

> On the other end of the spectrum are hundreds of small independent companies, each employing from one to 50 Calgarians and participating almost exclusively in western Canadian exploration and development. Reducing provincial royalties or eliminating PGRT would benefit one end of the spectrum—the large fully integrated major companies.

But it would not benefit the other end. He further states:

> Across-the-board cuts in provincial royalties or PGRT would be of little benefit to the small to medium-sized independents already paying only 6 per cent royalties and sheltered from PGRT, but would place significiant incremental revenue in the hands of the major companies.

He then goes on to say that the major companies would simply buy out the small companies.

We should consider a negotiated floor price for oil as a temporary situation until the market stabilizes. We should consider measures in Alberta where a Crown corporation as the marketing agency could buy oil from the producers in order to ensure that they could sell their oil and would not just be gobbled up by the big companies. We should bring forward some real tough competition legislation and kick Petro-Canada and the other big oil companies into passing on those oil prices to consumers at the pumps, because those prices could go

down another 10 cents a litre. Those are the kinds of things we could at least start to do.

Finally, I hope that we will consider this boom and bust situation in the energy industry because it is the plague of western Canada. I want to say that I agree with my friend's motion, that the Government's energy policy is in total disarray and it has the worst of all possible worlds at this moment.

Mr. Friesen: Mr. Speaker, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has expressed some concern, as well he might, about the oil industry in Alberta. I am sure he will recognize that during the past four years when the prices were on the rise the industry in Alberta, had it been healthy, would probably have been able to attain some kind of resource base to endure some of the slump it is now facing. The Hon. Member was in the House at the time the National Energy Program was passed. In fact, I think he may have been his Party's spokesman at the time. His Party was, may I say, widely enthusiastic about the National Energy Program.

I can accept the fact that ideologically, in terms of theory, the Hon. Member at that time would have supported the National Energy Program. He has the benefit of history now and he has seen what that program did to the oil industry, particularly in Alberta and certainly in Saskatchewan and British Columbia. Now that he has seen what that policy did to the industry out west, would he now concede that the National Energy Program was a mistake?

• (1610)

Mr. Waddell: Mr. Speaker, I do not know how many times I have to say this.

Mr. Mantha: One more time.

Mr. Waddell: Okay, I'll say it one more time. The Hon. Member is an honest person. I invite him to check the record. The NDP did not support the National Energy Program. We voted with the Government—rather we voted with—

Some Hon. Members: Oh, oh!

Mr. Waddell: You people, you're the Government now. We voted with the Conservatives just as much as we ever voted with the Liberals.

I rose in the House at the time to say that one of the big flaws in the National Energy Program was that in its effort to get political power for Mr. Trudeau, as opposed to Mr. Lougheed, the Liberal Government shifted the base of exploration from the western sedimentary basin to the frontiers. There were a number of reasons for doing that. First of all, the Government wanted to see what was in the frontiers. I had a plan and I accept some of that. However, the real reason for it was that under the Liberal notion of Canada the federal Government had power over the frontiers. I recall the fights that occurred between Newfoundland, Nova Scotia and the federal Government. A deal was never made with them and the Government said that the offshore belonged to the federal Government. I thought that that was one of the flaws in the National Energy Program.

Regarding the principles of the National Energy Program, the Conservative Party agreed with its principles as did our Party. We are all for energy security; we are all for fairness to consumers, a viable industry and Canadian ownership. I supported the thrust of Canadianization as did the Conservatives.

I see that the Associate Minister of Defence (Mr. Andre) is present. People used to give him a rough time by saying that he did not believe in Canadianization. He used to rise to point out that that was not true. As energy critic, he did believe in Canadianization, and he was right. An untruth was being told about him. It would be convenient for me to say otherwise, but the truth is that Conservative Members also believed in Canadianization of the oil industry.

Let us tell the truth. The truth regarding the National Energy Program is that I thought that it would not work and that the PIP grants were too expensive and would be abused. The Government spent about $8 billion on PIP grants. For $8 billion we could have bought Imperial Oil. We could have Canadianized the industry instantly.

Mr. McDermid: That would have done a hell of a lot.

Mr. Waddell: Regardless of whether he agrees or disagrees with that, and I suspect he disagrees, my position was that I was not in support of the National Energy Program.

Perhaps I can tell this to Hon. Members now since a few years have passed. I had a hell of a struggle within parts of my own Party on the matter of the National Energy Program. With the support of my leader and some other Hon. Members, I got the support I needed. We had people telling us that we had better support Lalonde because he was being attacked by the oil industry. The oil industry went on a capital strike by moving the rigs south and not spending money. Lalonde was being attacked and a group of Canadians led by Robert Laxer and Mel Hurtig supported the National Energy Program. I would not be part of that group because I thought the program was flawed. I invite the Hon. Member to check the record. We did not support the National Energy Program.

Mr. Gagnon: Mr. Speaker, I would like to set the record straight. The NDP certainly did favour part of the National Energy Program and that was the 25 per cent back-in whereby Petro-Canada arbitrarily gained one-quarter of offshore acreage.

I would like to return to the Hon. Member's main point. He said that he would like to see a floor price for crude oil. Would he quickly and succinctly tell me what that price would be?

Mr. Waddell: Mr. Speaker, the Hon. Member is right. We did support the 25 per cent back-in. The National Energy Program consisted of 13 Bills and a whole group of programs, some of which Conservative Members supported, but we did not, and some of which we supported and Conservative Members did not. We did support the back-in because we thought for various reasons that it was only fair. After all, the resource

did belong to the people and the people were entitled to a chunk of the resource. We did not see any problem with that. It was only the Hon. Member's American friends who browbeat the Government into backtracking on that proposal. In other words, the Government caved in to the Americans on that matter because the Americans did not like their oil companies having to suffer this 25 per cent federal Government back-in.

With respect to an exact price, that price has to be negotiated. It is as simple as that. I invite the Hon. Member to have a look at the Western Accord. There is a provision in Section 9 of the Western Accord that would allow the provincial and federal Governments to get together to negotiate such a price.

Mr. Gagnon: Mr. Speaker, now that he has proposed some sort of a price, would the Hon. Member tell us first how it is going to be funded, and second, how it will be organized with the 630,000 barrels a day that are being exported to the United States? The producer will not be selling to that market if he can sell to the Canadian market, and the American market represents three-eighths of our production.

Mr. Waddell: Mr. Speaker, there is a problem with exports. There are ways of getting around that. One is that the producer would sell more to Canadians, but that still would not take care of it all. Another way would be that a deal would be negotiated with the United States. There could be a joint export-import tax that could cover oil so that we would both have the same system. The third way, quite frankly, is to sell oil for export at lower prices. Regarding who would pay for it, it would be a shared cost. The Canadian consumer would in fact be paying part of the burden.

Mr. Gagnon: How?

Mr. Waddell: He would be paying higher prices at the pumps, quite honestly. That is not unreasonable. The price at the pumps would still come down since it has not yet come down as far as it should. The consumer would not notice any increase at all at the pumps but would be paying more than he would with a completely free market price.

Is that not what happened under the National Energy Program? The consumer got a break at the pumps at the expense of the Alberta producers. We are interested in fairness, fairness to the consumer and fairness to the producer. That is what Canada is about and that can be done.

The problem is that the Hon. Member has a notion in his head of the great so-called free market which is not a free market at all. It is a crazy world market that is manipulated by the Saudis. I will end by telling the Hon. Member about a public opinion poll that was taken in his own province which shows that there is a substantial minority, almost a majority, of Albertans who would favour such a system.

Mr. Mantha: Mr. Speaker, I am a believer in private enterprise. I have a business—

Mr. Nunziata: No kidding.

Mr. Mantha: It's not an oil business, it's a golf business. I would like to ask the Hon. Member about less Government intervention. I was brought up to believe that a Government's job was to govern. Does the Hon. Member think that the Government should use the taxpayers' money in the way it did with Petro-Canada? To this day, even we do not know the price of Petro-Canada. Should we sell out Petro-Canada and put out shares so that Canadians could get dividends? The Hon. Member mentioned in his speech that Canadians received no money in return. By putting Petro-Canada out to shares, but leaving it Canadian owned, there would be dividends and the system would be streamlined and more competitive. Does the Hon. Member believe that Government should buy more of these companies?

• (1620)

Mr. Waddell: Mr. Speaker, I am in favour of using Petro-Canada as an instrument of Government policy. In my speech I said that it should be one of the leaders in passing those cheaper oil prices through to consumers, which it is not doing. For example, I should like to see Petro-Canada looking at the difference in prices in northern Ontario where the Hon. Member lives and in Toronto where prices are so cheap. The Hon. Member should realize that the ordinary consumer or the ordinary guy needs a friend. He will not get it from OPEC, from Exxon, or from the other big multinational oil companies. Only the Government has that power and can do it for him.

[*Translation*]

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I welcome this opportunity to rise in the House this afternoon, to take part in this debate on energy on behalf of my colleague, the Minister of Energy, Mines and Resources (Miss Carney).

The Minister's leadership and ability to negotiate and to appreciate the complexities of this country, are reflected in her truly magnificent record of achievements over the last fifteen months.

[*English*]

The Minister of Energy, Mines and Resources has by her efforts and patience introduced goodwill into the relationships between provincial and federal Governments. More important, if we are to have the benefits of the jobs which result from investment, she has introduced confidence back into the Canadian energy industry.

The ill-conceived motion now under debate describes the Government's energy policies as disastrous. We have heard that word before. It is a word associated by investors, provincial Governments in Canada and, indeed, the world, with the National Energy Program. The NEP was conceived and inflicted upon Canada by the Liberal Party and the Liberal Government, the very hand which brings us today's motion.

Six years ago we were in the midst of an oil crisis. The Iran-Iraq war in 1979 had severely curtailed production from the Middle East and world prices were escalating. The Government of the day, which has now assumed its rightful role as

the Opposition, was gripped by the kind of hysteria we are hearing from the Liberals today. It reacted in a knee-jerk fashion with a policy which cripped the Canadian oil and gas industry and pitted one region of the country against another. The NEP drove rigs south of the border. It drove away $17 billion in investment. It blackened our reputation in international investment circles. When people said that it was a disaster, they were being too kind. The Liberals have not learned their lesson. They are counselling us to panic again, to adopt politically expedient policies with little thought for the long-term implications for both the industry and consumers in Canada.

What is the situation today? The picture has changed considerably. We are facing a price was in international oil markets, and the oil and gas industry around the world is adjusting to lower prices and to uncertainty. The Canadian must make the same adjustments. Unlike 1980, when it was in the foot by the Liberal Government of the day, it now has under a deregulated regime the flexibility to adjust to market realities. No longer does it face administered prices and over-regulation. No longer does it face the uncertainties of federal-provincial energy wrangling. A stable policy framework is in place, supported by a new spirit of federal-provincial reconciliation.

The cornerstones of the new policy environment are the Atlantic Accord, the Western Accord, the agreement on natural gas markets and pricing, and the new frontier energy policies. These new policies were carefully developed in consultation with provincial Governments and with the oil and gas industry. We did not assume that Governments could predict the course of world energy prices. Our goal was to free the industry from excessive regulation and excessive taxation so that it could adjust and compete.

The overwhelming majority of voices from the oil and gas industry demanded relief from the NEP. The message was: "Remove the heavy hand of Government; we are willing to handle the lean times if we can reap rewards when there are good times". In 1985, the first year in which the policies were operational, the Canadian oil and gas industry expressed renewed confidence. The new environment was applauded by the industry, by investors and by observers abroad. An editorial in *The Oil and Gas Journal* indicated the following: "The Accord does all the right things, which means that it unravels a tangle of wrong things and does so in the right way". Salomon Brothers Inc. indicated: "In contrast to the NEP, the implicit premise of the Western Accord is that the objectives of stimulating investment and job creation in the energy sector and Canada's energy security can best be met by adopting a market-sensitive pricing regime for oil and gas within a fiscal regime of profit-driven taxation".

In response to the new policies, capital investment by the Canadian industry increased from less than $8 billion in 1984 to more than $10 billion in 1985. That year was one of the best in the history of the industry. Well completions in western Canada reached a record high of 11,600, an increase of almost 9 per cent over 1984. Exploration drilling was up by 20 per cent and development drilling was up by 25 per cent. Natural gas production was up by about 10 per cent and gas exports increased by 25 per cent. The policy framework put in place last year continues to have the confidence of the industry and of the Governments of the producing provinces.

Jim Gray, President of Canadian Hunter, recently told investors in London, England that whatever the price at which oil temporarily settles, "Canada will continue to be well positioned". He pointed out that finding costs for oil in Alberta and Saskatchewan were about half the costs in Oklahoma and Texas.

Imperial Oil President, Arden Haynes, told the same group that "investment in the Canadian oil and gas industry is, once again, a matter of business judgment rather than a political gamble". In other words, the price of oil may be changing, but the oil and gas industry is in a much better position to adapt to these changes than it would have been under the NEP.

Press reports earlier this week indicated that Poco's Petroleums Limited intended to double its capital spending in spite of the decline in oil prices and the resulting decline in the value of the company's assets. The president of the company mentioned increased marketing opportunities for natural gas after deregulation of the industry. He went on to say that Governments should not be encouraged to reregulate crude oil prices, and that "you can't say to a Government, step in when times are tough and stand aside during a boom".

I might add that British Columbia has just signed a new and substantial export sale of natural gas to California. It represents a 10 per cent increase in B.C. natural gas sales this year over last year. This is a direct result of the Western Accord and the new natural gas pricing agreement we reached with the producing provinces last year.

The oilfield service industry is extremely vulnerable to cutbacks spending by producing companies, but I should like to refer to the comments of a leading representative of that industry. Dale Tufts, President of the Petroleum Services Association, said:

> We fought long and hard for the Western Accord to reduce Government intrusion and we don'twant to go back to where we were just to save us today.

That position is widely held by the oil and gas industry and is supported by the Governments of the producing provinces. They agree that intervention in response to the oil price decline would be a mistake. John Zaozirny, Alberta's Energy Minister, has called it the worst mistake we could make. Our colleagues in provincial Governments have agreed to keep each other fully informed of developments. The oil and gas industry is important to regional economies.

● (1630)

We are concerned about the impact of falling prices, but we agree it would be a mistake to tinker with public policy based on the experience of three months of unusual trading.

I believe it is appropriate to illustrate just how volatile the oil market is at this time. In the last few days, the spot price has actually gone up. West Texas intermediate is currently

trading at $14 a barrel and Brent crude has shown similar price changes, at one point reaching $16 a barrel. Most experts believe that this uncertainty will continue over the short term. That is why it would be foolish to move until the market settles down.

The best solutions for the industry's adjustment to lower crude prices are market led solutions. The changes made by the Government and by the Governments of the producing provinces have given the industry greater flexibility to adopt such solutions.

The ceiling price on so-called old oil has been removed. The petroleum and gas revenue tax is being phased out and has been eliminated on new projects and new productions. On older production it drops from 12 per cent in 1985 to zero in 1988.

Assuming, for purposes of comparison, a crude oil price of $15 a barrel, the net impact of the new policies will be to provide industry with more than $1 billion in cash flow in 1986 over what it would have been under the National Energy Program. That point bears repetition, Mr. Speaker. If the National Energy Program had been left in place and if average crude prices this year were at $15, the cash flow of the Canadian oil and gas industry would be more than $1 billion less than under the new policies.

Adjustments to the uncertainties of oil price changes may be difficult, but they would have been more difficult under the NEP. The new policies have given the industry the fiscal and regulatory room to adjust to changing market conditions best.

The new policies are consistent and stable. But they are non-interventionist and non-discriminatory. They will help the oil and gas industry to do what it can do infinitely better than Governments, that is, adjust to the realities of the market.

At the same time, Mr. Speaker, the new policies are helping energy consumers. We have deregulated crude oil. The price of crude oil has dropped, and as the newer, cheaper oil makes its way to refiners the cost of gasoline and heating oil is going down.

Canadian gasoline prices dropped another 2 cents a litre this week. The average total drop in gasoline prices since the first of the year is now 4.3 cents per litre for regular leaded at self-serve stations. In some areas of the country, market competition has seen gasoline prices drop by as much as 11 cents a litre, or about 50 cents a gallon.

The new energy policies are designed to avoid intervention and to allow market forces to set prices. Cheaper average gasoline prices show that the market is working and that our policies are correct.

The new policy also commits us to deregulation of natural gas prices. Industrial natural gas consumers are negotiating prices directly with producers or with distributors under competitive marketing programs. On November 1, 1986, all natural gas prices will be deregulated and all consumers will benefit from competitive gas prices.

In summary, the energy policy of the Government has stood the test. It is consistent with the goals our Party established while in opposition. It fulfils the commitments of the 1984 Prince Albert statement. It has restored confidence in energy investment in Canada. It has provided the oil and gas industry with the fiscal flexibility to deal with the inevitable price cycles of an internationally traded commodity. It has given consumers the benefit of a competitive market. In addition, it has shown that federal and provincial Governments can work together to allow Canadian companies to grow, to adapt and to compete.

Mr. MacLellan: Mr. Speaker, the Minister mentioned a price reduction of 4.3 cents a litre, and in some cases, a reduction of as much as 11 cents a litre. Let me say to the Minister that in a few isolated cases where prices have fallen more than 4 cents a litre, it is because of price wars and it has nothing to do with a reduction at the pump.

The Minister mentioned that the Minister of Energy, Mines and Resources (Miss Carney) has introduced confidence. But the confidence is not there any more. That is why members of the Independent Petroleum Association of Canada and the Canadian Petroleum Association came to Ottawa yesterday to speak to the Minister to ask her what she was going to do. They do not have confidence any more. They do not know where the industry is going. It is a very unfortunate situation.

The Minister mentioned the reduction in the spot price in West Texas intermediate crude. That is not going to matter. Petro-Canada, which does not have much of a source of crude oil itself, was paying, prior to December, the West Texas posted price for crude oil in western Canada. In January, the West Texas spot price went below the West Texas intermediate posted price. Then Petro-Canada decided it would pay the spot price, which was lower than the posted price. If the spot price goes up above the posted price again, Petro-Canada will just offer the producers in western Canada the posted price. Producers will get offered the lower of the two prices, which is the lowest price in the world for crude oil.

This is the country's own Crown corporation. It is supposed to be protecting the industry, securing a supply of crude oil and securing exploration and development, but here it is gouging the producers. How can the Minister defend this action? How can the Minister say that the industry must make adjustments? It is like somebody going into a store and asking for protection money off the top and saying to that storekeeper, "You have to adjust to this". It does not make any sense at all. The Minister is not advocating a responsible position for the industry.

Mr. Layton: Mr. Speaker, the Hon. Member has raised three or four points. First, the variety of prices that have developed with the falling of crude prices is the market-place at work. There will be, and constantly, a pressure on those who sell to find the price that will attract the market-place.

The fact that industry representatives visited here yesterday and will continue to visit, is an indication of the approach my colleague, the Minister of Energy, Mines and Resources (Miss

Carney) takes to this process. She consults, she listens and she relates to the provinces. They come to inform. I think you will find, Mr. Speaker, that the natural forces of the market-place are exactly what these people want as a guide, not government intervention.

• (1640)

Finally, with regard to the procedure of Petro-Canada purchasing at spot or medium prices, I would expect that, as an organism which must compete in the market-place, Petro-Canada would look for the best supply and price for its product. It will certainly take 60 days to go through the process from buying to selling. The first proposal of the present Leader of the Opposition (Mr. Turner) in this House in 1975 was for 45 days, which later changed to 60 days due to a later delay caused by freezing prices, and that was adopted by the Hon. Member's own Party. It is recognized that the material must be processed before it is sold at the pump, but the market-place will determine the final price.

Mr. Waddell: Canadians must wonder what their Governments have done for them. Alberta was like a guy who won a lottery a few years ago. It was getting all that money in its provincial Treasury and it did not really save or invest it properly. Now the whole province is in danger of massive unemployment and shut-downs. The Liberal Government introduced the National Energy Program which did not work, and then retreated from it. It was left with no energy policy at the end of its tenure. The Tory Government has brought in the Western Accord, which the Minister has the gall to tell us is of benefit to the consumer. I cannot see that the consumer or the producer is benefiting. Oil companies are gouging the consumer at one end and the small producer at the other.

Did the Government of Canada take into account that the price of oil was going to decline at the time of the Western Accord? No one complained about the Western Accord because everyone thought the price was going to go down. Did the Government foresee a de-escalation of the world price of oil? What is the Government's policy presently on the big oil industries' desire to get rid of the remaining petroleum and gas revenue tax? Is the Government going to phase that out more rapidly, or has it taken a decision on that yet?

Mr. Layton: Mr. Speaker, I think Alberta acted very responsibly in recognition of its great resource by building up the funds it did during the period of good times. From all evidence there will be only a very temporary cycle of uncertainty in the pricing of raw materials and the end product.

Oil, gas, and coal are all non-renewable resources. When I was an engineer in the business world, there was a concern that we would not be able to fulfil the industrial and popular requirements for energy from our own resources. There was considerable uncertainty in everyone's mind about the future availability of this natural resource. Because of the surplus in latter years, much of our memory of that has faded. However, when addressing today's issue, we must remember that oil, gas, and coal are non-renewable resources. If we do not increase the price there will be waste. The entire world, and Canadians in particular, have learned that this is a precious asset. We must use it well, and a firming up of the price is inevitable.

Mr. Waddell: Mr. Speaker, the Member did not answer my question about whether the Government is going to make further changes in the PGRT. Would the Minister not also agree with me that we are seeing no exploration or new projects now and our reserves are not being replaced? In fact, we are now depleting reserves, and the industry cannot be restarted that easily. Has the Minister considered that problem? Will he give me an answer with regard to the PGRT?

Finally, does the Minister really believe that there is a free market in oil, considering what the OPEC countries are doing? That is a cartel. Does the Minister want the cartel to get its act together again? Is there or is there not a free market in oil?

Mr. Layton: Mr. Speaker, no decision has been taken with regard to changes in the Western Accord or the PGRT. As I announced in my remarks, there is a program in place which will remain in place. With respect to investment in the industry, in my remarks I referred to very specific investments. One organization is doubling its investment because of its confidence in the market-place in the future.

Is there a free market in oil? As I recall, when the oil crisis developed in the early 1970s, OPEC was responsible for the delivery of approximately 60 per cent of the world's oil supply. To the best of my knowledge, that has now decreased to approximately 35 per cent. OPEC does not now have the impact on world prices which it once had. There are other oil resources being developed around the world such as in the North Sea and Nigeria. As a result, mid-eastern oil does not have the effect it once had. I must admit that it is questionable whether this creates a free market in oil.

Mr. MacLellan: Mr. Speaker, OPEC does not have the clout it would like to have, but the Saudi Arabians are just playing a waiting game. Before long their clout will be increased quite a bit. The Minister talked about the 40-day and 60-day period before the price of oil would go up. That started in 1973 with the first oil shock when the oil companies wanted to raise the price the next day. They did not talk about a flow-through period at that time. They were not going to wait two months. The Liberal Government of the day said that they must wait 45 days and then 60 days before they could pass that price increase along. That was to protect Canadians against the oil companies. Now that prices are coming down, they say there is this flow-through period. That only shows their own inconsistency.

Mr. Layton: It's the same thing.

Mr. MacLellan: They are waiting voluntarily before reducing the price, but they wanted to raise the price the next day. That 60-day period—

Mr. McDermid: How did you arrive at 60 days?

Mr. MacLellan: That 45-day period, which was increased to 60 days in 1975, has been followed by every subsequent Government.

Mr. McDermid: How did you arrive at that?

Mr. MacLellan: It's a 60-day period to protect consumers.

Mr. McDermid: No, no.

Mr. MacLellan: Yes, because the oil companies wanted to raise the price right away.

Mr. McDermid: Why not 90 days?

Mr. MacLellan: The point is, Mr. Speaker, that if the oil companies could raise prices the next day, they could certainly lower them the next day. We need not talk about this flow-through period. Why does the Minister not just call the President of Petro-Canada and tell him to treat producers fairly, to pay them a fair price for their oil, and to reduce the price at the pumps? My learned friend, the Member for Vancouver-Kingsway (Mr. Waddell), quoted an article which said that gasoline prices at the pumps are 12 cents too high. Why does he not tell the President of Petro-Canada to give consumers a break instead of going through this charade of waiting an arbitrary period of time?

• (1650)

Mr. Layton: Mr. Speaker, all of us in Canada believe there is a place in the market for a large Canadian oil company. However, it has to compete. If we start to establish prices, then obviously we have to supply subsidies right down the line. We have set a goal for Petro-Canada to be a competitor in the market-place. It has to buy and sell in competition with all the others in this field. It is not for this Government to start directing any Crown corporation on the price of its goods and services. That has to be determined by the market-place. We accept this as the rule and I know most Canadians will accept it.

Mr. Deputy Speaker: Resuming debate.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to make submissions on the motion moved by my colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan). The motion reads as follows:

> That this House regrets that the government's energy policy has proven to be disastrous for both the industry and the consumer in its failure to give the consumer the benefit of falling world energy prices and in its confusion and lack of direction, creating uncertainty for the oil and gas industry in the face of the government's inability to cope with changing international conditions and its refusal to fulfill its commitments.

The motion condemns the Government because, in the view of the Opposition and of Canadians in general, this Government has authored the mess which exists in the petroleum industry today. As my colleague pointed out, not only are consumers being gouged by Petro-Canada and the Government, so are the 600 odd small producers.

I would like to outline very briefly the state of the petroleum industry in Canada at present. It is in trouble. As my colleague pointed out, this Government has no definitive policy to deal with the industry's problems. We all know that the price of crude oil has fallen somewhat dramatically over the last number of months. In fact, as you know, there has been a 52 per cent decline in that price since the end of 1985, and a 57 per cent decline since November 1. As a result, Canadian producers are reducing capital expenditures and laying off employees. We are all aware that in excess of 25,000 jobs are threatened by the confused state of the energy sector. This Conservative Government has to take some responsibility for its inaction and hands-off policy in this regard.

As you know, Syncrude recently cut $200 million from its planned expenditures for 1986. Roxy Petroleum is reducing staff and has cut its capital spending in half. Syncrude and Suncor have announced lay-offs at their projects in Fort McMurray, Alberta. Texaco will also cut its experimental heavy oil project at Fort McMurray and put 200 Canadians out of work. Husky Oil will lay off 300 employees by the end of March, 1986. *The Calgary Herald* of March 12 announced that Petro-Canada has laid off about 300 staff members. Other Canadian producers, including Sulpetro and Sceptre Resources, have also indicated they will soon be cutting their employee rosters. On March 14, Dome Petroleum Limited announced that it had asked its creditors to forgo principal and interest payments of as much as $1 billion on its total long-term debt of $6 billion. The facts speak for themselves. The industry is in trouble.

What, pray tell, is this Government doing in order to assist the industry? The Minister stands up and, with her usual pomposity, says that the industry will take care of itself. As a result of deregulation everything will be hunky-dory in the months and years to come. The Minister, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) are conning Canadians when they say that it will take time, one has to take flow-through into consideration. We on this side refer to that as the flow-through excuse. As my colleague indicated, it is an excuse for the major oil companies to rip off consumers. That is the bottom line. The consumers, those who have to go to the gas stations once or twice a week, are being ripped off, no question about it. We in the Opposition, in particular our energy critic, have led the fight for consumers in Canada. Our energy critic has pointed out time and time again that Canadians are paying an unconscionable price for gasoline in view of the world price of oil. Yet the Government just throws up its hands and says it takes time for the cheaper oil to work its way through the system.

At first blush one could possibly conclude there might be some merit to that argument. There is a delay from the time contracts are entered into and the oil is delivered and refined and works its way to the pumps. At first blush that might make some sense. However, if that were the case, then why do our friends in the U.S. pay so much less for gasoline? Why does a motorist in Buffalo pay anywhere up to 15 cents a litre less than a motorist in Toronto? It does not make any sense.

Where is the fairness? Where is the equity? Where is the justice? Surely if the flow-through excuse has some merit, then the same thing would apply to our friends south of the border. Yet it does not. So we say it is an excuse used by the oil companies to continue ripping off the consumer. As was pointed out by my colleague, when the price of oil went up the multinationals put the price of gasoline up immediately. When the Government of the day argued that it takes time to work its way through the system, the oil companies said no, they have to put the price up right away. In effect, the consumer is getting hit at both ends. When the price of crude oil goes up, the multinationals want to put the price of gasoline up almost immediately. When it comes down they say it takes time to work its way through the system. Neither I nor the Liberal Party believe that this Government recognizes the gravity of the problem in the oil industry.

Let me speak once again about the jobs which are at risk because of the Government's inaction. We can understand why the Government does not want to take any action. As the Hon. Member from North Bay indicated, it is a so-called free enterprise Government. Its motto is to deregulate and get its hands off the business of the nation. It advocates letting business regulate itself.

● (1700)

I have to laugh, as do a great many other people, when our friends opposite talk about free enterprise. It seems to me that when it is convenient to speak of free enterprise then, indeed, Members opposite speak of it. Hon. Members might recall seeing a few years ago full-page advertisements in the major newspapers of Canada depicting a dove in a cage. The caption read: "Let's free enterprise". It was a national advertising campaign paid for by the major corporations of Canada. They felt that some enterprise was not free. Some of the contributors to that campaign, some of the very people who argued for free enterprise, were the same companies to come to the Government cap in hand when they were in desperate need of Government support. I wonder whether the Canadian Commercial Bank, the Northland Bank, Massey-Ferguson or other corporations which have come to the Government cap-in-hand believed that when times are good we should "free" enterprise. I wonder whether they contributed to that national advertising campaign.

The point I am making is that the oil industry, when it is convenient, says to the Government of Canada: "Leave us alone. We don't want you or need you". However, when times are tough the industry is prepared to go to the Government cap in hand looking for assistance.

There are those who argue that there should be a floor price for crude oil. The Conservative Government of Canada is an accessory to the great Canadian oil rip-off being perpetrated by the oil multinationals. It is within the jurisdiction of the Government to take action in order to reduce the price of gasoline. It is a simple matter. Each and every one of us in the House—each and every Canadian—is a shareholder in a major oil company. We own that company and it is ripping us off when we go to the pumps. Canadians are asking why we have a national oil company. Surely we do not have such a company for it to be a party to a rip-off, an accessory to the greatest oil gouge in Canadian history. That is a breach of trust and a breach of faith. There is certainly a conflict here. Mr. Hopper sits in his ivory tower, wherever it is—presumably in western Canada—earning his in excess of $400,000 per year. He is saying to the people of Canada that, even though it is our oil company, Petro-Canada is not prepared to take action to assist the consumers. As Hon. Members know, Petro-Canada owns a great many gasoline stations in Canada. In fact, in Ontario, the province where I reside, one in three gasoline stations is owned by Petro-Canada.

Given the position this company holds in the petroleum industry in Canada it is in position to direct a downward spiral with regard to the price of gasoline. It has refused to do so because of a lack of direction, I suppose from the Government, or perhaps because it is receiving the wrong type of direction from the Government. The Government has said to Petro-Canada: "Maximize profit. Run your business like any other. Do what you have to do in order to make a profit". Normally speaking, a company has a duty to its shareholders to maximize profits. That is the bottom line in the private sector. If private sector companies do not maximize profits then they should not be in business. In my view, the bottom line for Petro-Canada is not only to show a profit. We shareholders are asking for more. Of course we would like this Crown corporation to do well. However, we are not simply asking for a profit at the end of the road or at the end of the fiscal year. We want to know that Petro-Canada has been used as a vehicle to further public policy in keeping with the best interests of Canada and Canadians. That is not the role that Petro-Canada is playing.

In days gone by when I had to fill up my gas tank I would make en effort to fill up at Petro-Canada. I had a feeling of pride. I had a feeling that this was our national oil company. Somehow I felt good about filling up at Petro-Canada. I am losing that feeling.

Some Hon. Members: Good!

Mr. Nunziata: I am losing that feeling because of the insensitivity of Petro-Canada. I am certain that a great many Canadians no longer feel proud about the role it plays because of this Government's policies. We know what the Government has in mind for Petro-Canada. We know that some six or seven years ago the Conservative Government under its former Leader decided to govern as if it had a majority. Back then it tried to indicate to Canadians that it wanted to privatize Petro-Canada. We know what happened to that Government when it mismanaged the energy industry. It said to Canadians that, notwithstanding the nature of its mandate, it was going to bulldoze through a substantial increase in the price of gasoline. Here we are seven years later and the Government has still not learned its lesson. It is still bent on privatizing Petro-Canada. It still refuses to allow it to take the lead in reducing the price of gasoline.

In his speech the Minister indicated that there have been some price declines in the cost of gasoline. He indicated an amount of four cents. I would have appreciated an opportunity to ask the Minister what he believes to be a fair decrease in the price of gasoline. In this respect it must be kept in mind that the price of crude oil is below $15 a barrel.

I have had the pleasure of knowing the Minister's son for a number of years. He is an alderman on Toronto City Council. He is a very progressive and forward-looking individual. The next time I speak to Jack I will have to ask him where he went wrong with respect to his father and the policies which he supports. Yes, the Minister's son, Jack, is a member of City Council in Toronto and a member of the NDP caucus on City Council. He believes, as we believe on this side of the House, that the Government's policies and those espoused by his father who represents the Government of Canada are wrong and that the people of Canada are being ripped off.

• (1710)

I note that you are indicating my time is up, Mr. Speaker. I had much more to say with respect to how the Government is mismanaging the oil industry, but I look forward to questions from Members opposite. I know that many of them will want to ask me a question on this very important subject.

Mr. Siddon: Mr. Speaker, I listened very intently to the Hon. Member's remarks. Does the Hon. Member recall December, 1979, as well as I do? I remember filling up my gas tank in this city on the day after the Liberal Opposition at the time defeated a very forward looking Conservative Government. The price of gasoline was $1.06 per gallon.

When the Liberal Government left office in the summer of 1984, the price of gasoline was approximately 50 cents a litre or $2.50 a gallon.

There has been a 10 per cent drop, which is 4 cents per litre or about 20 cents per gallon, while the price of gasoline under the previous Liberal Government, of which his colleagues were a part, rose by over a dollar a gallon in most parts of Canada. Would he comment on that discrepancy and indicate why he is so negative about the fact that gasoline prices have dropped at least 10 per cent under the present administration?

Mr. Nunziata: Canadians know that they are being ripped off today because of the Government and its policies. The Minister chuckles, but he knows that in January alone, Canadians paid over $300 million too much for gasoline. He knows that.

Mr. McDermid: Based on what? Where did you get your figures?

Mr. Nunziata: They have woken up across the way. The Parliamentary Secretary asks me where I get my figures. I would be pleased to share the figures with him.

The Petroleum Marketers Association of Canada have put in considerable research to conclude that "Canadian consumers overpaid $302 million in January, 1986, for gasoline". If he wants to dispute the position taken by the Petroleum Marketers Association, I suggest he do so.

However, getting back to the Minister, he knows, and his constituents and his colleagues know, that the price of gasoline in Canada today should be at least 10 cents a litre less than it is at the pumps. He knows that because the price of crude oil is less than $15 a barrel and should result in a further decrease of at least 10 cents a litre for the Canadian consumers.

Mr. Siddon: Does the Hon. Member not realize that what Canadians are paying for today is the tremendous burden of deficit which resulted from the National Energy Program and retrograde policy of the Government of which his colleagues were members?

He has not yet answered my question. The price of gasoline in Canada in December, 1979, was approximately 25 cents a litre. When the Liberal Government left office, the price of gasoline virtually doubled to about 50 cents a litre. It has dropped by an average of 4 cents a litre or 20 cents a gallon. Why does he not acknowledge that it was under the Liberals that this great burden of deficit and gasoline taxes were levied on all Canadians?

Mr. Nunziata: Mr. Speaker, the Minister claims to be a reasonably intelligent person. It seems to me that he is trying to con the House and the people of Canada.

He knows that the factors are different now. We were not dealing with a price of crude oil at $15 or $12 a barrel.

Mr. Siddon: That is not the reason.

Mr. Nunziata: May I take this opportunity to comment on how the Government finds it very convenient to look to the Liberal record and blame it on the Liberals when everything goes wrong? If it rains or snows, blame it on the Liberals. If the sun shines, interest rates go down or unemployment goes down, it is because of Brian and the good policies of the Conservative Government.

Canadians are not so dumb as to believe that. If anything, the Government underestimates the intelligence of the average Canadian. Is it any wonder that the Conservative Government has frittered away that massive mandate it received on September 4? Is it any wonder that the Conservative Government is now trailing in popular support?

Mr. Siddon: You still did not answer my question.

Mr. Deputy Speaker: Resuming debate.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank my hon. friend, the Member for Cape Breton-The Sydneys (Mr. MacLellan) for bringing this motion forward. It gives us an opportunity to clear up some of the inaccuracies that have been cast about by the Opposition this afternoon and to truly participate in what I consider to be a very legitimate debate in the House.

Of course, Canada is energy. Energy is the vast resources that this country has at its disposal. Energy is the millions of Canadians working to put the country back on a sound economic footing after the erosion of our economy by the previous Government.

I want to dwell on some of the comments made this afternoon by my friend, the energy critic for the Liberal Party. I believe that they were somewhat unfair and should be corrected for the record.

He said that the flow-through process was a con. He is nodding in agreement. I asked him earlier if the flow-through process was a con when oil prices were rising and the Liberal Government enforced a 60-day freeze before higher prices were permitted at the pumps. I do not understand why it was not a con then but it is today.

Let me quote from *Hansard* of June 23, 1975, at page 7031 when the Right Hon. Leader of the Opposition (Mr. Turner), the Minister of Finance at that time, said:

> Against this background I would like to announce on behalf of the government and my colleague, the Minister of Energy, Mines and Resources, that on July 1 this year the price of crude oil and its equivalents will rise by $1.50 per barrel to $8 per barrel. We are again asking industry to refrain from reflecting this increase in their product prices until 45 days have passed. By that time—

I want the Hon. Member to listen to this carefully:

> —inventories held at the former crude oil price will, on average, have been used up.

Later he increased that to a 60-day period because he was convinced, after examination, that it took 60 days for it to flow through the system.

The Hon. Member stands up in the House with his self-righteous attitude to say that it was only on behalf of consumers that they arrived at that figure. That is not accurate. For him to stand up today and say that the flow-through is a con is not really to tell the truth. I wanted to correct that and I think the Hon. Member will agree with me that it is not really a con but in fact reflects what is really happening.

A drop of 2 cents a litre is equivalent to approximately $4 a barrel, in round figures, or a decrease of about 0.5 cents a litre per dollar. So what we see now are two drops in the price of gasoline, it has dropped 4.3 cents a litre so far, which reflects a drop of a little over $8 a barrel. If we are talking about the flow-through period, which we are, the average posted price at the end of December was $27.42 U.S. At the end of January, it was $24.32 U.S., which is a drop of $3 a barrel on average. The big crunch came in February, as we all know. The average February posted price was $16.78 U.S. If we go through March and into April, we can see we have every right to expect further decreases in gasoline prices at the pumps beginning early in April, at least, to my estimation. The average posted price now for the first two weeks of March is $12.44 U.S., which will be reflected further on down the road as the flow-through goes through.

● (1720)

The Hon. Member must be fair with the Canadian public. I understand what the Opposition is doing. It is making a big political ploy out of this issue and creating confusion in the minds of the public. When the public sees in the media that the price of a barrel of oil has dropped, they feel it should, therefore, drop at the pump tomorrow. I understand that. But I believe the Hon. Member, who has been the energy critic for the Opposition for a while, understands, and behind that tough-talking facade he presents to the House of Commons, he knows full well how the system operates. He has spent enough time with Husky-Bow Valley lately to know its corporate plans intimately by this time. He knows the system and how it works, that the domestic crude moving through the pipeline takes a three to four-week period and that the inventory of crude at the refinery is kept there for a week. The refining of crude, the blending of gasoline, storage and distribution take another six weeks before it gets to the retailer. That works out to about 60 days.

I believe the Canadian public should understand this. All I am saying to the Hon. Member is that I understand why he is making a political ploy out of this issue. It is great stuff to talk about the great rip-offs and everything else.

We talked not too long ago about the margins, the return on investment which the downstream operations were receiving, and the Hon. Member himself admitted that it was not spectacular over the last three or four years. So I would question this "great rip-off" that so many people talk about.

I just returned from the United States. Normally when I go on holidays or on a trip, the first thing I look at is the price of gas at the pumps, no matter where I am in the world. In the United States, Americans complained to me that the price of gas was not coming down fast enough for them either. The Hon. Member said today that as soon as prices dropped, the prices in the United States dropped at the pump. That is just not so. It has not shown up in any of the information, nor has it been indicated at the pumps that way. Companies in the United States are also using up inventories. They have the flow-through process to contend with, although I will say to the Hon. Member, to those watching the televised debate and to those Hon. Members in the House, that the American flow-through is a much quicker process than ours. There is no question about that. It is because of volumes and economy of scale. It is a shorter period, but there is still a flow-through period. We talk about a variation in prices. As of the very latest statistics we have, there is a differential of 13 cents a litre, after taking the American dollar and U.S. gallon into consideration, most of which we can chalk up to taxes—not all, but most of it.

A friend of mine who took the trip with me to the United States hurt his finger. He dislocated his knuckle. He had to go to a clinic to get it fixed. He was there ten minutes. He had it straightened out, splinted, and then had to pull out his plastic to pay the $150 bill. Had he bought the supplementary health plan for travellers outside of this country, he would have been covered. Had he been an American and had he not had a private plan, he would not have been covered. But a Canadian in Canada would have been covered. We have services here in Canada which have to be paid for. That is part of spreading

the tax burden as widely as we can. Part of that tax burden is on gasoline. Yes, our prices are higher.

I mentioned the economy of scale. There are so many more people in the United States, its refineries are larger because of the economy of scale, and so on, and it can produce the product at a much more competitive rate. That is the difference. I believe we should be honest with the Canadian people. They must understand that we are concerned about what is going on in the energy field today, naturally, and we are watching the situation very carefully.

Some comments were made that the Minister of Energy, Mines and Resources (Miss Carney) was not concerned or involved. I can tell you, Mr. Speaker, that she has met with government officials and the Energy Ministers in the producing provinces, especially in Alberta where the problem looms the largest. She has met with the producers, not only the Canadian Petroleum Association but the Independent Petroleum Association of Canada, made up of Canadian producers, and I can tell you right now, Mr. Speaker, that these people are keeping her informed on a daily basis as to what is going on in the oil patch and the problems they are experiencing now or will experience over a prolonged period of time. At the same time, however, they are not asking for Government intervention. They do not want the Government to step in and set a floor price, as the Hon. Member for Cape Breton-The Sydneys suggested. Our friends from the New Democratic Party, the socialists, as usual, are at it again; interfere, intervene, dictate, tell them what to do.

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) said so many things today. He said we should bring in a floor price, negotiate a floor price. First, no one wants to negotiate a floor price. The producing provinces do not want to negotiate a floor price right now. The producers do not want to have one thrust on them. So who do we negotiate with? Second, the Hon. Member says we cannot negotiate right now, anyway, because the situation is too volatile. He says to wait until things settle down. That was his next argument. Then, towards the end of his speech, he said to my colleague from Calgary that we had better have a floor price right now. He was all over the map, which is typical of the New Democratic Party. It does not know where it stands on this thing.

If we set artifically high oil prices—and that is what we are doing if we establish a floor, and the world prices go before that, all of a sudden our manufacturers become uncompetitive, energy intensive industries are penalized, we have lost jobs across Canada and our exports do not look quite as attractive to the United States, for example, where over 600,000 barrels of oil go every day, especially our heavy oil. Now is not the time to panic. It is not the time for any major reactions on what is going on in the industry.

Yesterday, on the strength of the OPEC meetings, the spot price went up $1.25, and today, I understand, it is up $1.45 again. That is on the strength of what is going on there. Tomorrow, those talks could collapse and that approximate $2.50 could disappear. For the Government to step in now and dictate a floor price would be rather ludicrous.

• (1730)

I heard the Hon. Member say that we are paying an outrageous price for energy in this country. As a matter of fact, we have very highly competitive energy prices. The Hon. Member ought to travel to Europe and see what Britain, France, Germany and Norway are paying for gas at the pumps. All of a sudden, Canada would look pretty good.

I was pleased to learn today that tourism from the United States and Canada was up by 18 per cent in January. I think that bodes well for the tourism industry in 1986. I think there will be mammoth increases in tourism this year, not only because of Expo 86, that great show that will be held in Vancouver.

The theme of Expo 86 is transportation, and my colleague, the Minister of Transport (Mr. Mazankowski), will be playing a key role in welcoming people from around the world to beautiful downtown Vancouver this summer. Vancouver Centre, as a matter of fact, is the riding of the Minister of Energy, Mines and Resources, and I am sure she will also be playing hostess to many people from around the world. I am sure she would want me to encourage the these people to come.

The price of gasoline is not discouraging tourism in Canada. If that were the case, we would see the tourism records falling rather than increasing. I think a lot of that credit has to go to the Minister of Tourism (Mr. Murta) for the excellent marketing job he has been doing in the United States. Let me say to those Americans who may be beamed in, we welcome you here with open arms.

Just for a moment, I would like to review what has happened in the 19 months since the overwhelming victory of this Government. The Minister of Energy, Mines and Resources set in place what is today a world-respected energy policy. It is a policy that puts Canada in a better position than any other country in the world.

I spent a considerable amount of time speaking to people from the energy sector. I was not speaking to representatives of the multinationals but to Canadian geologists, those fellows who have the expertise and are respected and work around the world. I spoke to the drillers, those fellows who do the tough and dirty work, and I spoke to the suppliers. Do you know what they told me? They told me that the new policy is magnificent and allows them the freedom to explore and to work. They are poised to go ahead.

Last year was a record year for the energy sector. It was a record year because of the new energy policy and because of the confidence they have in the Government and its policies. We saw record drilling and record finds last year. The energy industry took off. Certainly there are some concerns now because of falling prices, but if we were under an administrated price system at this time, there would be disaster in the industry because of all those taxes, the taxes that were removed once we got rid of the National Energy Program. Had those taxes still been in place, we would have seen a major disaster within the energy sector.

We signed the Atlantic Accord. The people from Newfoundland wanted to be equal partners in Confederation and they feel that they are now. In fact, Mobil Oil Canada plans to invest $4.2 billion in the Hibernia oil field off the coast of Newfoundland. That will create more than 14,000 person-years of employment in Canada of which more than 9,500 will be in Newfoundland and Labrador. The Atlantic Accord is going in the right direction and it has been applauded widely by all concerned.

Then we had the Western Accord. That set in place the freedom of an industry to do the job it is supposed to be doing and not to be fettered by all these weird taxes, regulations and PIP grants. Canada's oil industry is freed of all those excessive regulations and unfair taxes. As a matter of fact, the reaction in Calgary, as I know my friend, the Hon. Member for Calgary North (Mr. Gagnon), will agree, was to celebrate. They were dancing in the streets. The oil and gas industry rejoiced because finally the market-place was back in vogue. That was most important. The Western Accord was a victory for all Canadians, though, not just for Calgarians and Edmontonians. It was a victory for the manufacturing sector in Ontario and Quebec.

I can say right now that Canadians are benefiting from the lower oil prices, and they will benefit further, there is no question about it. The recent study done by the Conference Board showed that an oil price drop to $18 U.S. would add about .2 per cent to the level of the real GNP in 1986 and .9 per cent in 1987. I suppose there are winners and losers in the province. I think that we will find in the short run that we will have some problems with falling prices, but in the long run they will recover and they will recover in the not too distant future. I do not think prices will skyrocket out of sight. Under the National Energy Program, prices today would have been $39 per barrel.

The Government's energy policy has set the industry free to do what it does best, respond to the challenges and opportunities provided by the market-place in the best interests of all Canadians. Consumers are benefiting from lower world energy prices. The petroleum industry and provincial Governments are content with the progressive energy policies now in place in Canada. The industry is prepared to weather the current market conditions as long as it is left alone to reap the benefits when the market trends reverse.

The Government has fulfilled the commitments it made to Canadian consumers and the petroleum industry. To say that the policy is in a shambles is not right because the consumers were always at the front of our policies when we discussed them. Canada now has a flexible and fair energy policy, one of the most attractive and internationally competitive in the world. The only confusion about that fact rests with the Opposition.

Mr. MacLellan: Mr. Speaker, I suppose we will have to put the Hon. Parliamentary Secretary down as being doubtful in his support for this motion. With all due respect, I do not think that January is a good month in which to measure tourism. I do not think that there are a great many people who travel to Canada by car during the month of January. I believe the summer will tell the story, and if the summer season indicates that there is an increase in tourism, then certainly the Hon. Member will have a point.

I do not see the Minister of Energy, Mines and Resources (Miss Carney) as being concerned. I would have hoped that she would be here today to discuss this very important question. The motion before us is a comprehensive one and it really needs to be debated. I think her presence here was warranted.

The Parliamentary Secretary says that there is a shorter flow-through period in the United States and that that is the reason the price was able to decline more quickly. I do not agree. Eighty per cent of Canada's oil is supplied within Canada. We use about 1.4 million barrels per day and about 1.1 million barrels per day are produced here in Canada. There is quite a short flow-through period, certainly not justifying the two months that the Government says is necessary.

The Parliamentary Secretary referred to the Leader of the Opposition (Mr. Turner) and said that when he was Minister of Finance, he imposed a 45-day period before an increase in the price of gasoline. We must look at the fact that the industry wanted to increase the price the next day when world crude oil prices rose. At that time the Government said that there would be a transition period, that prices would not rise for a certain period of time in case it was an interim increase. It did not want consumers affected that way. I think it was a fair decision. Now, when prices go down, the industry wants to delay. We are still not sure what benefit the industry will give to the consumer or whether the consumer will receive the full benefit of the decline in world oil prices.

● (1740)

It is not a question of flow-through. As I said earlier, in the United States prices went down because retail gasoline is a separate commodity from crude oil, just as crude oil is a separate commodity from pork bellies. It does not relate to a flow-through period; it relates to the fact that there is a competitive situation and true deregulation in the United States. There is no deregulation in Canada when there are a few refineries, and particularly a Crown corporation, holding up the Canadian public and sticking a knife in the back of producers in terms of what it is offering. We are getting the worst of both worlds.

Mr. McDermid: Mr. Speaker, I thank the Hon. Member for jogging my memory on a couple of matters which I meant to mention in my remarks but did not. He can correct me if I am wrong, but I believe he said that there were four refineries in Canada.

Mr. MacLellan: No, I never said that.

Mr. McDermid: Well, somebody said it.

Mr. MacLellan: Four major ones.

Mr. McDermid: I can name about 10—Turbo, Chevron, Co-op, Petrosar, Ultramar, Irving, Shell, Texaco, Petro-Canada, Esso and Suncor; they all have refineries in Canada. As I understand it, there can be fair competition, and I think there is a fair number of them.

I was interested in the comments of the Hon. Member when he talked about Petro-Canada earlier today. I am not exactly sure now where the Liberals stand; it is very confusing. They want Petro-Canada to lead the price down but, when the price rises, they do not want it to lead the price up. They want us to call the President of the company and tell him what to do and how to run his company. If that is the case, why does it not just become a Department or part of the Ministry of Energy and let the Minister of Energy, Mines and Resources run Petro-Canada? We are not sure if they think it is too big now, if that was not intended in the first place, if we should sell it to the public or hang on to it. They are all over the map.

We must remember what was done by the Liberals, in conjunction with their NDP friends, in the minority Government of 1972-74. As one of the conditions of the Liberals maintaining their power in that period of time, they sold out their soul to their NDP friends to establish Petro-Canada, a window on the oil industry for exploration, to find out what was going on. What happened next? Then we find that it was into downstream activities by obtaining BP, Petrofina and so on, for which it paid exorbitant rates, according to any analyst.

Mr. Deans: It was kind of like the Sun Oil purchase.

Mr. McDermid: I disagreed with that one too. My hon. friend across the way has referred to the Ontario Government purchase of Sun Oil. I was not pleased with that decision. I still have not had it explained to me properly, either. In any event, Petro-Canada is now a major oil company with upstream and downstream operations. We are not sure where the Liberals stand. We know what the NDP wants.

Mr. Deans: Lower prices.

Mr. McDermid: The NDP wants to keep Petro-Canada and it wants to buy Imperial Oil. That is the first thing on its shopping list if and when it gets into power, heaven forbid!

Mr. Deans: That is not the first thing. What are you talking about?

Mr. McDermid: The other day the Secretary of State for External Affairs (Mr. Clark) said that Canada was the toughest country in the world to govern and that if it were easy, we would turn it over to the NDP to run. He was absolutely right. We know exactly where NDP Members stand, but we are not sure where the Liberals stand.

At the present time the Government is examining ways to maintain a Canadian presence and ownership in the oil industry and at the same time rid ourselves, "ourselves" being the Government, of what has grown into an oil company. It is just another oil company. I think it was the Hon. Member for York South-Weston (Mr. Nunziata) who said that he did not like going in there to fill up any more, so we know how he feels about Petro-Canada.

Mr. Deans: Mr. Speaker, would the Hon. Member care to explain from where he gets his information? He makes compelling arguments based on what now would appear to be information drawn out of a hat. From where did he get the information that the first thing the NDP would do, when it formed the Government, is to take over Imperial Oil?

Mr. McDermid: Mr. Speaker, if the Hon. Member checks with his energy critic—

Mr. Deans: I am asking from where the Hon. Member got the information.

Mr. McDermid: I was about to say that if the Hon. Member checked with his energy critic, he would find out from where I got the information. He felt that we should be taking over more foreign companies in the energy industry and, in his words, "our first target would probably be Imperial Oil".

Mr. Deans: That is a different thing altogether.

Mr. MacLellan: Mr. Speaker, I welcome the opportunity to tell the Parliamentary Secretary exactly what is the policy of the Liberal Party on Petro-Canada. I think it is well known that we do not object to Petro-Canada being a vehicle of public policy. We feel that the Government should be able to direct Petro-Canada in its actions and act on behalf of consumers and producers. We are totally against the sale of any of the shares of Petro-Canada. When we said we wanted Petro-Canada to be a window on the market-place, we did not mean a whole hothouse. The purchase of Petrofina was to give its stations a presence in eastern Canada. The purchase of Gulf Canada is redundant because the window on the market-place was there. As I said, we now have a whole hothouse on the market-place. There is no competition because of the size of Petro-Canada and because of the Government's policy of gouging the producer and the consumer to try to boost the profit picture of Petro-Canada to make the best possible presentation in the market-place of an issue of shares to the private sector. It is ridiculous.

Canadians do not like Petro-Canada because of what the Government has done to it. Petro-Canada as a Crown corporation is perfectly acceptable and desirable to the Canadian public. However, Canadians do not want their own Crown corporation turned against them and gouging them, as the Government is doing in a cowardly fashion. Telling Petro-Canada to gouge consumers and producers, and then running, hiding and letting on that it had nothing to do with it, is not only bad economic policy or treachery to Canadians, but is downright cowardice.

Mr. McDermid: Mr. Speaker, I find it interesting that when the Liberals were in power and the prices of Petro-Canada were the same or higher than those of most other stations, it was not considered to be gouging the population then. Now, because the Conservatrices are in power and its prices are the

same as its competitors' in the market-place, it is gouging the public. The Hon. Member cannot have it both ways. I, for one, do not believe that the Canadian public is that stupid.

Mr. Mazankowski: He agrees with that.

Mr. McDermid: Sure he does; he is nodding his head and smiling.

Mr. MacLellan: I am not agreeing with that.

Mr. McDermid: The Canadian public does not buy that. The Canadian public has come to realize that Petro-Canada has been, always was and will be just another oil company. The Liberal Government had a window on the oil industry. It knew what was going on. It taxed that industry. It knew its inner workings, how it operated and everything else. I, for one, do not understand why they ever brough in Petro-Canada in the first place back in 1972-74. I do not think it has served a useful purpose. I think the Canadian people are beginning to realize that.

• (1750)

I am for Canadianization. I am all for Canadian ownership and I am all for Canadian companies, but I like them to be owned by the Canadian people, in the private sector and not by the Government. I have done a tremendous amount of travelling in the last year in some countries where the Government owns everything. It is a disaster. I do not think that the Government should be in the oil industry peddling gas up and down the streets.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will have to be brief given that there are only nine minutes left. I say to my colleague to whom I indicated that I would leave a few moments for him, that it may be a few moments because I had not realized at the time that I would have only nine minutes. In any event, let me try to be as brief as I can.

I have for years felt that there was a singular lack of competition within the oil industry at the retail level. I have raised this matter not only here in the House of Commons but I can recall asking for an inquiry some years ago when I served in the Ontario Legislature. It was clear to me that it could not simply be by accident that every single gas station in any one area would charge exactly the same price for all of its products.

It was clear to me that if there was any competition of any kind that competition was solely the result of the effort of the gas station operator and his or her ability to provide a higher level of service and not a cheaper product.

I felt, I think probably now over 25 years, that some kind of action should be taken to bring about a competitive situation within the retail end of the petroleum industry here in Canada.

I can remember, at the time when the now Minister of Energy, Mines and Ressources (Miss Carney) introduced the Western Accord, she said:

> Since the national energy policy was imposed . . . Canadians have suffered from a bureaucratic nightmare, a nightmare which has frightened away foreign investment, boosted prices at the pumps, and discouraged those who wanted to go out and find new sources of oil and gas. Those days are over, too . . . We are going to create the environment for market forces to operate with buyers and sellers involved. If prices go down, the product prices should go down.

This was the Minister's line at the time on March 28, 1985, when she brought to the House of Commons with great fanfare the Western Accord that she had been able to sign.

I must say that anyone looking at the events of the last few months within the oil industry would have to come to the conclusion that notwithstanding the intent of the Minister—and I do not for one moment doubt that she was serious and sincere in what she said—the result has been quite different.

We have not seen the kinds of reductions at the pump that ought to have been reflected as a result of the dramatic drop in world oil prices. We have, in fact, seen the continuation of managed prices, prices dictated by the major oil companies. We have seen the attempts being made on a continuous basis to strangle any of the independents who dared to step out of line. We have had examples of people and families who were in the retail oil business and who wanted to sell their product in a competitive market-place at a price that would have been somewhat below that charged by the major outlets, only to discover that they were either refused delivery of the product by those from whom they must purchase or they were told directly where there was any kind of contractual arrangement that they could not under any circumstances set a price that would, in their judgment, undercut or undermine the major outlets which were located in the immediate or same area as the independent operation.

Quite frankly, I say to the Minister of Energy, in her absence but through the Parliamentary Secretary, that even with the best intentions in the world, the structure that we have in Canada for the distribution of petroleum products to the consumer is managed in such a way as to make it virtually impossible for the competitive market-place, about which the Minister and her colleague speak so highly, to operate effectively, if at all. It is toward that end that we must address ourselves.

The Minister made much on the twelfth of this month of an announcement by Imperial Oil and Petro-Canada that they were going to reduce the price of gasoline by 2 cents per litre. The problem with it is that any reasonable thinking individual would have to agree that a reduction of 2 cents a litre, given the dramatic drop in the price of oil is miniscule. The drop from almost $30 a barrel to $12 a barrel should out of necessity result in something considerably more than a 2 cents a litre benefit to the consumer.

It not only is not enough, Mr. Speaker, there were areas in the country that did not even get the benefit of the 2 cents a litre drop.

Mr. McDermid: Where?

Mr. Deans: In Toronto. Yes, where there had been one of those fictitious price wars going on, one of those drops in the price that are the result of the back-up of petroleum in the

system and the necessity to move it more quickly through the system.

Mr. Siddon: That is not fictitious.

Mr. Deans: It was not a price war in the sense that you and I understand it.

Mr. Siddon: A back up.

Mr. Deans: It was because there was a back up in the system and all of the majors decided to move it through the system more quickly that they had to reduce the price. That is all. It was nothing to do with the price war. It was a managed price again.

If it was necessary to do that, then clearly it was done for one set of reasons, entirely separate and apart from the dramatic drop in the world price of oil, and everyone in Canada should benefit from the actual reduction of cost to the oil companies themselves and should benefit from the reduction of world price.

I did promise my colleague a few moments. I am sorry it is only two minutes, but I yield the floor to my colleague in the Conservative Party.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I was saddened and disappointed to learn that the Hon. Member for Hamilton (Mr. Deans) has decided not to run again for election. I find him a real gentleman, a parliamentarian and one of the few who can logically develop an argument and articulate it. We have seen a good example of it. He talked about competition, and certainly we need more competition in the market-place.

One thing we, as the Government, have done is to remove any barriers for the transportation of petroleum and petroleum products across borders. This allows the independent dealers to import those gasoline products and not be locked in to the major refiners.

The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) talked about the need to change the PGRT tax credit. He has analysed that very well. It is something that has to be done, but I must emphasize that it is only 57 days since the price collapsed. It is premature to act at this time. One only has to look at the spot market for the last three days. Prices have been going up. To act now is too soon.

[*Translation*]

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Section 12 and Standing Order 82, proceedings on the motion have expired.

This House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, March 20, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

SELECTION

PRESENTATION OF TWENTY-FIFTH REPORT OF SELECTION COMMITTEE

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present the twenty-fifth report of the Striking Committee.

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

* * *

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UIC BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and privilege of presenting to the House petitions signed by many residents of Montreal, Quebec City and Halifax, all protesting the recent change in unemployment insurance whereby pension income is now being considered as earned income in the calculation of unemployment insurance benefits. They call upon Parliament to withdraw that particular iniquitous provision.

[*Translation*]

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, I wish to table in the House a petition I received from my constituents in Kamouraska-Rivière-du-Loup, with a total of 1,762 signatures. Petitioners ask the Government not to consider pension benefits or severance pay received upon retirement as earned income for unemployment insurance purposes.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour and the privilege of tabling in the House a petition asking the Government to reconsider its decision to terminate Katimavik, and the petition is signed by people from Quebec City. And I have another petition from the province of Quebec.

[*English*]

I have a third petition from the Cornwall area and from my constituency. It asks the Government to reconsider its decision to abolish the Katimavik program and gives its support to Senator Hébert and his effort to try to reinstate Katimavik.

CANCELLATION OF UIC BENEFITS TO ARMED FORCES—CONTINUED PREMIUMS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the responsibility to place before the House a petition in which the petitioners protest the removal of unemployment insurance from members of the Armed Forces who are retiring. It also mentions a serious concern about the Government forcing retired members of the Armed Forces to pay unemployment insurance premiums when they are never able to collect them. Further, it points out that when members of the Armed Forces retire, they are forced to leave the Armed Forces; it is not a voluntary withdrawal.

FAMILY REUNIFICATION PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, a number of citizens in Metropolitan Toronto have signed a petition on the question of family reunification and on the necessity to retain the principle of the basic value of family reunification and have it reflected in Canadian laws. The petition is signed by a number of people in west Toronto, in my riding and in various other parts of Metropolitan Toronto, all asserting that basic principle.

REINSTATEMENT OF KATIMAVIK PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in addition, I should like to present a petition which is signed by a number of people in Ottawa. They urge the Government to reinstate the Katimavik program for young people and would like to see it made available for future generations of Canadians.

PRICE OF GASOLINE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have two petitions to present. The first one concerns gas prices and it is signed by a few hundred people in my constituency. They call upon the Government to reduce gas prices by one cent for every $1 drop in world oil prices.

Order Paper Questions

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my second petition concerns family allowances. These petitioners from my riding call upon the Government to reinstate the full indexation of universal family allowances.

PRICE OF GASOLINE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour and privilege to present a petition signed by 1,192 Canadians who are resident in my constituency and in surrounding communities. They wish the federal and provincial Governments would have a meeting to come to an agreement to reduce the federal tax on gasoline to a fixed amount and to determine methods by which the provinces could reduce their taxes on gasoline.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 483 will be answered today.

[*Text*]

IMPORTS OF CHEESE

Question No. 483—**Mr. McKinnon:**

In 1985 to date, how many kilograms of cheese were imported under quota?

Hon. James Kelleher (Minister for International Trade): As of October 30, 1985, 16,740,000 kilograms of cheese were imported under quota.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 82—UNEMPLOYMENT INSURANCE ACT—EFFECT OF CHANGES

Mr. John R. Rodriguez (Nickel Belt) moved:

That this House recognizes the unnecessary hardship inflicted on older Canadian workers by the changes to the Unemployment Insurance Act which cause pension benefits to be considered earned income for unemployment insurance purposes, and since votes on opposition motions are no longer considered a question of confidence in the Government, therefore urges the Government to repeal those changes immediately.

He said: Mr. Speaker, I have considered this to be an extremely important motion and I have waited until the appropriate moment to enter such a motion, waited because this House changed the rules. We are going to have an opportunity to vote under a new rule which says that these kinds of votes are not considered confidence in the Government. Members on all sides of the House, and I appeal particularly to the Government side, are perfectly free to vote their conscience on this question without any fear of bringing down the Government. The vote will not result in an election. I appeal to Government Members to listen to the debate and to be persuaded by the pointed arguments that we are going to present here today.

More important, Mr. Speaker, I know that within the Government caucus there has been a considerable amount of unrest about this whole question of the changes regarding pension income and unemployment insurance. I know as well from reading the press that Members on all sides of the House are being petitioned by their constituents to remove this inequitable change to the Unemployment Insurance Act.

When did this change come into effect? When was it announced? I think it is important to go back and trace its history. This change was announced on November 8, 1984 by the Minister of Finance (Mr. Wilson), along with another change regarding severance pay and holiday pay, and it was done without any consultation. There was no consulting with Opposition Members; there was no consulting the people of Canada and there was no consulting the trade union movement. It was a unilateral decision taken by the Minister of Finance and it was supposed to come into effect on December 31, 1984.

Because of a considerable amount of pressure, not only from Members on this side of the House but from within the Conservative caucus, and a considerable amount of representation from Canadians, from the Armed Forces, for example, the Government announced that the pension change would take effect on January 1, 1986.

The Government said in its November 8 statement that it hoped to save about $30 million with this change. That was the purpose for the change, that the Government would save $30

million in the Unemployment Insurance Program. There was no consultation, Mr. Speaker.

In the spring of 1985 the Government decided it ought to take a look at the unemployment insurance program. The Forget Commission was set up. Mr. Claude Forget was made the chairman of a commission to study the unemployment insurance program. The Commission was supposed to report in the spring of 1986, but it will not do that until the fall of 1986 because of the considerable amount of response it has received.

The Canada Employment and Immigration Advisory Council tabled its annual report in August, 1985. There amidst its recommendations is this one:

> That the Government not proceed with the announced changes in the Unemployment Insurance Regulations scheduled to take place January 1, 1986, regarding the identification of pension as income for the period immediately following lay-off, until the Commission of Inquiry on Unemployment Insurance has reviewed the issue and made recommendations.

The Canada Employment and Immigration Advisory Council has advised the Government it ought not to go ahead with the change until the Forget Commission has reported.

In addition to that, Mr. Speaker, I personally have entered in this House petitions from across the country containing over 19,000 signatures. Other Members of this House have also entered petitions calling upon the Government not to proceed with this provision. One of the members of the Forget Commission itself, Mr. Roy Bennett, a former executive with Ford Motor Company, has spoken out. On February 14, 1986 *The Winnipeg Free Press* reported:

> "In hindsight, I think it would have been better had the Government not made those changes", Roy Bennett a former president of Ford Motors said in an interview.
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> "While we understand the motivation behind them, the're not well founded. To the extent the changes were made, they should have been different from the ones that were implemented."

From the Forget Commission itself in February we have members of the Commission saying that the changes ought not to have been made, and if they were made they ought not to have been made in the form that they were.

From the government benches we have the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) who raised a question in the House asking the Government to withdraw the changes until the Forget Commission had reported. I quote from the article:

> Outside the Commons, Nowlan told reporters that most Conservative MPs had complained about the new rules and said he was disappointed by MacDonald's answer.
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> "I just can't understand her opinion," Nowlan said. "Flora's either blinded because she's so busy with work or she has been completely captivated by her officials on this issue. It's not the Flora MacDonald who used to show compassion and concern for the underdog."

Hear, hear, Mr. Speaker. The Member was absolutely correct about that. We have letters from the Secretary of State for External Affairs (Mr. Clark) and the Minister of National Defence (Mr. Nielsen). The Defence Minister wrote to the Minister of Employment and Immigration on June 26, 1985. In the letter he said:

> After considering the options available, I have now concluded that the only reasonable and fair approach is to seek an exemption for the Canadian Forces from those provisions beginning 1 January, 1986 that will require pension income to be treated as earnings for purposes of determining Unemployment Insurance Benefits.

The Secretary of State for External Affairs wrote this to the Minister of Employment:

> As you are aware, because of the unique requirements of military service, members of the Canadian Forces are required to retire at a much earlier age than people in other walks of life. Generally, military personnel qualify for an annuity after reaching twenty years of service. They may retire voluntarily at this point, or continue serving until compulsory retirement, which may occur as early as age forty or as late as age fifty-five.

Still young individuals, Mr. Speaker.

In addition to that, we have had hundreds of letters from across the country written to the Minister of Employment and Immigration (Miss MacDonald) with copies sent to myself and other Members of this House in which people call upon the Minister to withdraw the particular provision.

I have one from a gentleman in Winnipeg, Mr. Elmar A. Duell. He wrote:

> I have attentively listened to the Budget, in the vain hope to hear the announcement which would rescind your barbaric changes, as implemented on January 5 with respect to the "pensions" being accounted as earned income for UIC purposes.

The P.C. Women's Association in Oromocto-Burton-Geary passed a resolution calling upon the Minister of Employment and Immigration to withdraw the inequitable provision in the Unemployment Insurance Act. They gave the resolution to their Member of Parliament, the Hon. Member for York-Sunbury (Mr. Howie) who was supposed to have delivered it to the Minister of Employment and Immigration. After all of the clear indication from the opposition and government sides of the House, from people across the country, including Conservative associations, and from Ministers of the Crown, the Government's response has been a consistent "no", that the changes would proceed. Indeed, the changes have been implemented.

● (1120)

The Minister's rationale is that notice was given over a year ago. What difference does it make whether notice was given over a year ago? The effects are still there and people are living with their effects. We know that the regulation was not drawn up until December of 1985. On December 13, 1985, the Minister wrote to me in response to suggestions I had made about the regulations. She said:

> At this stage, I can only inform you that no final decisions have been made by the Government concerning the specific applications of the regulations. However, I wish to thank you for your suggestion on this matter.

The date of that letter is December 13, 1985, and the change came into effect on January 5, 1986. At that point the regulation had not been drawn up and the Minister could easily have gotten off the galloping horse by simply withdrawing the regulation.

Canadians, including members of the New Democratic Party, are opposed to the change because it is unfair in its application. Not all pensions are treated in the same way. Only

pensions earned as a result of work are affected. Pensions from RRSPs or annuities are not counted. Pensions from the American, British, or French army are not counted. Only pensions from the Canadian Armed Forces are counted, so the rule is unfair in its application.

Another point of unfairness is that people who are disentitled from receiving UI benefits still have to pay the premiums. If a person has taken early retirement and then gets another job, he will have to pay premiums but will never be able to collect unemployment insurance. In what sort of insurance program does one pay premiums but has no hope of collecting at all? A person who has taken an early retirement, is receiving a pension, takes another job, and then becomes sick, cannot get any sick benefits at all through the unemployment insurance program. That is highly unfair.

In addition, Mr. Speaker, there are all sorts of opportunities to run around the ends of the change. For example, if you work for a large enough organization which is prepared to play ball with you, you can postpone receiving your pension for a year while you collect unemployment insurance benefits for 49 weeks. Of course, in the following year you can get an increase in your pension to make up for the year you postponed it. That does not seem fair to me at all. What we are really doing is means testing the unemployment insurance program because it is the pension which you receive which determines whether or not you get unemployment insurance.

Another reason we opposed this change is that it is contradictory. In the Sudbury Basin the price of minerals has not been very good. The major employees in a single-industry community, Inco and Falconbridge, told the workers that they wanted to protect the jobs of younger workers by offering an early retirement prorgram. The employees were told that if they took the early retirement program they would be eligible for unemployment insurance providing they were looking for, and available to work. By taking early retirement they would protect the jobs of younger workers.

Many older workers felt that was their opportunity to do something else which they had always wanted to do, so they took early retirement in the hopes of protecting the jobs of younger workers. We were pretty happy in our community that approximately 1,200 older workers took early retirement, because it protected the jobs of younger workers who were starting out in life and had all the high expenses of maintaining a young family. After these workers accepted early retirement there was an arbitrary and unilateral move to make them ineligible for unemployment insurance. Why does the Government on the one hand encourage older workers to consider early retirement to protect the jobs of younger workers, while on the other hand pulling the rug out from under them? That is extremely contradictory.

We also oppose this, Mr. Speaker, because we believe it to be illegal. The Supreme Court of Canada decided the Dallialian case with respect to a person who had been collecting unemployment insurance at age 64 and then turned 65. The Act said that when one reaches the age of 65 one does not pay premiums, but cannot collect benefits. The person had started the claim before turning 65, and the moment he turned 65 the Unemployment Insurance Commission cut him off. The Supreme Court of Canada ruled that a law cannot be made which retroactively takes benefits away from individuals.

Yet, in this particular case, all persons who were getting a pension and collecting unemployment insurance were cut off on January 5, 1986. I would extend the argument to say that anyone who was contributing to the unemployment insurance program at the time of the January 5 change ought to qualify for full benefits under the program. We argue against this because we believe it to be illegal.

We believe that the Government should immediately withdraw this provision. We believe that the purpose of the Forget Commission was to study the unemployment insurance program in totality and to make recommendations to Parliament with respect to how the program should apply. Changes are being made to the Act. The Minister says that this has been referred to the Forget Commission. In the meantime, thousands and thousands of claimants in the country are being denied unemployment insurance.

The Minister says that the Government can take a position when the Forget Commission reports in the fall. It could be months after the Forget Commission reports before Parliament passes a law. What will we then do about the people who did not get their benefits? They may not qualify. According to the Act you must have 20 insurable weeks in the preceding 52 weeks. By the time Parliament passes a law they may not qualify at all and will have been denied their benefits. It is extremely unfair to put people in that position.

At the National Economic Conference held here at the government Conference Centre before the Budget was introduced in May, 1985, 75 per cent of the participants, which represented predominantly the business sector and the trade union movement, signed a petition saying that the Government ought not to go ahead with these particular provisions. By not responding to what people are saying through their letters and petitions, the Government is harming people who have embarked in good faith on their unemployment insurance application and have been receiving benefits.

• (1130)

The only fair thing for the Government to do at this time is to withdraw this provision. I appeal to the conscience of Members on the Government side. You can vote freely knowing that it will not bring your Government down and cause an election. Under the new rules you can actually stand up and vote the way you have always said we in this House should vote, on the principal of an issue. Recognize the unfairness, the contradictory nature, and the possible illegality of this regulation. Let us put aside our partisan politics for the sake of the people who have in all honesty and good faith taken early retirement, or were forced to take early retirement as in the case of the Armed Forces. I say to Members on the Government side, put aside the partisanship for just 20 minutes this afternoon and vote for people who have been so brutally

treated by this change which came into effect on January 1, 1986.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Redway: Mr. Speaker, I was interested in the comments of the Hon. Member relating to suddenly, at this stage, going back to where we were prior to January 1 and yanking the matter out of the purview, if you will, of the Forget Commission. As the Hon. Member indicated, there have been many comments from all sides, his party, the Official Opposition, and certainly by Government Members, who are most concerned about this issue and most sympathetic with the plight of the pensioners concerned. Suggestions on how to deal with the problem have come from the Government benches. I wonder what is the best way of dealing with the problem now that the regulations have been put in place and the matter referred to the Forget Commission in order to find an over-all solution, not only to this issue but all issues relating to unemployment insurance benefits.

I am sure the Hon. Member is supportive of the concept of the Forget Commission. I am sure he and his party are supportive of the approach of taking an over-all review of the problems concerning unemployment insurance. Three are many problems. Something has to be done to come up with a comprehensive position on this issue. The Hon. Member is a Member of a party which has long advocated global planning. The NDP is renowned for having advocated a planned economy in which all of the pieces are not examined individually or piecemeal but in a global context. The NDP has always advocated that unemployment not be looked at on its own but in the light of interests rates, exchange rates, monetary policy, the deficit and tax policy. The same is true of the NDP's point of view on the question of public ownership of various parts of the economy, whether it be the banks or the energy industry.

I would like to know if the Hon. Member feels that we should be looking at this in a global sense. Should the Forget Commission make some global recommendations to straighten out the problems? It might have been nice to have this beforehand, but since we do not, is it not now more logical to leave it to the Forget Commission to come up with some global recommendations, the kind the NDP usually likes, rather than piecemeal recommendations?

Mr. Rodriguez: I think the Hon. Member is absolutely right. He has described the NDP's overview exactly correctly. I wrote to the Minister to tell her that she had not drawn up the regulations until late December, 1985, the change came into effect in 1986, yet the Forget Commission was set up in the spring of 1985. So we said that she should stop making changes before we look at the over-all issue. You cannot go chopping away piecemeal, taking $30 million here and $100 million there. Let the Forget Commission look at the whole program and make recommendations. Then we can make changes with some intelligence and some understanding of how these things hang together. When you start chopping away piecemeal you drastically affect people's lives. You have not really prepared the ground for acceptance of the changes you want. That is why I appeal to the Hon. Member for York East (Mr. Redway) to support us and vote with us on this motion today.

The Hon. Member raised another very important question. It is not improper for us to now tell the Minister to withdraw the regulation. It is affecting people, denying them unemployment insurance. It is an unjust change. Let us withdraw it, wait until the Forget Commission brings down its recommendations, and maybe it will have a better approach. If so we would not be adverse to a better approach to unemployment insurance. We would support it. We would have no objection.

Mr. Deans: Mr. Speaker, the most unusual feature of this particular change concerns a person who may have retired early from the Armed Forces, for example. He or she is in receipt of an Armed Forces pension and they now hold down a job. They would be ineligible under these changes to receive sick benefits under UIC during the time they continue to be employed. Would the Hon. member care to comment on the injustice of denying a person who is sick the benefit that they otherwise would be entitled to under the Unemployment Insurance Act?

Mr. Rodriguez: Mr. Speaker, I thank my colleague for the question. I did touch on that briefly. It was one of the unfair aspects of that particular provision. That is one of the reasons we oppose it. If a person retires early and goes out and gets another job, pays his premiums to the UIC and then gets laid off or becomes sick, he would not be able to collect the sick benefits he would be entitled to. He has paid the premiums, it is an insurance program, yet he would never be able to collect. We think that is the ultimate in unfairness. That is why we presented this motion today in the hope that Members on the Government side will see it the same way we see it.

• (1140)

Mr. Weiner: I was intrigued by the Hon. Member's overview of what the insurance scheme actually is. We all remember when it was first implemented and 97 per cent of the gainfully employed contributed, that it was intended as a calamity insurance for those people who found themselves in the unfortunate situation of having no income. In retrospect the Hon. Member would agree there must have been instances in the past where individuals reaching toward early retirement, 62, 63, would find the opportunity to be able to take a sizeable package of money and then still draw on a plan to which the entire community is contributing but which should be used only for that calamity.

The insurance scheme, in my mind, was not intended as a guaranteed value life insurance, or a mutual fund. It is a form of term insurance to which we are all committing ourselves. I would ask him to reflect on some of the difficulties seen by those of us who are very concerned about bringing social assistance to those who really need it. I would certainly be the first one to join him in that kind of an opinion.

The Hon. Member referred to Mr. Roy Bennett and what he may or may not have said. I would just like to assure Mr. Speaker that Mr. Bennett has been in touch with the Deputy Minister and the Minister, and what Mr. Bennett says is that he would not make any specific recommendations or suggestions until the complete report of the commission of inquiry is submitted. Without trying to get into a debate on what may or may not have taken place, we know that Mr. Bennett, as a member of that commission, will be supporting and waiting for the final report to be submitted.

Mr. Rodriguez: Mr. Speaker, on the last point raised by the Parliamentary Secretary, I simply read his quote from a Canadian Press article which appeared in the Winnipeg *Free Press* on February 14, 1986. I have been the UI critic for my Party from the time I was elected in 1972, so I am fairly well acquainted with the thrust and the over-all philosophy of the program. That is exactly why we said that they ought not to have made this change. It is out of place and it is out of context, and that is why it should have been looked at by the Forget Commission in totality. We do not insure individuals in the program, we insure their income. That is what we insure in the unemployment insurance program.

In the pre-1971 act, I may remind the Hon. Member, we used to pay one full year of unemployment insurance benefits on retirement. A person would collect a whole year of unemployment insurance benefits when he retired from his work. I say that to inform the hon. gentleman of one of the principles that used to be in the pre-1971 act.

What we were really doing here was insuring the income of the individual, and in fact we protected the jobs of younger workers when older workers took an early retirement program. It is the choice of having them stay on the job and the younger worker going on unemployment insurance, or we encourage the older worker to take the early retirement and be eligible for unemployment benefits, which means he has to look for work, be capable and available for work.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired. Debate?

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to start by congratulating my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez) for putting down this motion dealing with the cut-backs in unemployment insurance for those on early retirement pensions. We have had an opportunity to raise this matter in the House before by way of questions to Ministers, by statements pursuant to Standing Order 21 and by petitions, but this is the first time we have had a chance to debate the issue at any great length and to vote on the issue.

It is rather shocking to consider that this important change in unemployment insurance was implemented without any debate initiated by the Government and without any vote. This is a very important change in unemployment insurance affecting thousands of Canadians without any debate sponsored by the Government or any chance for the House to vote on it.

What is also important about this resolution today is that it is the first time that we will be voting on an Opposition motion which does not express non-confidence in the Government. That is extremely significant because it gives all Members in the House, in the Opposition and on the Government benches, an opportunity to really represent their constituents. Their constituents will be watching them and will know the vote this evening will be one that cannot topple the Government, that does not express non-confidence in the Government. As a matter of fact the House urges the Government to withdraw the policy. That is what we will be voting on. We will be testing the sincerity of the Government with respect to these new rules. When the Government implemented the new rules it said this would bring in a new dawning, a new spirit in the House of Commons whereby Members will be able to express their views more readily and with greater freedom.

These changes in the unemployment insurance are cruel, insensitive, retroactive, inequitable and unfair. Unfortunately, I do not think the Parliamentary Secretary, who just asked a question, has read the Act closely. He just said that unemployment insurance was meant to help those people with no income. That is not what unemployment insurance is, and there is nowhere in the Act that it says that. Unemployment insurance is insurance for those who are unemployed. For example, if a person is retired early and collects rent, collects dividends, collects interest, has a partnership in a business and collects profits, they do not cut back their unemployment insurance. You could have somebody unemployed who does not have an early retirement pension but he owns a series of flats and he collects rent and he collects his unemployment insurance. But the poor fellow in the Armed Forces who is getting a pension, he has his unemployment cut back. So it is not, as the Parliamentary Secretary said, insurance against loss of income, but rather insurance against loss of employment. I would like to get that straight.

He also asked why people 62 and 63 should get unemployment insurance when they are getting a pension? I must point out to him that there are people being affected by this measure who are in their forties and fifties. In the Armed Forces you can be retired at 45 and have to go on pension. I have a file full of letters from people in their fifties on early retirement who were collecting unemployment insurance and were cut back. Many still have children in university. Many people were going to use these early retirement pensions to roll them over, at least part of them, into RSPs for the day when they really retired, because they had to go back to work or they hopefully were going to go get another job.

This change is retroactive, it is cruel, it is insensitive and it is inequitable. There are many people who have paid into the unemployment insurance system for 30, 35 years and never collected. Suddenly they are forced out on an early retirement and they are finding when they went to collect now they cannot do so. That is not fair. Unemployment insurance is not a welfare program and was never meant to be a welfare program. It is an insurance program, and I just made some arguments in that respect. We never cut back unemployment

insurance for people collecting rent, interest, dividends or profits, and the Government has not done that yet. If they were being consistent they would do that, but I think the policy is wrong in the first place.

I also want to point out that a good percentage of these people who are being cut back are on early retirement pensions but are still looking for work. They have to look for work because some of them have children. These are people my age and the age of the Parliamentary Secretary. They have children going to school, and have family responsibilities.

• (1150)

Every time we put a question to the Minister about this policy her justification for it is that it was announced a year in advance. Even advance notice of one year does not make a bad policy good, or justify the program. That argument is unacceptable. Furthermore, these changes are illogical. The Government makes significant changes to unemployment insurance then sets up the Forget Commission to study the unemployment insurance system with a view to making recommendations for change. However, this is done after the Government has already made very significant changes. How, in the name of reason, can that be justified? What is the purpose of establishing the Forget Commission to study the system when the Government has already made unfair cut-backs in unemployment insurance to thousands of Canadians?

I would like the Minister or the Parliamentary Secretary to respond to that. Incidentally, I suggest it is an indication of the importance the Government places on this matter when the Minister who is responsible is not even here to respond in this debate. The Parliamentary Secretary is here—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been here for a long time and knows that he should not mention who is and who is not in the House. I hope he will keep to debate.

Actually, I am interrupting him to give him an opportunity to rest his voice.

Mr. Allmand: Mr. Speaker, I appreciate the kind gesture. I apologize. I was simply following the precedents set in the past by many Members in the House, but I accept your good advice.

If the Forget Commission recommends that the Government's change be reversed, will it suddenly retroactively pay all those who have been cut back since January 1 of this year? I hope that the Minister of the Parliamentary Secretary will confirm that it would.

The Minister of Employment and Immigration (Miss MacDonald), upon assuming her responsibilities, appointed a special commission on older workers. The commission reported in August, 1985 with its report entitled "Older Workers: An Imminent Crisis in the Labour Market". This commission which was set up by the Minister herself states in Recommendation No. 2 that the Government not proceed with the announced changes in the unemployment insurance regulations scheduled to take place January 1, 1986, regarding the identification of pension as income for the period immediately following lay-off, until the Commission of Inquiry on Unemployment Insurance—that is the Forget Commission—has reviewed the issue and made recommendations.

That is very clear but the Minister completely ignored the recommendations made by the very people whom she appointed.

The policy to cut back unemployment insurance for people on early retirement pensions not only hurts the older workers who are being cut but younger workers who would have been given jobs by those taking early retirement. Many of these older workers between 45 and 64 who took early retirement pension did so in good faith in order to make lower positions available for younger workers.

While the unemployment rate for young people has dropped by 2 per cent since September, 1984, it is still unacceptably high at 16 per cent and, as a result of this policy, older workers are refusing to take early retirement and open up those lower positions. They might have taken early retirement prior to this change in unemployment insurance but will now wait until they are 65 before retiring. It is not a very wise policy on the part of the Government.

This change is particularly cruel to Armed Forces personnel and those in other occupations from which they must retire earlier than other Canadians. For example, Armed Forces personnel in certain ranks retire as early as age 45 and look for other employment. Some of them use part of that early retirement pension to relocate. Others use it to set up small businesses, while others would invest in an RRSP to be used when they retire at 65 or later. This is no longer possible.

This policy is unfair and insensitive because those who are losing their unemployment insurance or being cut back must continue to pay their premiums but do not receive unemployment insurance when they are unemployed. Once they find another job they must resume paying premiums but will not receive unemployment insurance if they are laid off because they have an armed services pension. It is only logical for the Government to either withdraw this policy or stop making them continually pay premiums when they can never collect. However, the Government is making these people pay premiums even though they may never collect unemployment insurance.

Protests from all over the country have been made against this policy. In Victoria, a group called the "UIC Repeal Group, 1986" has taken measures to sue the Government in order to declare this new measure illegal. The Legislature of Nova Scotia, which is dominated by Conservatives, voted unanimously to condemn this policy.

I have a clipping from *The Daily Star* in Halifax dated March 6 which states:

> The Nova Scotia Legislature yesterday unanimously condemned Ottawa's new policy of requiring unemployment insurance recipients to count pension benefits as income.

Premier Buchanan of Nova Scotia stated that the unemployment insurance changes are wrong. The New Brunswick Minister of Labour, Joe Mombourquette, also expressed his opposition to these changes.

Furthermore, some members of the Government Party publicly expressed their dissatisfaction and opposition to this measure and we will see how they vote today. As a matter of fact, the Secretary of State for External Affairs (Mr. Clark) and the Minister of National Defence (Mr. Nielsen) wrote letters to the Minister of Employment and Immigration asking her to withdraw the policy with respect to the Armed Forces. As my colleague pointed out, 75 per cent of the people attending the economic summit in 1985 signed a petition asking the Government to withdraw these provisions.

Many people who learned that this policy would be taking effect at the beginning of the year called U.I. offices to get more information. They discovered that many of the officials in the unemployment insurance offices were ill-informed about the policy. For example, a very well known hot-line show in Vancouver called three U.I. offices in the Vancouver area to ask this same question about the changes and received three different answers from those offices. A person who came to see me in Montreal twice visited unemployment insurance offices there in an attempt to get information about these changes and was given a different answer on each occasion.

• (1200)

I have a letter which was sent to one of my constituents by the Canadian Pacific Railway, which is a large national company. It is dated December 11, 1985, just before the coming into force of these measures. This is a memo sent by CPR to its employees:

> Furthermore for your added information your CPR Company pension effective February 1, 1986, has been estimated—

And it gives the amount per month.

> —and upon your application for the Quebec Government Pension it is estimated that you would receive approximately $344 per month plus application for UIC Benefits presently available and estimated at $276 per week.

The CPR was not even familiar with the changes. It was telling its employees that if they take an early retirement pension they will receive $276 per week unemployment insurance benefits, which is not the case. The people who took up this offer found that they were cut off UIC and did not receive any benefits.

I want to repeat that the policy of the Government in cutting back on unemployment insurance benefits for those taking early retirement pensions is unfair, unequitable and retroacive. It is put into force at a time when the Forget Commission is studying the unemployment insurance system. I would hope that when we come to vote on this measure this evening we will see Hon. Members of this House united in supporting the motion which simply says that we urge the Government to withdraw this policy. We will test the sincerity of Hon. Members and we will see how well they represent their constituents.

Mr. James: Mr. Speaker, the Hon. Member seemed to have some disagreement with the interpretation of the Parliamentary Secretary. He said he views this as a situation of non-income. He went on by saying that his interpretation was that unemployment insurance was to be used for a financial bridging between jobs. Later on he talked about vision and what unemployment insurance is for. I guess I really have some problem in my mind in understanding where the Hon. Member is coming from. He is saying that people who, of their own volition, have taken retirement, as they do in the private sector and as they do so frequently in the military, should receive unemployment insurance. Yet he also said very emphatically that unemployment insurance was devised and developed as a financial bridge between jobs. I really do not know how the Hon. Member reconciles that when he is so emphatic as to what unemployment insurance is for. I would be interested if he would expound on that a little.

Before he does so, I would like to tell him a little story. About two or three days after I was elected, five older gentlemen, retirees, presented themselves at the door of my constituency office. They told me they had retired from Imperial Oil and, unbeknownst to them at the time, were entitled to receive unemployment insurance benefits for extended periods of time up to one year. They said what a deplorable and insane situation that was and that it should not be, that there is no way they should be collecting unemployment insurance. However, in sitting around at the golf club they were kind of pressured into doing so by their peers who had already taken it.

How do we reconcile that kind of abuse to a system which was set up with a lot of intelligence to allow bridging, and how do we ensure that workers and companies are not incumbered by that kind of thing happening in the future?

Mr. Allmand: Mr. Speaker, I am glad the Hon. Member asked that question. A key provision in order to collect unemployment insurance is that one must be ready and available to work. If one is not ready and available for work one cannot collect. I am not suggesting that we should pay unemployment insurance to anyone who is not ready and available to work. The point is that the great majority of these people on early retirement pensions which, in many cases, they have had to take, such as those in the Armed Forces, are ready and available for work. If an individual wants to retire and not go back to work, then, of course, the unemployment insurance should be cut off entirely. That is the law. No one is suggesting otherwise.

The point is that these people, for one reason or another, were let out of their present full-time jobs, sometimes by agreement and sometimes involuntary, and given early retirement pensions which in the most cases would be less than what the full pension would be if they worked until age 65. To collect unemployment insurance one must be ready and available for work, and the people I have been dealing with on this issue are ready and available for work. Some of them are in their forties or fifties and they have to work. They have family responsibilities. Some of them are going to roll over their

pensions into an RSP fund so that they will have a worthwhile pension, because they still have 15 or 16 years to go. Even if there are abuses to the unemployment insurance system—and I would agree with the Hon. Member that there are some—that can be dealt with by the Forget Commission. The Minister has appointed the Forget Commission which is studying all of these abuses and it will make recommendations. However, we should not go ahead and make *ad hoc* changes before the Forget Commission reports.

Mr. Rodriguez: Mr. Speaker, does the Hon. Member see anything of an obstructive nature if, for example, we pass this motion which simply urges the Minister of Employment and Immigration to consider withdrawing the provision? Let us say we pass the motion today and she did consider and withdraw it. Does the Hon. Member see anything obstructive in now having to go back and pay all of the people who may have been disentitled as a result of the change? Does the Hon. Member see that as some great bureaucratic obstruction, or can it be done in fairness and expeditiously?

Mr. Allmand: Mr. Speaker, I think it can be done without any obstruction or even inference of obstruction. The Hon. Member will recall that the Government, as a result of its Budget last year, was going to deindex old age pensions. After Canadians spoke out on the issue it came to its senses, realized it was a bad provision, and withdrew it. This is what we are asking. If those people in Victoria are successful in the courts and the courts say that this provision to cut people's unemployment insurance after they have paid premiums for years and years is illegal the Government will have to change it anyway. Why not do it as a result of the representations of millions of Canadians instead of being forced to do it by the courts?

Mr. Redway: Mr. Speaker, the Hon. Member in his remarks referred to the fact that there had not been an opportunity to either debate or vote on this particular issue. I think the Hon. Member will recall that this measure was first introduced in the Economic Statement of November 8, 1984, I believe. That was immediately after the Speech from the Throne on November 4. There was, of course, a lengthy period for debate on the Speech from the Throne so there was a considerable period of time in which this issue could have been debated. I suspect that if the Hon. Member goes back and looks at the Debates which took place at that time he will find that there were remarks addressed to this issue.

Ms. Copps: And you didn't listen.

Mr. Redway: That is exactly right. The Hon. Member apparently was not listening. It is significant that shortly after, in December of 1984, the Minister actually extended the date on which this provision would take effect to January 1, 1986. That probably had something to do with the remarks which were made in the debate on the Speech from the Throne at that time.

• (1210)

Another point which I draw to the Hon. Member's attention is that there have been numerous opportunities for votes on opposition day motions. To the best of my knowledge today is the first time that the Opposition has ever put forward this particular issue, notwithstanding that something in the order of 18 months have passed.

The Hon. Member mentioned the issue of unwinding this provision. As a former Minister of the Crown I would point out to him that we are not talking about revoking something which has not been put into place, such as the question of the indexation of Old Age Security. We are talking about a program which has already been put into place. Does the Hon. Member think it would be possible to unwind this situation for the three-month period in which it has been in place?

Mr. Allmand: Mr. Speaker, the Hon. Member mentioned that this issue was brought up around the time of the Speech from the Throne and that there was debate on the Speech from the Throne. He is quite correct. However, he knows that in the Speech from the Throne there were a large number of proposals put forward by the Government. He should also know that when one votes on the Speech from the Throne one votes on the general policy direction of the Government and not on any one particular policy. I recall in the last Parliament, when the Conservatives were asked to vote on omnibus Bills, when they were asked to vote for or against a great number of issues, some of which they approved and some of which they did not, they did not like that. That is why members of the Conservative Party started the bells ringing for 14 days. Because we had a chance to debate the Budget or the Speech from the Throne the Hon. Member should not say that we were really zeroing in on this issue and that we had a chance to vote on it separately from the other issues.

The reason we did not put this matter on for debate on an opposition day prior to January 1 is that the matter only came into effect on January 1. The Minister announced the proposal and we asked her if she would withdraw it. We were hoping she would use some good sense and withdraw the proposal. However, January 1 came and went and now the measure is being implemented. People are now having their benefits cut back. That is what makes this motion necessary. We have tried to use reason on the Minister in the House. We have asked her questions over and over again. We now have the debate to which we are speaking today and on which we will vote at the end of the day.

The Hon. Member asked me as a former Minister of the Crown whether I think it is realistically possible to reverse this decision now. I say it is. Obviously the Government also thinks it is because it has been saying, as has the Parliamentary Secretary, that the Government will let Forget give them some advice on the matter. If Forget says this is a bad policy and that it should be reversed then the Government will have to reverse it. The Government has almost promised to take Forget's advice, although it did not accept the advice contained in the report on older workers which recommended that

this measure not be implemented. Perhaps it will not take Forget's advice either. Perhaps these commissions and studies are just a lot of window-dressing and sham.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. Resuming debate with the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner).

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am delighted to have this opportunity to speak on unemployment insurance. It is, indeed, a pleasure to represent the Minister of Employment and Immigration (Miss MacDonald) here today. The Minister has worked tirelessly for the first 18 months of our mandate to create real jobs in the country. She has dedicated herself to this cause 24 hours a day, seven days a week. We all recognize the great achievements which have been made—the 580,000 new jobs which have been created. These are real jobs, jobs which involve training and real work experience. In retrospect, when we discuss unemployment insurance, the more people we put into the workforce the less likely it will be to rely on the unemployment insurance system.

Unemployment insurance, or UI, has played an important role in the Canadian economy since its inception in the 1940s and, more specifically, in the last few years. It is a vital social safety net which benefits millions of Canadians every year. In 1985 the UI program paid more than $10 billion to over three million Canadians. This money was paid to Canadians who had lost their jobs and their incomes—Canadians who needed help.

The motion before the House questions changes we have made to the UI regulations. I am glad to see that so many Members are interested and concerned about UI. I think that the interest shown by the House highlights the urgent need to examine the UI program.

The purpose of UI is to help alleviate the effects of unemployment and to help people get back on their feet quickly. We are not sure that the present structure of the program does this. As most Hon. Members are aware, the Government has commissioned a complete review of the UI program. The Commission of Inquiry on Unemployment Insurance, chaired by Claude Forget, who, I might add, is a distinguished Canadian and who had the honour of representing in the provincial legislature the same riding which I represent federally, spent several months travelling across the country listening to the views of all Canadians.

We feel there is an urgent need to overhaul the UI program to make it responsive to the needs of Canadians and to take its place in the economic framework of the country. None of us can deny the beneficial effects of UI, especially during hard times. We must accept the responsibility of maintaining those beneficial effects, if not improving them. At the same we must not lose sight of our managerial responsibility.

In 1985 the UI program cost us over $11 billion. We must contain the costs of the program within reasonable levels to ensure that we can continue to afford it. We must ensure that the program survives. The basic premise of unemployment insurance is that people who lose their jobs can get money while they are looking for another job. This basic premise is not always easy to define.

The Hon. Member thought that I was wrong in what I said before. It is more than likely that I was not as clear as I might have been since I know I am right. I do not want to say that the Hon. Member is wrong in light of his distinguished service to the House. However, what I did say is that to have access to UI benefits a worker has to demonstrate that he has no earnings coming from his employment and that he has worked long enough to be qualified. For sure he has to be unemployed. This is something that he will have to prove for everey week he will be claiming UI benefits. The starting point is for a worker to be without work and without pay for at least seven days. This is called an interruption of earnings. While on claim these same people must be looking for work. They must be available at all times for work. These are the basic principles of unemployment insurance.

As originally conceived, the design of unemployment insurance was based directly on the principles of a social insurance program. Emphasis was given to limiting benefits to instances of unforeseen and unavoidable risk of unemployment. Coverage was limited to workers in this category and benefits were based directly on the concept of insurable risk. This meant that there was a direct relationship between the extent of attachment to the labour market and the eligibility for and duration of entitlement to benefits.

During the period of some 30 years between 1940 and 1970 there was a decreasing emphasis on strict insurance principles and an increasing stress on other social and economic objectives. In particular, coverage was extended to workers in seasonal occupations where it could not be argued that the risk of unemployment was unforeseeable. In fact, it was quite the opposite—a recurring yearly event.

In 1970 a new program design was introduced to make the program more relevant to the changed socio-economic conditions of the 1970s. This was embodied in the 1971 legislation. In part, this involved the establishment of a new relationship between insurance and non-insurance principles. For example, initial benefits were related to labour force attachment and extended benefits related to local unemployment conditions.

As it turned out a combination of the designed features of the 1971 Act and the changing conditions in the economy and labour market, particularly high unemployment, gave greater weight to the income transfer aspects of the scheme. These circumstances led to a significant extension of the program and its costs, as well as an increased proportion of total cost allocated to the government account.

In 1971 the Liberal Government reduced the eligibility requirement to just eight weeks of work during the previous year and lengthened the maximum duration of entitlement to 44 weeks. As a direct result UI expenditures leaped from $700 million in 1970 to almost $2 billion in 1972. Currently, unemployment insurance is the most expensive operating pro-

gram of the federal Government, costing us $11.6 billion last year. To give a comparison, we spent $8.9 billion on defence.

• (1220)

Following 1971, a series of legislative amendments was introduced over several years to contain the expansion of the program, to redress the balance between insurance principles and income transfer considerations, and to ensure a more positive effect on the labour market. Despite these amendments, fundamental concerns remain about the objectives and design of the program in the context of dramatically changing conditions in society, the economy and the labour market. Since 1971 these many changes, both legislative and regulatory, have resulted in a progressively more complex program of patchwork. All the changes were attempts to make the UI program adhere more strictly to its basic principles, but many have had the effect of making the program more and more complex.

When the Government took office in 1984 it inherited the UI program and the responsibility to administer it. On November 8, 1984, the Government announced its intention to make changes to UI, and these changes were in response to its managerial responsibility. It was important that some action be taken quickly to help give order to the patchwork.

The changes were announced in the economic statement of November, and a press release was sent out in December, 1984, to a list of over 7,000. All media outlets were covered. The press release covered the announced changes and the implementation date. In March, 1985, a letter was sent out to 650,000 employers, all employers participating in UI, notifying them of the pension regulation change. It would seem to me that this was more than adequate notice.

UI is an insurance program based upon earnings and attachment to the labour force. All the Government has done is redefine the question of earnings to reflect the reality of the situation and has stuck to the principles of UI. There are those who seem to believe that unemployment insurance should operate like a savings plan or a prepaid pension scheme. However, UI is neither of these; UI is not a retirement fund and it is not automatic. All UI claimants must prove that they are eligible and must continue to prove that eligibility each week they are on claim.

As we can see in the motion before the House, even these basic principles of UI are open for discussion. Every Canadian has an opinion on UI. Many of these opinions are often in conflict. We have heard members of the business community tell us that UI is a disincentive to work and that the benefits are too high. They want UI to be more difficult to obtain and to be paid for less time. On the other hand, others have told us that UI did not pay enough and should be paid longer. Who is right? Seemingly there is no natural consensus.

This is why, on July 6, 1985, the Prime Minister (Mr. Mulroney) announced a commission of inquiry on unemployment insurance. The Forget Commission was charged with a comprehensive examination of the UI program. I should like to read from the terms of reference of the commission of inquiry, its main responsibilities:

> The Commission of Inquiry on Unemployment Insurance will analyse the role of the unemployment insurance program as a means of improving the operations of labour markets in Canada, to more effectively support Canada's economic development as an equitable financing partnership of business, labour and government, and to provide new and better opportunities for Canadians experiencing temporary unemployment.

It is an all-encompassing review of the UI program. In addition, the Minister of Employment and Immigration has specifically requested that the Forget Commission look at the question of earnings. For this reason, we look forward to receiving the recommendations of the Forget Commission to continue the evolution of unemployment insurance in Canada.

As many of my colleagues are aware, the best solution for UI is to find jobs for people. We have accepted the responsibility of putting the country back to work. When our Government came into office in September, 1984, it became immediately apparent that dramatic changes were needed to the existing complement of federal job-creation and training programs. The programs in existence at that time were inadequate. We soon discovered that most of the job-creation programs were short-term and make-work in nature and did nothing to address the need for meaningful, enduring employment, not only for older workers but indeed for workers from all age groups, while much of the training being provided was irrelevant to the real needs of the Canadian labour market.

Facing record unemployment levels and rapidly escalating demands for skilled and reskilled workers, the Government was not prepared to stand still and watch more and more Canadians suffer from the humiliation of unemployment and underemployment. Accordingly, at the first opportunity during the First Ministers' Conference in Regina in February last year, the Prime Minister and the Minister of Employment and Immigration jointly presented the outline for a bold new initiative which would represent a whole new approach to training and the provision of needed employment for Canadians, termed the Canadian Jobs Strategy. This exciting new approach represents a complete redesign of Government labour market programs and a fundamental change in the way in which we develop and invest in Canada's workforce. It is a change which gives ordinary Canadians suffering from lack of work or from lack of skills the opportunity to get relevant training and relevant experience for the lasting, meaningful employment they must have.

As a Government, we value the opinion of all Canadians. My colleagues have already made reference to the Forget Commission and to the intensive discussions and dialogue with Canadians as part of the thorough review of the UI program. Similarly, in developing the Canadian Jobs Strategy, we consulted with hundreds upon hundreds of individuals and groups across the country. We valued the opinion of the unemployed young person in Cape Breton. We valued the opinion of the older miner who was laid off because of a mine closure in northern Ontario. We valued the opinion of the older woman in Saskatchewan who wanted to re-enter the labour market after many years as a home-maker.

The Canadian Jobs Strategy ensures that federal resources are used effectively to bring direct assistance to those most in need. Many Canadians face severe disadvantages in the labour market or are more severely affected by changing technology and economic conditions. These include the growing number of women re-entering the labour market, the long-term unemployed, workers needing skills training to avoid lay-offs or job displacement, and workers in communities suffering economic decline who need new opportunities for long-term employment. All these groups include older workers to a large extent.

Job training, job creation and economic development are linked to provide these Canadians with valuable skills, practical work experience and meaningful employment opportunities. The re-entry option under the Job Entry Program is helping many older women who have been out of the labour force for at least three years and may require career counselling and instruction in job search techniques or skills upgrading due to new technology in the workplace to re-enter the workforce.

In Kamloops, British Columbia, under the re-entry option 15 workers are receiving class-room training and practical work experience over a period of 34 weeks, to prepare them for work in the automated business office. Of these, six are over 45 years of age.

In metropolitan Vancouver, 50 workers are being trained in management skills for business including computer applications, supervision and management skills, and computer literacy for 31 weeks. Of these 50 workers, 16 are over 45 years of age.

The Canadian Jobs Strategy is also assisting many older workers under the Job Development Program. Frequently, older workers are eligible for the Job Development Program because they have been out of work for 24 weeks of the past 30 weeks. In Quebec, a non-profit agency is giving 42 forestry workers an opportunity to develop specialized skills to improve their ability to adapt to changes in their industry.

Older workers are also finding assistance under the Skill Investmnet Program. This program is the first one to help employed older workers to plan for change in advance. They can train for the future before their existing skills become obsolete. For older workers it is a chance to get the skills they need for continuing employment. For employers it is a practical way to avoid laying off adaptable, capable older employees during times of change.

This is not the only way employers and employees can benefit from skills training under the Canadian Jobs Strategy. The Skill Shortages Program provides much needed financial assistance for employers who must train workers in skills in short supply and high demand.

● (1230)

In Newfoundland, a company seeking to stay competitive in a changing market is modernizing its plant by installing a beam line conveyor system, a system which will help the company increase its productivity and throughput of structural steel. For this piece of technology to operate effectively, it is necessary for a number of employees to have developed skills as both fitters and welders. The Skill Shortages Program is assisting in this effort by providing training which will eventually permit eight employees to become certified welders. Two of these trainees were chosen from among the senior fitters in the company. They had 26 and 13 years of experience respectively, and despite the fact they were not the younger employees of this company they accepted the challenge with enthusiasm and dedication.

The Community Futures Program will also benefit many older workers in communities across Canada experiencing economic decline, chronic unemployment, plant closures, massive lay-offs or the disappearance of single industries.

These are some of the examples of what we have done for older workers. We have remained consistent with the basic principles of UI while introducing innovative programs to help older Canadians who are looking for work. We must continue to help individual Canadians adapt to a changing world while still providing assistance to those Canadians who need our help.

We are anxiously awaiting the recommendations of the Forget Commission so that UI can be more effective, Mr. Speaker.

Mr. Deans: Mr. Speaker, my question is relatively simple. I listened with great interest to the Member. I know he is a person who shows considerable compassion to others in the country. If I am quoting him correctly, and I hope I am because I tried to write down what he said accurately, he said that unemployment insurance is by definition an insurance program based on earnings available to those who have attachment to the labour force. He may want to correct a word or two but I think that is what the Hon. Member meant.

I would, therefore, draw from that the following. First, to determine eligibility you would have to pay into and have an attachment to the labour force. Second, in order to be eligible for benefit you would pay the appropriate premiums out of your earnings. Third, having met those two eligibility requirements you would be able to claim benefit.

With that in mind, let me ask the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner) whether he thinks it fair that a person who has retired from the Armed Forces and who is, therefore, in receipt of a pension, but who may be in his or her early 50s because of the arrangements that exist in that particular line of work, should be rendered ineligible to receive sick benefits under the unemployment insurance plan, notwithstanding the fact that the person is employed, notwithstanding the fact that the person paid premiums and notwithstanding the fact that the person will suffer immeasurably as a result of the Government's action which would deny the person the benefits available to all others in this society?

Mr. Weiner: Mr. Speaker, I have had the honour and pleasure of spending the last few months listening to what ordinary Canadians have to say about the whole issue of

whether pension income should be considered as earnings in considering the UI benefits.

Mr. Deans: Particularly sick benefits.

Mr. Weiner: In all of these consultations, what I have said, in fairness, is that I understood their plight and I think I will be able to represent it very fairly at the appropriate time.

At the moment we have a Commission of Inquiry. Maybe it should have had its report ready by now, so perhaps this whole discussion would have been academic, but the Commission will be reporting by the end of the summer. I am hopeful that when the whole review of the system is put into place there will be an excellent opportunity at that time for me to raise the concerns of my constituents, and the concerns of the people to whom I have listened on open line shows.

The Member is correct in saying that I am a man of great sympathy, understanding and feeling for people. I have lived and worked in the community side by side with them and I have assured them that at the right time their concerns will be raised in a fair and honourable manner.

Mr. Allmand: Mr. Speaker, does the Parliamentary Secretary think the following example is fair? Worker "A" owns a triplex or a small apartment building from which he collects rent and clears about $500 a month. He is laid off. He is about 50 years old. He is still ready and available for work but he collects his full unemployment insurance despite the fact that he collects about $500 in rent. Worker "B" who worked for Northern Telecom is laid off. He is given an early retirement pension of $500 a month. His unemployment insurance is cut back because the income to him is in a pension—

Mr. Weiner: He is laid off?

Mr. Allmand: Yes, very often he is laid off.

Mr. Weiner: And 64 years old?

Mr. Allmand: He is 50 years old.

Miss Nicholson: Listen before you interrupt.

Mr. Allmand: He is given an early retirement pension on the lay-off. His unemployment insurance is cut back. The other fellow is laid off. Because he gets his income from rent, he is not cut off from benefit. Does the Hon. Member think that is fair?

Mr. Weiner: Mr. Speaker, I could easily ask whether the Hon. Member thinks this is fair. My father spent his entire life as a watch-maker. He was not allowed to contribute to the unemployment insurance scheme. He was a small businessman.

Mr. Allmand: That is not the question.

Mr. Weiner: The weeks when there was no money to take home were pretty dry weeks. There are things we have to look at through the entire system. When we are so close to receiving a complete and exhaustive report from a commission that crossed this country and met many Canadians from all walks of life, let us wait. Let us not allow this uproar to do something that may be piecemeal. We will have a wonderful opportunity to put into place something that will be fair and honourable for all Canadians.

[*Translation*]

Mr. Desrosiers: Mr. Speaker, my hon. friend referred earlier to the Forget Commission's role and terms of reference, and I am a little concerned because I heard no word about fraud. You know there is now evidence that Canada taxpayers are being robbed of more than $3 billion a year through the Unemployment Insurance Fund. I wonder if my hon. friend could inform the House whether this is going to be mentioned in the Forget Commission's report. Are we going to be told about all the scheming that goes on at various levels to defraud the Unemployment Insurance Fund? What does the Forget Commission . . . Are they going to report on the $3 billion the Government is losing each year? I heard no reference to this in your statement, and I think I would like some clarification.

Mr. Weiner: Mr. Speaker, I want to thank the Hon. Member for his question. The terms of reference—and I can assure you they are quite clear on this—that we gave . . . we have given the Forget Commission of Inquiry the right to travel across the country and investigate all aspects of the program. When the report is submitted to the Minister, I am sure we will have an opportunity at that time to analyze all these aspects together and also to set up a system that will have tighter controls. I don't want to anticipate what is going to happen or the discussions that may follow, but I just want to repeat that we will soon have a chance . . . the report will be something we have been waiting for for a long time—maybe ten years—and I think it will now be a matter of just a few more months.

[*English*]

Mr. Henderson: Mr. Speaker, I want to make a comment or two and then I will have a question for the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner).

I think the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) posed a good question when he brought up the example of Worker "A" and worker "B" and the real problems with this unemployment insurance regulation which the Minister has just brought forward.

I happen to represent an area where there are not many jobs. We do not have too many signs of all those jobs that are supposed to have been created, according to government officials. The unemployment rate in my area is going the other way. Even in good times agriculture, the fisheries, and tourism are the main industries in the Province of Prince Edward Island, and those are the main areas in which jobs are created, but they are seasonal.

● (1240)

Canadian Forces Base Summerside was established on Prince Edward Island and there are many Armed Forces personnel there who are forced to retire. We must realize that Armed Forces personnel are forced to retire at a certain age in most categories. They have also been forced to pay into the unemployment insurance system. Premiums are deducted at source. Many of them whom I have talked to have told me that their pensions are between $11,000 and $12,000 a year. I have talked to members who are 50 years of age. Their families are at most critical point inasmuch as their children are in university. If that person gets a part-time seasonal job in that area he will earn approximately $6,000 which, added to the $12,000 pension, amounts to $18,000 a year. That is his total income.

In many cases the only opportunity members of the Armed Forces have to buy a permanent home is when they retire. The Armed Forces, being what it is, requires people to be posted in different parts of the country and the world. They buy their homes in the last three or four years of service, knowing that they will be forced to retire, so they still have mortgages upon retirement. They have children in university and are not able to make ends meet. They rely on unemployment insurance for part of their income. The additional money they can make at part-time jobs is not sufficient for their survival. I think this is very unfair. Does the Parliamentary Secretary believe that it is fair for the Government to insist that these people contribute to the unemployment insurance fund and not allow them to collect at any time?

Mr. Weiner: Mr. Speaker, I want to thank the Hon. Member for bringing forth an issue with which he and many Members on all sides of the House are concerned. We are still focusing on process rather than results. We want results. We are talking about the overhaul of an entire system. This will be accomplished very soon and there is no point in trying to justify or find ways to exclude or include certain groups. Give us an opportunity to hear what the commissioners have to say. They have had a chance to speak to Canadians and will certainly be raising this issue. At the appropriate time we will ensure that that concern is raised at the right level.

Mr. Henderson: Do I understand correctly from the Parliamentary Secretary that if the Forget Commission recommends to the Government that this measure should not have been enacted retroactively, all the people who have had their unemployment insurance premiums reduced, or are not receiving them at all, will be paid back retroactively by the Government?

Mr. Weiner: Before going much further we must recognize that universal payment of premiums has been a basic principle of unemployment insurance. What I as a Member or Parliamentary Secretary would recommend, based on a recommendation of the Forget Commission, may be different than what the Minister would recommend. However, knowing her strong concern for the fair treatment of employees in all parts of the country, I know she will weigh very heavily the findings of the Forget Commission and bring those findings to her Cabinet colleagues for consideration.

Mr. Crosby: Mr. Speaker, I, along with many of my colleagues in the House of Commons and elsewhere, have the greatest sympathy for early retirees who are forced from their employment and must accept a small pension insufficient to provide for their needs and, therefore, must rely upon unemployment insurance. As I understand the motion, it requires the repeal of the changes made effective initially in November of 1984, and subsequently delayed until January 1 of 1986.

If we pass this amendment and those changes are repealed, will people in higher income brackets then be eligible for unemployment insurance? I have great sympathy for a corporal who retires from the Armed Forces at age 45 and needs that unemployment insurance benefit. However, I say with no apology that I have no sympathy for a general who retires at an income of $60,000 or $70,000.

If Pierre Elliot Trudeau, who receives a pension in excess of $70,000 a year from the people of Canada, were to lose his job at the law firm in Montreal and apply for unemployment insurance, would he receive unemployment insurance from the system because of the repeal of these provisions? I do not mind paying unemployment insurance to a corporal, but I do not want to provide public funds to a general. The Unemployment Insurance Commission has a deficit of over $4 billion. Is the Member asking us to help the general?

Mr. Weiner: Mr. Speaker, this is precisely the difficulty which we are in right now. If we try to make any changes piece-meal, we will favour a whole group of people.

Mr. Allmand: That is what you are doing.

Mr. Weiner: In an editorial in the London *Free Press* it is stated that in recent years millions of dollars of UI benefits have gone to employees who have taken early retirement within two or three years of age 65 and then applied for unemployment assistance, although they have no intention of seeking a new job. We must reflect on a system which will look at the entire operation fairly.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I hate to raise it, but in his previous intervention the speaker failed to recognize that there is only one general and thousands of corporals, most of whom vote in the Member's riding of Halifax West.

The Acting Speaker (Mr. Paproski): I do not think I will reflect on the Hon. Member's point of order.

Mr. Neil Young (Beaches): Mr. Speaker, I appreciate the opportunity given to us by the Hon. Member for Nickel Belt (Mr. Rodriguez) through his motion, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans). I have listened carefully to the debate which has taken place this morning. I

think it would be worthwhile to read the motion to the House again because there seems to be some confusion in the debate as to what the motion actually asks for. The motion reads:

That this House recognizes the unnecessary hardship inflicted on older Canadian workers by the changes to the Unemployment Insurance Act which cause pension benefits to be considered earned income for unemployment insurance purposes, and since votes on opposition motions are no longer considered a question of confidence in the Government, therefore urges the Government to repeal those changes immediately.

I think this is a reasonable motion which is obviously well thought out. It is moved in the spirit of what is right and fair with regard to unemployment insurance premiums. It is also moved in the spirit of the new parliamentary reform of which every Member of the House is supportive. It gives Members on the Government side an opportunity to vote, based on the needs of their own constituents, without threatening the Government with defeat. It allows individual Members of Parliament to represent the interests of their own constituents.

● (1250)

As has already been pointed out, I and other Members have received numerous petitions from our constituents. There is a deep concern about what the Government has done to the Unemployment Insurance Act. It behooves all of us to express those concerns in a very clear way. The Government has indicated it does not feel that strongly about the measure. If the Forget Commission recommends that this measure be reversed, then the Government has indicated a willingness to do so. In fact, two Ministers of the Crown have made special pleas to the Minister to not proceed with this change in regulations. So there is a broad base of support for what this motion expresses.

Before I go on to some other remarks I feel I have to comment on two or three of the interventions that were made following the Parliamentary Secretary's remarks. I may be wrong in what I heard, but I understood one Member to ask the Parliamentary Secretary a question concerning massive abuse of unemployment insurance. Apparently there are all kinds of people making fraudulent claims against unemployment insurance. Is the Government looking into that? I have had an opportunity over the years to look into this matter, and if there is an update on the data I would be pleased to hear it. It is my information that of all claims filed for unemployment insurance less than one-half of 1 per cent are considered to be fraudulent. People apply for unemployment insurance because they need financial support while they are unemployed. They do it honestly and forthrightly. If I am correct in my understanding of what that particular Member asked, that is totally unfair based on the facts as I know and understand them to be.

If you look at the insurance industry as a whole, whether it be car insurance, home insurance, fire insurance or any other kind of insurance, if they had a fraudulent rate nearly as good as one-half of 1 per cent, it would be outstanding. The unemployment insurance fund is well-controlled and well-policed. Sometimes it is policed too harshly. When the UIC throws a wide net to try and identify fraudulent users, very often many innocent claimants are caught up and quite unfairly denied benefits.

To get back to the motion itself, the reason the Hon. Member for Nickel Belt and his colleagues in the NDP felt it was important to have this subject debated in the House was specifically because the Government did not make this change in that way. It was done by Order in Council. Members from all sides were not given an opportunity to debate what the Government did at the beginning of this year. We have not had a chance to vote on this measure. The unemployed were never asked whether they thought this was a good or bad idea. They have since expressed their opinion through petitions to Parliament; they do not like it. This is true of not only unemployed workers but also people who are working and who may face unemployment some day. They view it as a bad thing and for a very good reason.

Many of the people who are signing these petitions have worked hard all their life. Many of them have been in the workforce for 30-odd years. They paid unemployment insurance premiums in the expectation that if they ever did become unemployed they would receive some income. They had expectations and those expectations are being denied to them by what this Government is now doing. It is changing the rules in midstream and that is what strikes people as being totally unfair. It is not only inequitable, it is totally unfair.

The Government keeps telling us that it is taking a new approach, there is a process of consultation where there never was before. If that is the case, why were the unemployed not consulted? Why was Parliament not consulted? So far as we know there was absolutely no consultation, unless it was with the business community. It certainly was not with the ordinary Canadian. That is why we have this motion before us. Since that consultation did not take place we want to air the matter now in a very public way. We think there is broad general support for this motion in the country. Conservative Members who do not support the motion are going to hear very loudly and clearly from their constituents.

I recall the debate which took place on the Government's plan to deindex Old Age Security payments. The Government told us that there was broad general support from seniors for this program. After those statements were made I watched with great interest who the Minister of Finance (Mr. Wilson) was talking to. He did not talk to senior citizens. Even when senior citizens came to Parliament he did not speak to them about the impact that measure would have on them. Every time I observed the Minister he was in New York talking to U.S. businessmen, in Montreal talking to Canadian businessmen, or in Toronto talking to financiers. He never spoke to senior citizens or future senior citizens about what he was trying to do to their pension income. However, once the seniors caught on to what the Minister was about to do they consulted among themselves and voiced their concerns in a very concerted way. The Minister saw the justness of their arguments and reversed himself. That is all this motion is asking for. It asks the Minister of Employment and Immigration (Miss MacDonald) to come to her senses, do the right thing by the

unemployed and reverse the decision she made on January 1 of this year.

I see it is one o'clock, Mr. Speaker. With your permission, may I call it one o'clock?

The Acting Speaker (Mr. Paproski): Yes, you may. The Hon. Member for Beaches (Mr. Young) will have seven minutes left and a 10-minute question and comment period when we resume debate. It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Speaker: I am aware of an understanding and I take it there is a desire to make some special statements. The rest of Question Period, including the statement period, will be commenced at the end of this special statement.

* * *

[*Translation*]

THE LATE HON. HENRI COURTEMANCHE

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this morning I heard the sad news of the passing away of the Hon. Henri Courtemanche, lawyer and former politician. He became a Member of this House in 1949 and Secretary of State in 1958, under the Government of the Right Hon. John Diefenbaker.

[*English*]

After his service in this Chamber Henri Courtemanche served with distinction in the other place as a Member of the Senate of Canada.

[*Translation*]

Henri Courtemanche was a man who worked very hard for his country and who was known to all as intent on pursuing the goals he set for himself.

On behalf of the Government, I wish to express our sincere condolences to his immediate family and to all his friends.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, although I did not have the pleasure of knowing Mr. Courtemanche personally, I certainly read in the media about his work as a Quebec Member of this House, and I wish to endorse what was said by the Secretary of State for External Affairs (Mr. Clark).

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would also like to join the Secretary of State for External Affairs (Mr. Clark) on behalf of my colleagues in this Party in recognizing the passing of Henri Courtemanche. He served both the Government and the Parliament of Canada during his time as a member of the Cabinet of the late John Diefenbaker, and also as a Deputy Speaker. In both capacities he was able to influence the course of the events of the country. I am pleased to join with the Government in mourning his passing.

[*Translation*]

Mr. Barry Moore (Pontiac-Gatineau-Labelle): Mr. Speaker, I want to take this opportunity to pay tribute to the Hon. Henri Courtemanche, a great Canadian from my riding who died last night at the age of 68.

Mr. Courtemanche was a lawyer and a member of the Quebec Bar. He was elected for the first time as a Member of the House of Commons in 1949, and re-elected in 1957. He was appointed Deputy Speaker of the House in 1957, and became a member of the Privy Council and Secretary of State in 1958. He was a member of the Senate from 1960 to 1961.

Henri Courtemanche was a man who performed his duties with integrity and dedication. As a Member, he always represented his constituents to the best of his ability. He worked very hard for the benefit of all Canadians, and he continued to serve his fellow citizens after his return to the private sector.

On behalf of my constituents in Pontiac-Gatineau-Labelle, I want to offer my sincere condolences to the bereaved family.

[*English*]

Mr. Speaker: I suspect that the House would like to show its respect and sympathy to the family in the usual way.

[*Whereupon the House stood in silence.*]

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

TRADE

TAX TREATMENT OF KOREAN STEEL

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to draw the attention of the House to an issue affecting hundreds of western Canada workers, and to this telegram I received:

● (1405)

[*English*]

Despite various requests Mr. Wilson's Budget did not contain a measure depriving Korea of the reduced tariffs on steel afforded them under the general preferential tariff. No other major industrial country gives Korea special treatment on steel because they recognize that Korea has the most modern steel industry in the world. Because of their proximity to the West Coast, IPSCO

plants in Port Moody, B.C., Edmonton, Red Deer, Brooks and Calgary, Alberta and Regina, Saskatchewan are particularly vulnerable. IPSCO employment today is 1,400 compared to 2,200 in 1981.

We respectfully request you amend the ways and means motion on customs and tariffs to withdraw the general preferential tariff privileges from Korean steel and steel products—

It is signed by the president—

Mr. Speaker: Order, please. Sixty seconds.

* * *

CULTURAL AFFAIRS

LEVEL OF GOVERNMENT FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, a year ago today the arts community marched on Ottawa to protest cut-backs in spending stemming from the Government's first economic statement. As a result of that and other protests across the country, the Government learned to listen. It has even responded by the appointment of numerous task forces to investigate various aspects of the arts, such as broadcasting, film distribution, museum and arts funding.

However, concrete support for the arts community is still inadequate, and the election promises made to it of increases at least to cover increases in the cost of living have not been respected. What the Government calls an increase in the Budget fails to replace the money cut back last year. Further, there has been interference by the Minister in the management of the supposedly independent agencies.

Policies announced by the Government such as those related to the publishing industry are ignored when actual decisions must be made, most notably in the takeover of Prentice-Hall.

It is time for the arts community to come back to the Hill to restate the case that the vital contribution it makes to Canada needs and deserves our full support.

* * *

AGRICULTURE

IMPACT OF TECHNOLOGICAL ADVANCES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, biotechnology and genetic engineering will, without a doubt, make food production much more efficient in the years to come.

Technological advances will likely change the pattern of agriculture as much in the next 25 years as was the case in the previous 75.

A recent United States study by the Congressional Office of Technology Assessment predicts that only 50 per cent of that country's farmers will still be in business by the turn of the century. Large farms, in proportion, will be able to adapt to a much greater degree than smaller ones.

If we are to stay competitive, and if our remaining farmers are to enjoy a high standard of living, then Canadian long-term agricultural policy has to encourage the adoption of the new techniques and the changes of scale they necessitate.

* * *

WHEN IT'S SPRINGTIME IN NANAIMO

A PRESENT OF DAFFODILS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, today is the first official day of spring. In Nanaimo-Alberni it is sunny and 17 degrees. In Ottawa it is minus 10 degrees, with a wind chill factor reaching minus 40 degrees.

In British Columbia the grass is green and the flowers bloom. On Parliament Hill the only crocus in bloom, by the East Block, is a direct result of nearby underground heating pipes.

Not that we want to rub it in, but today all Members of Parliament have been presented with a daffodil, compliments of CKNW radio in Vancouver. In this instance CKNW stands for "Canadians know nice weather".

Our Prime Minister (Mr. Mulroney) has been presented with a bouquet of daffodils because the first day of spring is also his birthday.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: We, from the Canadian paradise we call British Columbia, wish the House the very best this spring—whenever it arrives in Ottawa.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

NUMBER OF CLAIMANTS IN NEWFOUNDLAND

Mr. George Baker (Gander-Twillingate): Mr. Speaker, with the federal Government claiming that it has created 8,000 jobs in Newfoundland in the past year, and the provincial Government claiming that it has created 7,000 jobs in Newfoundland in the past year, I did some checking this morning and discovered that the only record set in the past year is that, for the first time in Newfoundland's history, over 100,000 people are now registered as unemployment insurance claimants. That is over 100,000 people out of a total workforce of 224,000. So Newfoundlanders are asking what is going on.

* * *

• (1410)

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, our Prime Minister (Mr. Mulroney) has been conned, and conned

badly, or he is trying to con the Canadian people himself. I am not sure which I prefer to be true. In any event the Prime Minister has done serious damage to the future of Canada and its environment by pretending that he has gained something from President Reagan when anyone who knows anything knows he has not.

Why this persistence of style over substance, of rhetoric over reality, of pomposity over progress? The Prime Minister has seriously undermined the real friends Canadians have in Congress by appearing to be satisfied, indeed orgasmic, about nothing, thus making it difficult for those who are trying to get an actual reduction of acid rain.

Instead of undermining our friends in Congress, the Prime Minister should have had the guts to tell his phony friend in the White House that five years of uncertain funds for research are not a substitute for the action which is possible now—

Mr. Speaker: Order.

* * *

NORTH AMERICAN AIR DEFENCE COMMAND

RENEWAL OF CANADA-UNITED STATES AGREEMENT

Mr. John Reimer (Kitchener): Mr. Speaker, the NORAD and acid rain agreements signed yesterday in Washington by the Prime Minister (Mr. Mulroney) and President Reagan are a source of real pride for all Canadians. NORAD and NATO are two key alliances within which Canada participates to help maintain world peace. The five-year renewal of the NORAD agreement is the decision of two autonomous nations to work in close co-operation to protect their sovereignty from the threat of airplane and Cruise missile attacks from the north.

By way of observation, yesterday's CBC *Journal* program was entirely devoted to an examination of the arms negotiation process. While this is a very important topic and an excellent program, it is lamentable that this program was not deferred to another evening. Canadians then would have been made more aware of the very significant events which were taking place in Washington.

* * *

[*Translation*]

ACID RAIN

STATEMENT BY UNITED STATES PRESIDENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, as Member of Parliament for the constituency of Témiscamingue, the region of Quebec most severely affected by acid rain, I must voice my enthusiasm over the American President's statement in full support of the Davis-Lewis report recommendations.

Of course, Mr. Speaker, firmer financial and chronological commitments will have to be made later on, but the fact remains that an important step was taken yesterday in the fight against acid rain. President Reagan has acknowledged for the first time that acid rain is our common problem and that the United States are partly responsible for environmental damage in our country.

Mr. Speaker, I am proud of the action taken by our Government in this field, and particularly of the leadership of our Prime Minister whose tenacity and determination were instrumental in convincing the President of the United States that it was important and urgent to do something. In 18 months in office, our Government has accomplished more in the fight against acid rain than the Liberals—

Mr. Speaker: Order, please, the 60 seconds have expired.

* * *

[*English*]

ENERGY

PRICE OF GASOLINE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, today Peter Booth, the owner of a Petro-Canada station in my riding, is selling regular leaded gas for 46.1 cent a litre, a decrease of only 10 per cent, while the price for world crude has fallen by 50 per cent. There are some indications that competition has been severely curtailed since Petro-Canada's acquisition of Gulf's retail stations in Ontario and the west.

I still agree with the public policy objectives of Petro-Canada which were announced in 1974, which were to provide leadership in frontier exploration and development with at least 50 per cent Canadian ownership. We must achieve energy self-sufficiency so that we are not held to ransom as we were in 1974. However, I do not agree that the Government should be in the downstream retail gas station business. I urge my Government to take steps to ensure that Canadians will pay the lowest possible prices at the pumps, and to deal harshly with any companies dealing in price fixing schemes.

* * *

THE DISABLED AND THE HANDICAPPED

WORLD TOUR BY WHEELCHAIR ATHLETE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, March 21 is a very important day in the life of wheelchair athlete Rich Hansen, marking for him one full year on the road. Since March of last year Rick has travelled more than 13,000 miles, and has 11,000 miles farther to go in his quest to travel the world on his Man-in-Motion tour.

• (1415)

While he is raising money for spinal-cord research, he is also breaking down the barriers, both physical and mental, faced

by the disabled throughout the world. So far Rick has visited 30 countries, with three more to go in the coming months. But nowhere on his journey did his heart cry out more for home than in Jerusalem at the sight of the Terry Fox Memorial Park.

Rick will soon be visiting China where he will be greeted in Beijing by the son of Chinese leader Den Xiaoping, who is also in a wheelchair. In the fall Rick returns to Canada for the final leg of his tour. I call on all Canadians to be ready to open their hearts to this brave and distinguished hero who has done so much to forward the cause of the disabled everywhere in the world.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—ACCEPTANCE OF ENVOYS' REPORT BY UNITED STATES PRESIDENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it was not easy, but thanks to our Prime Minister (Mr. Mulroney) President Reagan has finally acknowledged acid rain as a serious transboundary problem. He has accepted the envoys' report and has pledged to kick off a $5-billion program over five years to tackle harmful long-range emissions. This is the same President who refused to recognize acid rain as a problem just last year. He has finally come onside.

The Prime Minister would have gained nothing by employing a wild-eyed gun-slinger approach with the President. It has long been said that an ounce of honey is worth a gallon of gall.

The federal Special Committee on Acid Rain can use the President's commitment to suggest a timetable to our counterparts in the U.S. where Bills are now being drafted favouring emission reductions of 10 million tons per year.

The Prime Minister has put us back on the road to environmental renewal.

* * *

ENERGY

REPORTED OFFER TO REDUCE OIL PRODUCTION IN ALBERTA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I note that the Conservatives' belief in the free market system in oil is beginning to unravel, as the free market system is no longer providing the petroleum industry with the high prices the industry had hoped to obtain.

The Premier of Alberta is apparently willing to join with the largest cartel in the world and cut production of oil in Alberta. He has agreed to go along with the world price-fixers, the apostles of non-competition in the world market—some free market! I also find it disturbing that Canada should join OPEC without discussion with and agreement from the federal Government.

There is an alternative. It involves helping the small producers in Alberta by setting a made-in-Canada oil policy, with negotiated floors and ceilings with respect to price. In this way we can protect both the consumer and the small Canadian producer. In my view cutting oil production does not necessarily help the small Alberta producers.

* * *

[*Translation*]

ACID RAIN

POSITION OF UNITED STATES GOVERNMENT

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, today I would like to focus particular attention on the major agreement on acid rain that was concluded yesterday by the President of the United States and our Prime Minister.

For the first time, the U.S. President has recognized the problem of acid rain and its disastrous effects on our environment. We should welcome this agreement with relief and look forward to an unqualified commitment from the U.S. Congress to release the funds required to reduce acid rain. This agreement between our two governments should have a number of positive repercussions.

I am thinking of a region like Saguenay-Lac-Saint-Jean, where economic activity is very much dependent on our forests, and I am thinking of our pulp and paper industry, and the importance of the sports fishing sector, now that aquatic life is threatened in hundreds of lakes in my region.

We have the Prime Minister to thank for this agreement, and he is certainly the one who brought about this change in attitude within the U.S. Administration. It shows the difference between Conservative co-operation and Liberal confrontation tactics.

* * *

[*English*]

SOCIAL AFFAIRS

PLIGHT OF THE POOR

Mr. Sergio Marchi (York West): Mr. Speaker, the Prime Minister (Mr. Mulroney) likes to portray himself as being concerned about the disadvantaged in Canada. In the recent *Maclean's*-Decima survey, however, only 12 per cent of respondents perceived the Prime Minister as a champion of the poor. In fact 31 per cent said he is worse than any other Prime Minister.

His own pollster said it was the first time in six years of polling that "class-based" attitudes have emerged in Canadian public opinion. Indeed, 40 per cent of those in the low-income brackets said they felt the economy was not recovering.

In Metro Toronto alone, according to the Community Information Centre, the number of poor and needy is reaching

"crisis proportions". It received 97,000 calls in 1985, with requests for food, clothing, and financial assistance. The number of calls for financial help went up by almost 50 per cent, as did the number of food banks. Unfortunately the February Budget, rather than addressing this phenomenon, only fueled the gulf of disparity which is growing across the land under this Conservative regime. That is most regrettable.

* * *

● (1420)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM ARGENTINA

Mr. Speaker: May I draw to the attention of Hon. Members the presence in our gallery today of a delegation of Senators and Members of the House of Representatives from Argentina, led by Senator Oraldo Britos and Representative Ricardo Terrile.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would have liked to have been able to congratulate the Prime Minister—

Mr. Blackburn (Brant): On what?

Mr. Turner (Vancouver Quadra): On his birthday.

An Hon. Member: He took the day off.

Mr. Turner (Vancouver Quadra): For the second year in a row he has deprived us of that opportunity.

The Hon. Member for Oshawa and I are wearing spring flowers. It is coming up spring in the Ottawa Valley, but who would know it? Tomorrow is his birthday, and I want to wish him the best on behalf of the House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In the absence of the Prime Minister I direct my question to the Secretary of State for External Affairs. It concerns the subject of the Prime Minister's recent exercise in cosmetic diplomacy in Washington. Apparently the greatest achievement the Prime Minister claims is that he persuaded the President of the United States to recognize that a fact is a fact, namely, that acid rain is an environmental killer, that it is poisoning North American lakes and rivers, that it is wrecking our drinking water, and that it is destroying our farms. Would the Secretary of State consider this to be anything more than a hollow victory, a victory surrounded by rhetoric, but short and empty of any concrete action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I regard the accomplishments by the Prime Minister of Canada in the meeting with President Reagan in the last two days to be a very significant step forward on a number of fronts including, most important, the question of action with regard to acid rain. It is most important because the United States administration had the most distance to come.

As the Minister of the Environment said yesterday, it is only a first step. It is a step which was not capable of being accomplished by former Governments of Canada. It has been accomplished by the Prime Minister and this Government. We all looked forward to co-operation across the House, across the continent, and across federal-provincial relations to ensure that we continue to make progress against the enemy of acid rain.

OUTCOME OF DISCUSSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have to concede that that was a brave try in the circumstances. The Secretary of State for External Affairs knows, or he must have read about it, that there is no commitment to any real action, there is no commitment to money unless American industry acts first, there is no timetable, and there is no schedule. Will the Secretary of State acknowledge that what the President of the United States has acknowledged, at the expense of his own environment and of our environment is a five-year delay or a five-year moratorium—no action at all—postponing the problem into the future, while our rivers, lakes, and forests continue to be poisoned?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not for the first time the Right Hon. Leader of the Opposition is out of date. There was a long delay in action on acid rain; that was when the Liberal Party was in government in Canada.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): There is no need to rely upon the opinion of the Leader of the Opposition. Let me quote from the headline in *The Baltimore Sun*—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): How long did it take you to find a good one?

Ms. Copps: What about quoting one from Missouri?

Mr. Clark (Yellowhead): I could quote from newspapers in Philadelphia, Washington, and New York. The point is that the Leader of the Opposition is suggesting that there has been no movement by United States authorities. That is not the view of observers in the United States. I quote only *The Baltimore Sun* and its headline: "U.S. Bows to Pressure by Canada, Agrees to Fight Acid Rain"—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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

• (1425)

Mr. Turner (Vancouver Quadra): I wish, Mr. Speaker, that the Right Hon. Member had quoted *The High River Gazette*. It would have carried more authority with this House.

Mr. Clark (Yellowhead): Wrong again.

[*Translation*]

MANNER IN WHICH GOVERNMENT INTENDS TO PROTECT NORTH AMERICAN ENVIRONMENT

Right Hon. John N. Turner (Leader of the Opposition): Last year, Mr. Speaker, a one-year moratorium was put on concrete measures against acid rain. This time, however, after the talks with the President of the United States—

Mr. Speaker: Order! Order, please. The Hon. Member will please ask his question.

Mr. Turner (Vancouver Quadra): This time, instead of a one-year moratorium, the President managed to obtain a five-year postponement.

Could the Minister explain to Canadian men and women how this Government intends to protect the North American environment with negotiations and results like these?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as far as *The High River Times* is concerned, I will quote from it tomorrow.

Regarding the agreement in Washington, for the first time in the history of our two countries, the U.S. Government has shown its determination and has agreed to fight acid rain. This is thanks to the leadership and determination shown by the Prime Minister of Canada.

This is a real achievement for Canada, and I hope that for once the Opposition will concede that something was accomplished by Canada outside its borders.

[*English*]

ANNOUNCEMENT MADE BY UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the Minister of the Environment. President Reagan, when he addressed this House of Parliament on March 11, 1981, said:

> We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

Would the Minister explain to us and to the country why yesterday's announcement is such a significant shift in policy? Would he explain that to us, Mr. Speaker?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, for the first time in the presidency of the incumbent, the President of the United States—

Mr. Caccia: He was already President.

Mr. McMillan: —has recognized the seriousness of acid rain.

Mr. Blaikie: That is more accurate than Joe.

Mr. McMillan: The President has recognized that acid rain is serious, not only in Canada but also in the United States. He has recognized that it is serious in both countries because of its transboundary nature.

The President has established mechanisms to ensure that the issue will be resolved and will not go away until it has been resolved. He has committed hundreds of millions of dollars for that purpose, and that progress is light years away from the case of the United States President when the Liberal Party was in government for 25 years.

RESULT OF ANNOUNCEMENT

Hon. Chas L. Caccia (Davenport): Mr. Speaker, is it not true that, as a result of yesterday's endorsement, not one ounce of SO_2 emissions will be reduced as far as Canada is concerned?

Hon. Tom McMillan (Minister of the Environment): No, Mr. Speaker. The President of the United States has endorsed, without qualification, categorically, the full contents of the acid rain report tendered to the President of the United States and the Prime Minister of Canada in which, on page 30 appears this sentence:

> —although the primary purpose of this . . . program is to demonstrate the kinds of technologies that would be needed for any future acid rain control program, it should also result in . . . near term reductions in U.S. air emissions that affect Canadian ecosystems.

Read the report. It is there in black and white. The President of the United States has endorsed it 100 per cent.

Some Hon. Members: Hear, hear!

NATURE OF AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the same Minister, on the same subject, a day ahead of my birthday, and I hope he will give me a present in advance by answering the question.

The Minister said in December last with reference to the Davis-Lewis report, before it came out:

● (1430)

—if it (only) talks about research and modernization and technology, it will be transparently superficial.

Since what President Reagan has now agreed to is not a timetable for emission controls, but for research, modernization, and technology, why is this agreement anything other than transparently superficial?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the reason is that on page 4 of the envoys' report the two envoys have recommended processes to lead to "a bilateral accord which will jointly address a common problem in the best tradition of U.S.-Canadian environmental relations".

In Washington yesterday and the day before, the President of the United States committed himself to a process designed to lead to targets, schedules, and commitments of cash. That agreement is well beyond research.

1980 MEMORANDUM OF INTENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we now have a commitment to a process. That is wonderful. I will try to minimize my rhetoric if the Minister will do the same in replying.

In 1980 an agreement reached between President Carter and the then Prime Minister, Mr. Trudeau, committed the United States to the view that there was a common problem with acid rain and to future research to deal with the problem. Therefore, why is the Government of Canada now saying, because President Reagan has finally caught up with the position which President Carter took six years ago, that there has been an historic breakthrough?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if I stripped the Leader of the NDP of his rhetoric, he would have nothing to say.

Mr. Broadbent: You can do better than that.

Mr. McMillan: The memorandum of intent between Canada and the United States was signed in August of 1980. Most of the negotiations which led to that MOI were completed then by the present Minister of External Affairs in the Progressive Conservative Government, when he was Prime Minister.

Mr. Broadbent: So what?

Mr. McMillan: The memorandum of intent was not moved one inch thereafter. It was pious statement of intent. What we now have goes well beyond an expression of intent.

Mr. Nystrom: It's Pious II.

Mr. McMillan: We have a recognition of the problem and of the transboundary nature of it, a commitment to a process, and a further commitment of hundreds of millions of dollars of cash from the American Treasury for acid rain abatement. That is well beyond what was achieved in 1980.

Mr. Speaker: Order, please.

[*Translation*]

COMPENSATION OF MAPLE SYRUP PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question concerns the fact that as a result of the disastrous effects of U.S. acid rain on forests in Quebec, maple syrup producers are going to lose millions of dollars in income this year.

My question is quite simple: Who is going to pay for this loss of income?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, all of us in society will have to pay the cost of abatement, because we are all contributing, through our respective activities, to the problem.

Mr. Broadbent: Are the Americans going to pay their share?

Mr. McMillan: For 25 years the Liberal Party was in office, except for seven or eight months. During all of that time successive Liberal Prime Ministers would not raise the issue even in the House of Commons, let alone in Washington.

Some Hon. Members: Hear, hear!

SULPHUR EMISSIONS INQUIRY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is also for the Minister of the Environment. A spokesman for the Ontario Federation of Anglers and Hunters has called the Canada-U.S. acid rain deal a good PR campaign and a stall tactic. He said that we are no further ahead. Will the Minister not admit that specific targets for the reduction of sulphur emissions are significantly absent from the U.S. President's half-hearted and feeble commitment to the acid rain problem?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when the Government was elected in September, 1984, nothing had been done to push the acid rain issue even an inch during the quarter of a century that the Liberal Party was in power.

Mr. Gauthier: That's not true.

Mr. McMillan: When we took office in September of 1984 we started with a blank page as far as acid rain was concerned. The President of the United States was then attributing acid rain purely, or largely, to natural phenomena: volcanoes, trees, and even ducks. Within 18 months the Prime Minister of Canada, an Irishman from Baie Comeau, was able to do what

environmentalists and legislators on both sides of the border could not do, that is, convince Ronald Reagan that acid rain was serious. That is a major accomplishment.

Some Hon. Members: Hear, hear!

REACTION IN UNITED STATES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, is the Minister aware that Senator Max Baucus of Montana said that he is surprised that the President did not come up with more, and that the Prime Minister let him get away with it? Why doesn't the Minister stop puffing himself up and agree that what we got out of Washington on acid rain was precious little?

Some Hon. Members: Hear, hear!

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is adept at quoting selectively. Yesterday the Governor of New Hampshire, who has been a very outspoken critic of the President's record on acid rain, hailed the accord as a landmark achievement by the Prime Minister in his relations with the United States, as did the Governor of Wisconsin, and the Governor of Illinois. Those are only three powerful critics of the President on this issue who have declared yesterday's accomplishment a major one.

ONTARIO FISHING LODGES AND CAMPS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is also for the Minister of the Environment. Even though President Reagan has accepted the report, we will not have any significant reduction in acid rain for at least the five-year period of research. The Minister spoke earlier about the cost of abatement. I want to ask him about the cost of non-abatement and non-action.

What contingency plans does the Government have for the hundreds of fishing camps and lodges in Ontario which the envoy report itself predicted would have to be closed by the year 2000 if nothing happened? At least several hundreds of those will certainly have to be closed in the foreseeable future as a result of no action. What is the Government going to do for those people whose livelihoods will be destroyed by the lack of action on the part of the American Government?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the question is totally false. Everything is not going into a deep freeze for the next five years as a result of what was achieved at the summit yesterday and the day before. In fact, as I said yesterday in the House, and as the President himself acknowledged in Washington, this is not the end of the road but the beginning of it.

There is an agreement on the seriousness of the problem and on the transboundary nature of it. There is a commitment to a process which will ensure that this issue is not a one-summit wonder. The issue will not go away until it is resolved. We are committed to that exercise, and finally, as a result of the actions of the Prime Minister, the President of the United States is, as well.

FUTURE OF AFFECTED CANADIANS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Minister of the Environment says this is the first step on a long road. I agree that it is a long road. What is he going to do for the people whose livelihoods will be affected by what is going to happen in the next five years, rather than by what is going to happen at the end of the process which has been established now? What does the Government of Canada intend to do for the hundreds of thousands of Canadians whose economic base depends on the environment which acid rain is now eroding?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member asks what the Government of Canada is going to do. I will tell you what it has already done and what it is going to do. We have committed ourselves to an expenditure of $300 million, $150 million of which is directly related to acid rain abatement. We have signed agreements with seven provinces to reduce acid rain causing-emissions by 50 per cent by 1994, based on 1980 figures. We have introduced regulations which will slash, by one-half, allowable emission controls for motor vehicles. We are embarked upon a major program with the Heritage Foundation to address the—

Mr. Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

NICARAGUA—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Government is justifiably mortified by the results of the acid rain discussions, so I will move to another subject to get it off the hook for a moment.

Some Hon. Members: Oh, oh!

Mr. Johnston: Did the Prime Minister raise Canada's concerns with respect to the President's policy on Nicaragua, that is, more military aid for the Contras? Can the Secretary of State explain why he was not at that meeting to press that case on behalf of the Canadian Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister raised with the President, as I, the week before, had raised with Secretary of State Shultz, the difference in view between Canada and the United States of the nature of the problem in Central America and, consequently, the nature of the solution.

CANADIAN POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Well, would the Secretary of State tell us what the nature of the

solution was that was raised by the Prime Minister, and what the President said?

Right Hon. Joe Clark (Secretary of State for External Affairs): Well, Mr. Speaker, let me take this opportunity to congratulate the Hon. Member on his appointment as spokesman for his Party on external affairs. We will arrange for him briefings on matters relating to Central America and any other area where he has an obvious need for information.

● (1440)

Canada's position is that the basic problems in Central America are social and economic in origin. The solutions should be social and economic, not military. We have made that position clear on a number of occasions. We have backed up our views with action. There has been a tripling of development assistance by the Government of Canada for countries of Central America.

We have played a leading role in trying to make the Contadora process effective.

We have indicated our willingness to contribute to the solution of border disputes which might arise in that region.

That is Canada's position, and that is the position the Prime Minister outlined and which we intend to continue to follow.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT ON ATLANTIC REGION FISHERY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of the Environment. American acid rain has poisoned many of the water systems in eastern Canada. The special envoys' report indicates that 90,000 jobs are at risk in the Atlantic commercial fishery. Will the Minister tell this House who is going to pay for the loss of those 90,000 jobs? Is the Canadian taxpayer again going to pay for American poisoning of our water systems?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not know why the Hon. Member should think that Canadians enter this room with clean hands. We are responsible for 50 per cent of the acid rain-causing emissions which destroy Canadian fish, lakes, rivers, streams, and forests. We bear some responsibility. Because we do so, this Government has made agreements with the seven most offending provinces to slash acid rain-causing emissions by one-half by 1994, based on 1980 figures. That is a substantial Canadian achievement. It is a credit to Canada and greatly strengthens our moral authority in trying to get a corresponding arrangement out of the Americans.

FORECAST LOSS OF JOBS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, is the Minister aware that the acidity of Atlantic Canada water systems is up 12 times over the last 30 years? This is killing off the Atlantic salmon at an enormous rate and many, many jobs will be lost. Will he now tell this House who the hell is going to pay for the loss of those jobs?

Some Hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Hnatyshyn: That shows the lack of a vocabulary.

Mr. Speaker: Order, please. The language—order, please.

Mr. Skelly: May I withdraw that?

Mr. Speaker: The Hon. Member wishes to withdraw the last part?

Mr. Skelly: I wish to withdraw that, and ask who in heaven is going to pay for those 90,000 jobs?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, this is probably as close as the Hon. Member will get to that place.

Mr. Turner (Vancouver Quadra): Which one?

Mr. Hnatyshyn: He is with the NDP; that is purgatory.

Mr. McMillan: The Hon. Member asks me who is going to pay. I will tell him who is going to pay. To begin with, the federal Government is going to pay $300 million over the next four years. The seven provinces concerned are participating in the great national acid rain effort, which was put together as a result of the initiatives of this Government. The total price will be $2 billion, of which industry will be required to pay about 50 per cent.

* * *

YOUTH

UNEMPLOYMENT AMONG YOUNG PEOPLE

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Youth. Senator Hébert has reminded us that there are over 750,000 young people out of work. The Minister knows there is broad agreement across Canada that the Government's efforts are inadequate. We must do something more to help this lost generation. Has the Minister understood this message, and what is she prepared to do about it?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Government is well aware that young people are facing tremendous difficulties. That is why we have set up job creation and training programs, to make up for—

Mr. Rossi: What programs?

Mrs. Champagne: —the long years of neglect. Mr. Speaker, we should recall that in 1983, youth unemployment was at 19.9 per cent, and the Liberals were not doing much about it. Since we came to power, youth unemployment has dropped more than 2 per cent, 50,000 jobs have been created, and more than 200,000 young people will be taking part in training programs this year.

Mr. Rossi: You certainly had nothing to do with it.

[*English*]

SENATE COMMITTEE REPORT

Mr. David Berger (Laurier): Mr. Speaker, it is clear that the Minister has obviously not read the Senate's plan of action.

Mr. Hnatyshyn: You have it upside down.

Mr. Berger: Will she read it and take immediate action to implement its recommendations, some of which do not call for spending money? Will she act now?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, if this Government had acted, let us say, in January, before this very important report was presented, even before the NDP report was presented, people would have said we acted before the reports were presented. Yes, we are studying this report very carefully and some of the recommendations will be implemented when this Government is ready to do so.

* * *

[*Translation*]

SMALL BUSINESS

NEED FOR WORKING CAPITAL TO ESTABLISH SMALL BUSINESSES

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of State (Small Businesses).

[*English*]

Many Canadians have the desire to start a small business in the spirit of free enterprise, but cannot get financing. Can the Minister tell this House if he is contemplating any new programs which will help Canadians obtain the needed working capital to establish a small business?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I thank the Hon. Member. The Federal Business Development Bank and the Department of Regional Industrial Expansion are working together to develop a program for venture capital addressed specifically to small business. We know that small business is undercapitalized and we are looking at options to solve the problem because small business can be an instrument of growth and, therefore, more jobs, jobs, jobs.

ENVIRONMENTAL AFFAIRS

ACID RAIN—DAMAGE TO FORESTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. Doctor Bruce Forster of the University of Guelph Economics Department gave evidence before a committee of this House in November that the reduction in forest productivity because of acid rain deposition at 5 per cent means an annual commercial timber loss of $197 million, and $1.29 billion for the disruption of wildlife habitat and recreation. Since 50 per cent of this damage is from U.S. sources, who is going to pay for the $1.5 billion plus damage to our forests?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, because of its transboundary nature it is imperative that the Governments of the U.S. and Canada join in a continental effort to resolve the question he has addressed himself to, and to pay the price for it.

CAUSE OF ACID RAIN

Mr. Jim Fulton (Skeena): Mr. Speaker, the President of the U.S. used to say that acid rain came from trees. The study which is out now says it comes from bird droppings. Does the Minister believe in either of those?

Hon. Tom McMillan (Minister of the Environment): No, Mr. Speaker, but I suspect that the Hon. Member's question is akin to the latter.

* * *

[*Translation*]

YOUTH

MEASURES GOVERNMENT INTENDS TO TAKE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State (Youth). The Minister is trying to take the credit for certain figures. I want to ask the Minister: At a time when hundreds of groups and thousands of young people are organizing and all kinds of organizations are demanding action, how can she simply point to her record and ignore their demands for immediate action? What is she waiting for?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I think this Government has veen very active, and we shall continue to take action. If the Hon. Member for Shefford means to refer once again to the decision on Katimavik, I may remind him that on July 21, 1984, he himself said that we should not see Katimavik as more than it is, because although some young people were interested in working in the forestry sector, that did not mean everybody wanted to work there.

● (1450)

ANNOUNCEMENT OF NEW PROGRAMS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I think the Minister should realize that when we were discussing forestry, we were talking about Environment 2000.

Now that the Senator is into the eleventh day of his hunger strike, and all Canadians are supporting his gesture, is the Minister so heartless and her conscience so accommodating that he would refuse to announce new programs, for purely political reasons—

Mr. Speaker: Order! Order, please.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, as I said before, I don't think anyone is taking Senator Hébert's gesture lightly.

However, I don't think asking the Government to announce projects when it is not ready to do so is very worthwhile.

Mr. Speaker, perhaps we should recall that about ten years ago, it took only a single pencil stroke to abolish the Company of Young Canadians, the Opportunities for Youth Program, Local Initiatives—

Mr. Lapierre: They were replaced.

Mrs. Champagne: —sure, they were replaced.

Mr. Speaker: Order! Order, please. The Hon. Member for Westminster-Coquitlam (Ms. Jewett).

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the House, I know, will be very glad to know that we have just received the results of the vote in the U.S. Congress and that the House of Representatives has voted against military aid to the Contras.

Some Hon. Members: Hear, hear!

Mr. Speaker: Question, please.

Ms. Jewett: Two hundred and twenty-two to 210. I would like to ask the Secretary of State for External Affairs if he had, in addition to speaking with officials in Washington and to the Secretary of State, also talked with our friends in Congress about our position in Canada, namely, that there is not a military solution to the problems in Central America.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not done that. The Prime Minister had the opportunity to meet with Members of the Senate and Congress Committees on Foreign Relations the other day. I do not know if that question came up. There should be no doubt that the position of Canada is very well known by authorities in the United States, and I would imagine by many of the Members of the Congress and the Senate of that country.

IMPENDING VOTE IN UNITED STATES SENATE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, may I then ask whether the Secretary of State for External Affairs would, in view of the fact that the Senate vote is tomorrow, be willing to talk to our friends in the Senate, and particularly some who might be waivering and who do not know what the Canadian position is? Would he do that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I find it curious that Members of the New Democratic Party, who object violently when there is any suggestion by any American about Canadian policy, would suggest that I, as the Foreign Minister of Canada, should go down to the United States and instruct United States Senators on how they should vote on a matter that is before their Senate.

* * *

HEALTH

PROGRESS IN CANCER RESEARCH

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, the daffodils that we are wearing today come to us compliments of the British Columbia chapter of the Canadian Cancer Society and are a reminder that April is Canadian Cancer Society month.

I would like to direct a question to the Minister of Health. What information can he give to the House and to the country on the progress that Canada is making in cancer research, given the fact that one out of three Canadians become victims of cancer, and one out of five Canadians will die of cancer?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure that all Members of the House would want to identify with the Member's comments regarding the contribution the Canadian Cancer Society and the provincial chapters have made to cancer research.

I want to tell the Hon. Member that cancer research in Canada has been carried on not only by the Medical Research Council, the various cancer societies, but only NHRDP of the Department of Health and Welfare. We have first-class cancer research. For example, we get publicity on Interluken, out of the United States. That same kind of research is being carried on in Canada. While that research has to be continued we should make a point that diet and smoking are two cases where preventive methods should be used to prevent cancer—

Mr. Speaker: Order, please. Important as it is, it is becoming a speech.

* * *

ENERGY

CRUDE OIL—REPORTED OFFER TO CUT PRODUCTION IN ALBERTA

Mr. Russell MacLellan (Cape Breton-The Sydneys): My question is directed to the Secretary of State for External Affairs. Premier Don Getty of Alberta in a telephone conversation with Sheik Yamani has offered a cut in the production of Alberta oil to try to halt the world decline in crude oil prices. Was this telephone call made with the prior approval of the federal Government, and what is the federal Government's position with respect to the offer that Premier Getty has made?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I spoke to Premier Getty this morning after I had seen those reports. Premier Getty fully understands that the Government of Canada speaks for Canada on international questions. It may be, Mr. Speaker, that members of the Liberal and the New Democratic Party think that someone else should speak on international policy for Canada. We believe it is the responsibility of this Government, and we do it. I want to assure the Hon. Member, and through him others who are interested, that Canada will continue to co-ordinate our approach to international energy issues with other members of the international energy agency.

OPEC COUNTRIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to ask the Secretary of State for External Affairs if Canada has received any requests from any of the OPEC countries to cut oil production, and what Canada's position would be if such a request were made.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): In reply to the Hon. Member the answer is no, we have not had that request.

* * *

HEALTH

REQUEST FOR BAN ON CIGARETTE ADVERTISING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my qestion is directed to the Minister of National Health and Welfare who will have seen the estimates published today of the additional harm caused by cigarette smoking, namely, the 500 infant deaths and 6,000 miscarriages caused every year. Will the Minister, instead of wearing a daffodil to show good will, do what the Cancer Society and all the other health protection societies are asking, and that is introduce tough legislation, specifically to ban advertising for a product that is responsible for 35,000 deaths a year in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do think it is important to wear symbols that indicate to Canadians our thanks for the work that cancer societies and volunteers have done. I think that is important. Second, regarding the Member's request that further action be taken both on advertising, on smoking within public conveyances, on legislation relating to smoking in public places, as I have indicated to her before, when Cabinet has made that decision that matter will be coming forth. I think it will commend itself to the House.

AMOUNT SPENT ON ADVERTISING BY CIGARETTE COMPANIES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, will the Minister not agree that since there are so many people dying from cancer every year the cigarette companies have to advertise, and the amounts they are spending of $200 million a year are indeed necessary to replace those people. Will he agree that we cannot compete with that by curing cancer afterwards? Prevention must be our goal. Would he not agree that we cannot do this without having an absolute ban on advertising, and would he undertake—

Mr. Speaker: Order. Order, please. This is long.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if I had my way I would like to see Canada, let's say by the end of this century, smoke free. I would like to think that we should move as a society toward that goal when we have 30,000 deaths a year related to smoking. There is no single preventable disease that I know of in Canada that, in fact, we should pay more attention to, and that is why this Minister has done it.

In terms of advertising, in terms of the cigarette companies and the tobacco companies, I have asked them, for example, to pull advertising from Ontario's Wonderland. I have called them in to change some advertising on Tempo cigarettes. I am simply saying to the Member that further action is being considered along the lines that she suggests and I take her representation under advisement.

* * *

ETHNIC AFFAIRS

BROADCASTING OF *HIGHWAY TO HEAVEN* PROGRAM—EFFECT ON CANADIANS OF BALTIC ORIGIN

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, in the absence of the Minister my question is for the Parliamentary Secretary to the Minister of Communications. Canadians of Baltic origin were horrified by the CTV network's broadcasting of *Highway to Heaven,* which defames and slanders Canadians of Lithuanian, Latvian, and Estonian origins. Does the Government intend to press charges against CTV under Section 281.1 of the Criminal Code which makes communica-

tion of statements inciting hatred against an identifiable group an indictable offence?

● (1500)

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the CRTC already has full authority to examine the question of broadcasting hate material that is contrary to law under the provisions of the Criminal Code. I would also like to point out that Bill C-20, now before the House, proposes an amendment to deal with abusive programming on the basis of race and national or ethnic origin.

I would remind the Member that responsibility for programming and editorial content remains that of the broadcasters who are answerable under the law.

* * *

PENITENTIARIES

CONSTRUCTION OF PRISON AT PORT CARTIER

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General. In a Canadian Press interview in February, the Solicitor General said:

> A new maximum security institution would cost about $50 million. I have farmers in my constituency who are on the verge of bankruptcy and I would like to see that money go to them instead of going into building new prisons.

Will the Solicitor General have the courage of his convictions and tell the Prime Minister that the Port Cartier prison in Manicouagan should not be built?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member knows, Parliament has been given the opportunity to look at the Nielsen task force reports. It will be looking at the issue of penitentiary construction for the future.

It is interesting to note that two days ago the Hon. Member took the position that there should be no construction of a penitentiary in Quebec. Could he indicate whether he was speaking for his Party, or was his colleague, the former Solicitor General, the Member for York Centre, speaking for his colleagues when, in 1984, he announced the construction of a protective custody institution in Quebec?

MINISTER'S POSITION

Mr. John Nunziata (York South-Weston): Mr. Speaker, my supplementary question for the Solicitor General is very simple. Does he, as Solicitor General, support the construction of a new prison that is proposed for Port Cartier in Manicouagan? Does he support the construction of the prison?

Hon. Perrin Beatty (Solicitor General of Canada): Yes, Mr. Speaker, I do. My question is also very simple. Who speaks for the Liberal Party? Is it the Member for York Centre who, as Solicitor General, announced construction of a facility, or is it the Hon. Member who is calling for it to be cancelled?

YOUTH

PARTICIPATION IN DEVELOPING POLICY

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of State for Youth. She indicated that she was paying close attention to the recommendations in the Senate Committee report and to the New Democratic Party Task Force Report on Youth. Is she giving the same kind of importance to the participation of youth and consultation with youth in the development of policy affecting youth as was given by those two reports? In particular, what has been the role of her Youth Advisory Committee and to what extent has she consulted with other youth groups in the country in developing a youth program?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, consultation with youth groups has been ongoing since the fall of 1984. We have had regional forums. We have met with young people. I have an advisory committee composed of 24 young people from all across Canada and we are constantly in touch. We will be meeting again shortly. The policy of our Government is to have ongoing consultations.

REQUEST FOR FURTHER CONSULTATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, very little real consultation took place during the fora. The national forum was cancelled and not rescheduled. Therefore, will the Minister promise to the youth that she will begin far more intensive consultations with them now than has transpired so far? Surely cancellation of the national youth forum is a bad start—

Mr. Speaker: Order. The question is long.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I do not agree with the Hon. Member for Windsor-Walkerville that there was very little consultation throughout the year. I have met constantly with youth groups and youth service organizations and we will continue to do so.

The national forum has been postponed for the time being, but consultation is ongoing. We will continue to meet with young people and our studies will take into account what they are telling us.

Mr. Speaker: Order.

* * *

POINT OF ORDER

PRESENTATION OF DAFFODILS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I rise on a point of order. Earlier I rose pursuant to Standing Order 21 to compliment a Vancouver radio station for the donation of daffodils to Members in this Chamber. It would appear that we have received two bundles of daffodils today, one from the radio station and another from the Canadian

Cancer Society. I want to say on behalf of my colleagues in the Chamber that we appreciate the donations from both organizations.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, what business does the Government House Leader intend to call for the coming week, until the Easter break?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I should say in response to the House business question that I have been trying to find a way to accommodate all Parties with respect to the scheduling of Bill C-85, An Act to amend the Petroleum Incentives Program Act. I believe there may be a disposition to call this Bill forward tomorrow as the first item of business. At that time, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) and the energy critic for the New Democratic Party, the Member for Vancouver-Kingsway (Mr. Waddell) would have an opportunity to speak to this Bill at third reading. Following the speeches of these two Members, the House would then immediately revert to Bill C-99, An Act to provide Borrowing Authority.

Following the completion of Bill C-99 we will consider Bill C-91, An Act to establish a Competition Tribunal. Bill C-85 will then be called in order to permit the energy critic for the Liberal Party to speak at third reading. This will be followed by Bill C-100, the veterans affairs omnibus Bill and Bill C-62, An Act respecting Employment Equity.

It is my intention to designate Monday, March 24, 1986, as the final allotted day in this supply period. We will continue with the Bills, in the sequence that I announced earlier, on Tuesday and Wednesday.

Mr. Gray (Windsor West): Mr. Speaker, I believe there has been some lapse on consultations. With respect to Bill C-85, I am not ready to agree to that approach. I think we will have to look into it further and perhaps speak to it later in the day.

Mr. Hnatyshyn: I am sorry, Mr. Speaker. I thought there had been some discussion on the matter between the critics, but I am certainly quite prepared to meet and accommodate the Official Opposition with respect to dealing with that Bill.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, lest there should be any misunderstanding, I was aware that this was in the works, I am not quite sure what happened to the communication process but I hope we can work it out along those lines because it seemed to be the most satisfactory way to meet everyone's requirements.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—UNEMPLOYMENT INSURANCE ACT—EFFECT OF CHANGES

The House resumed consideration of the motion of Mr. Rodriguez:

That this House recognizes the unnecessary hardship inflicted on older Canadian workers by the changes to the Unemployment Insurance Actwhich cause pension benefits to be considered earned income for unemployment insurance purposes, and since votes on opposition motioins are no longer considered a question of confidence in the Government, therefore urges the Government to repeal those changes immediately.

Mr. Speaker: Resuming debate. The Hon. Member for Beaches (Mr. Young) has seven minutes remaining.

Mr. Young: Mr. Speaker, I am pleased to continue to speak to our motion which claims that the Government has been unfair in causing pension benefits to be considered earned income for the purposes of unemployment insurance benefits.

One of the arguments that has not been raised is that pension income is really deferred income. In other words, if an employee did not have a pension as part of a wage package until retirement, that individual would receive higher salary benefits during the period of time he or she is working. Therefore, I suggest that pension income is really deferred income. It is income that an employee would have otherwise received if he or she had not, by agreement or otherwise, delayed the payment of that income until retirement age. It is irrelevant whether or not that employee retires at age 65 or younger. If they had chosen to receive that income during their working life, they would have received it then and the Government would not have any claim today. It seems to me that in all of those cases, what this Government is doing is totally unfair.

• (1510)

As my colleague, the Hon. Member for Nickel Belt, has already pointed out, the total savings to the Government on the backs of unemployed Canadians will be to the tune of some $300 million. That $300 million which comes from the unemployed, who need the money most at that time, is simply just another rip-off when one considers what the Government has already done in the 18 months it has been in office. As pointed out during Question Period and other times—which has never been disputed by the Government—the average Canadian family has received a tax increase of something like $1,300 over the last 18 months since the Government was elected. What the Government is doing here is just simply another grab at the average Canadian taxpayer. Only this time, rather than going after the employed taxpayer, it is going after those who are unemployed. That is totally unfair and unjustified.

A lot of debate this morning dealt with military personnel. There are also other employees in the Canadian economy who are not in the military but who are affected by this policy. In Toronto, for example, the Massey-Ferguson Company has

decided to close up its operation at its Strachan Avenue plant. Many of its employees are covered by a collective agreement which allows them to retire after 30 years' service. If they had not elected through the collective bargaining process to delay that benefit until such time as they retired, they would have had an increased salary during their working life. Those employees now find that because the company has decided to close up operations they will be laid off, and after all those years of paying into the unemployment insurance fund they will not be able to collect the benefits.

Some Members of the Government have taken issue with Members of the Opposition by saying that the Government did not act hastily, that somewhere or other it had this on its agenda. We are told this is why the Government asked the Forget Commission to look into these matters. If the Government was being fair, forthright and honest with Canadians and with this House, surely to goodness, rather than jump in and do what it did as of the beginning of this year, it could have delayed the process, referred the matter to the Forget Commission—if it felt it was advisable to do so—and wait until the report came down before it changed the regulation. That would have been the fair thing to do with respect to Canada's employees and to this House. At least in that way the Minister could have tabled the document in the House and allowed debate to take place around the document itself.

Rather than do that, the Government changed the regulation by Order in Council without any consultation with the people who would be affected, or their representatives, such as Members of Parliament, and we are forced in order to get the debate into the House to move a motion on an opposition day as was done by my colleague, the Hon. Member for Nickel Belt. I am glad he has done so because he has given focus to this debate to which Canadians can listen. They can watch very carefully how Members of the Government decide to vote.

As I pointed out earlier, under the new system of parliamentary reform this motion will not necessitate the defeat of the Government if Members of the Conservative Party choose to follow their own conscience and the wishes of their constituents by supporting this motion.

I see my good friend sitting opposite, the Hon. Member for Simcoe North (Mr. Lewis). I can see in his eyes that he is in total sympathy with what I am saying. He comes from a constituency where there are people employed in the automobile industry who are subject to periodic lay-offs. Many of those people believed him and voted for him on the basis of "job, jobs, jobs". Now those employees are finding that the Conservatives did not follow through on the promise of "jobs, jobs, jobs". Instead, what they have is "taxes, taxes, taxes". The average Canadian family will have additional taxes to pay by this change in the regulation, in addition to all the other taxes they have had to endure in the last 18 months.

Mr. Lewis: Mr. Speaker, I listened with great interest to my friend and colleague. I am not saying I agree with him, but he put his case very well. I will confine my comments to the way the Government votes on the motion. I have two points to make; First, the precedent which we may be making with respect to questions of confidence and, second, I suggest that the House may have two questions before it at the same time. I point out that there is contained in the motion a comment on the practices of the House concerning votable motions.

Mr. Deans: Mr. Speaker, I rise on a point of order. I would not only be interested, but fascinated to hear the comments of the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis). But as I listened to his preamble I sensed that he was about to speak of the technical make-up of the motion. I would offer to you, Sir,that it would be appropriate to discuss that under a point of order, if the Hon. Member believes there is something out of order or something which ought to be changed. If the Hon. Member is commenting on the merits of the motion or on the merits of the speech of my colleague, or if he is asking a question about the speech itself, I would say it is entirely appropriate for him to continue. However, if he is discussing the technical make-up of the motion, in other words, that the motion presents the House with a dilemma or a question other than the question of its merit, then I would suggest that that is a point of order and it should be dealt with separately. I would be delighted to enter into that discussion.

The Acting Speaker (Mr. Paproski): I would like to hear the comments of the Parliamentary Secretary. The Hon. Member for Hamilton Mountain (Mr. Deans) is trying to pre-empt the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis)?

Mr. Deans: No, I am happy to hear him if it is a point of order.

The Acting Speaker (Mr. Paproski): I do not feel at this stage of the game that I can consider the matter, as a point of order, until I hear the Hon. Parliamentary Secretary to the President of the Privy Council.

Mr. Lewis: Mr. Speaker, my colleague, the Hon. Member for the Beaches (Mr. Young), towards the end of his remarks made the point that the Government benches could very easily vote against this motion because it was not a question of confidence. That is to what I was directing my remarks. I am separating my remarks from the issue at hand, which is a valid issue for debate.

There are two points I would like to make. First, by taking the reference to confidence out of the standing orders we tried to place a new focus on questions of confidence. If we are going to have questions of confidence designated, they should be clearly designated.

Mr. Deans: I agree.

Mr. Lewis: We have here a motion which does not clearly designate whether or not it is a question of confidence. We have no hesitation in saying that some day in the future we will move towards a situation where confidence can be a freer thing than it is right now. If you check the headings in the Standing Orders, Mr. Speaker, you will find it refers to

questions of supply. "Supply" has always been a matter of confidence.

The Acting Speaker (Mr. Paproski): If I may interject here for just one moment. I can now understand what the Hon. Member for Hamilton Mountain was saying. I do not want to get involved in so far as what the motion does or does not state. I do not want to get into any argument or debate with any Hon. Member in the Chamber as far as the motion is concerned. The question and comment period is time set aside for Hon. Members to ask questions and make comments on other Hon. Members' speeches. I am sure the Parliamentary Secretary to the President of the Privy Council is coming to the close of his remarks.

● (1520)

Mr. Lewis: Mr. Speaker, I wished to make two points. I have been able to make only one, thanks to some interruptions and some assistance. I will not specify from whom I receive the assistance and by whom I was interrupted.

The first point I wished to make is that the motion is ambivalent with respect to whether or not this is a matter of confidence.

Mr. Deans: It is absolutely clear.

Mr. Lewis: The Hon. Member for Hamilton Mountain may not agree with me, but that is my opinion. That is the point I wished to make in direct reference to the remarks made by the Hon. Member for Beaches toward the end of his speech. He also referred to the motion, and I appreciate that it is a motion which has been accepted by the Table. I have no difficulty with that. However, there are two distinct questions in the motion. I think something should be made clear on two scores when dealing with our first question of confidence. The first time the House has a motion before it on which every Member is free to break ranks it should specifically state in the motion whether or not it involves a question of confidence. Further, we should not be voting on two distinct questions. That is the comment I wished to make in response to my hon. friend's remarks.

Mr. Young: Mr. Speaker, in turn, I would like to respond to the Hon. Member's comments. I wish to make it unequivocally clear that we in the New Democratic Party do not consider this a motion which would be in any way considered a non-confidence motion. It is our view that if members of the Conservative Party choose to vote for or against it, then that would not affect the standing of the Government at all. In fact, it seems to me that the motion is in the spirit of responses made by the Minister of Employment and Immigration in the House to questions concerning this matter. She has indicated that if the Forget Commission recommends that the Government rescind its decision with respect to this regulation, then it would be willing to look warmly upon such a recommendation. Therefore, I wish to assure the Hon. Member that in no way is the motion considered to be one of non-confidence in the Government.

The Acting Speaker (Mr. Paproski): Before I entertain more questions or comments I would like to make a brief remark. I hope the Parliamentary Secretary to the President of the Privy Council did not think that the Chair was interfering in what the Hon. Member was saying. I am trying to recall whether the Hon. Member's interjection meant that the Chair interfered with the statement of the Parliamentary Secretary in regard to the speech of the Hon. Member for Beaches. I am sure that is not what he meant. The Chair does not interfere with motions which are before the House.

Mr. Lewis: Mr. Speaker, I would not for one minute suggest that you are interfering with or interrupting me. I just wanted to come as close as I possibly could to complimenting my colleague who sits opposite for being so helpful.

Mr. Baker: Mr. Speaker, I would ask the Hon. Member for Beaches (Mr. Young) to comment upon the group of people who fall into the category of those who earn more than $30,000 inclusive of unemployment insurance benefits and who have the benefit removed from them. Will the Hon. Member comment on that in the spirit of the motion which is before the House?

Mr. Young: Mr. Speaker, I would be pleased to comment. I believe the Hon. Member is asking a question in response to an interjection made by a Government Member who said words to the effect that the Opposition is trying to protect generals from the actions of the Government. In other words, he seemed to suggest that we are interested in seeing $60,000-a-year generals receive unemployment insurance benefits. That is exactly the same argument which was used when we expressed our concern with respect to what the Government may or may not be doing in terms of universal social programs. I do not think the Minister of National Health and Welfare (Mr. Epp) would have done anything like that. Other Ministers of the Crown have suggested that members of the NDP were trying to protect bank presidents who may or may not receive family allowances or some such thing.

At this time of year most people will have their income tax forms and are probably in the process of filling them out. These people will realize that on incomes over $30,000 per year unemployment insurance benefits are taxed back. Therefore, while I may feel some sympathy in terms of bank presidents and generals now and again, the fears which the Government has about our motives with respect to this motion are not well founded at all.

Mr. Attewell: Mr. Speaker, the Hon. Member for Beaches (Mr. Young) is well known for his compassion and concern with respect to an array of social services. I think that he would have appreciated the initiative of the Government in taking a comprehensive look at the unemployment insurance package. It has not been looked at in such a broad and comprehensive way for decades. Surely such an initiative deserves the Hon. Member's support.

The first part of the mandate of the commission of inquiry is to undertake a comprehensive examination of the unemploy-

ment insurance program in light of the Government's over-all economic objectives. I made a point of attending one of the commission hearings at the Plaza II in Toronto. I met five of the six commissioners there. I must say that I was very impressed with their thoroughness. In no way do they form a passive commission which just sits and hears evidence. I heard members of the commission ask very probing questions of some of the witnesses who appeared before it. Having visited the hearings first hand I am satisfied with the calibre of the commission and with the Government's intention to take a comprehensive look at a whole array of issues.

As was mentioned earlier in the debate by the Hon. Member for York East (Mr. Redway), I hope the Hon. Member will not support a piecemeal approach to this issue. Rather, I hope he will support the Government's approach in order to let the total strategy develop. I am sure he will see fairness and equity in the final recommendations.

Mr. Young: Mr. Speaker, I have absolutely no objection at all to the Forget Commission or what it is trying to do. In fact, I am inclined to support the commission since it has also stated that it thinks that what the Government has done is absolutely wrong. I fully expect the Forget Commission, or at least members of it, to recommend that the Government do what this motion is asking it to do.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now expired. Resuming debate with the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to make a couple of general points as they relate to this question in the Province of Newfoundland. The first point is that all Armed Forces personnel in the Province of Newfoundland have been notified that they are not permitted to make representations to the federal Government in terms of disagreeing with this particular measure instituted by the Government of Canada. Members of the Armed Forces in the Province of Newfoundland are not allowed to sign petitions, to write letters or to make representations to Liberal Members of Parliament which in any way oppose this move by the Government of Canada. I do not know of any other example of that kind of action being taken by the Armed Forces in its dealings with its members or personnel in Newfoundland. It is not acceptable for people in the City of St. John's, in Gander or in Labrador to be told they are not allowed to sign a petition, write a letter, make a telephone call or make any representation to members of the opposition Parties. I do not believe this was ever done before by the Canadian Armed Forces. We do not live in a communist state; we have freedom of speech in Canada. For the Armed Forces to dictate like that to its personnel in Newfoundland is absolutely outrageous. The Minister of National Defence (Mr. Nielsen) should intervene. If he caused this particular action to be taken, he should withdraw it; if he did not cause it, he should reprimand the officials or whoever took that action. It is an absolute disgrace that Armed Forces personnel and their families in that province are not allowed to make representations to a politician because the politician happens to be a member of the Liberal Party or of the New Democratic Party.

• (1530)

Let us look at the effect of this particular measure of the Government of Canada upon Newfoundland. There will be an approximate loss of $65 million, affecting 6,000 Newfoundlanders. Newfoundland has more people per capita who qualify for veterans' benefits than any other Canadian province. That is a somewhat recent phenomenon, because it has been decided that those who were in dangerous waters during the war qualify for civilian war veterans' allowances. We all know the figure which qualifies a person for unemployment insurance as well as the maximum amount and the minimum amount. If we take into account the average amount and the fact that 6,000 Newfoundlanders are affected by this measure, we find out that the amount of money going into the pockets of Newfoundlanders has been decreased by $65 million. That figure is despicable, as are the actual cheques which are being sent out. When a person receives his first cheque for unemployment insurance, it is for the first week of benefits, and two weeks after that he receives his unemployment insurance. He is paid two weeks at a time. As the House knows, unemployment insurance is averaged out to the closest dollar. If we use the divisor of the Government, we discover that in the Province of Newfoundland about 400 people are receiving cheques in the minimum amount, that is, the first cheque for $1 and then cheques for $2 thereafter.

Mr. Rodriguez: How much does it cost to put out the cheque?

Mr. Baker: Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) has just asked a good question. It actually costs $1.56 in Canada as a whole and $1.67 in Newfoundland to process one of those cheques.

Mr. Rodriguez: Shameful.

Mr. Baker: If we add in the costs involved after the cheque is cashed, we come up with another $1. It cost $2.67 to process a cheque worth $1; $2.67 to process a cheque worth $2.

Presently in the Province of Newfoundland there are 100,400 unemployment insurance claimants. In the month of January there were 100,668 unemployment insurance claimants, and there were 227,000 people in the workforce in that month. In the month of February there were 224,000 people in the workforce of the Province of Newfoundland. For the first time in the history of Newfoundland, over 100,000 people are listed as unemployment insurance claimants.

Mr. Henderson: Over 40 per cent.

Mr. Baker: That is correct. It is over 40 per cent; in fact, it is closer to 48 per cent.

The Minister rose in the Chamber and said that the Government had created 8,000 jobs in Newfoundland in the past year. The provincial Government ran an advertisement in a newspaper indicating that it created 7,000 jobs in the past year in that

province. However, I checked with the unemployment insurance office in St. John's this morning at 10 o'clock and was given the figures to which I just referred. Who knows what is the unemployment rate in Newfoundland? If over 100,000 people out of a workforce of 224,000 are unemployed, how can the Government say that it created 8,000 jobs in the past year and that unemployment is going down? From where does the Government get its figures? From where does Statistics Canada get its figures? They indicate that the Province of Newfoundland has an unemployment rate of 20 per cent. Newfoundlanders are asking: "Where are all these jobs?" What is the Government of Canada doing with the unemployment insurance? Why is it acting as it has decided to act?

The Government of Canada announced that it would cut $200 million from unemployment insurance in the November 1984 Blue Book presented by the President of the Treasury Board (Mr. de Cotret) in the Chamber. Also the Minister of Employment and Immigration (Miss MacDonald) said that the Government would save $200 million. Well, that did not happen. The Measures which the Government instituted did not result in that. What has happened since those announcements? As of today, the President of the Treasury Board will pay out of the Goverment's tax dollars a bonus to regional managers in the Government of Canada who save the Government money. It is a pay-off. Who will receive that money? Will it be the deputy ministers, assistant deputy ministers or regional managers? Who will receive this monetary bonus? This matter did not receive any attention in the House when the President of the Treasury Board rose and said that he would make payments to public service managers to become good managers like those in the private sector. He said that he would pay them a bonus if they met the guidelines for reducing the number of person-years. Person-years mean people, men and women working for the federal Government. If a manager does better than what was said by the President of the Treasury Board, the Minister of Finance (Mr. Wilson), the Deputy Prime Minister (Mr. Nielsen), and the former Minister of Finance who is now part of the ministerial task force on program review, he will receive a monetary bonus. I did not hear anybody from the Government object. Not very many of those who formulate public opinion, the opinion leaders in this country, the editorial writers, commented much about it.

● (1540)

Just think of what will happen, Mr. Speaker. Yes, the Government of Canada will meet its figure of a $200 million reduction in unemployment insurance. Yes, the Government will meet it in Newfoundland, I would say, and in practically every province in Canada.

Provinces like Newfoundland where the regional office is in Moncton, New Brunswick or Halifax, Nova Scotia or some other province will have reductions in what you call person years. You will see reductions in the amount of money paid out by the Government of Canada. How, Mr. Speaker? The President of the Treasury Board says: "We are going to give money. We are going to pay from taxpayers' dollars managers in the Public Service, reward them with cash to reduce the payment of unemployment insurance and everything else, and we will cut back on the person years," that is, men and women.

I do not know why the Minister of National Health and Welfare (Mr. Epp) is finding this amusing, but perhaps he will not in a moment. The ministerial task force, called the Nielsen task force, is made up of the Deputy Prime Minister, the President of the Treasury Board, the Minister of Finance and the former Minister of Finance, the present Minister of Justice (Mr. Crosbie).

Mr. Rodriguez: From Newfoundland.

Mr. Baker: A funny thing happened yesterday. The Minister of Justice said on the air, on CBC Radio in Newfoundland and on VOCM in Newfoundland, that he was not a part of the ministerial task force, that he was not party to the recommendations of the Deputy Prime Minister. He did not know what was in the recommendations of the task force.

Mr. Rodriguez: He will never know.

Mr. Baker: Why did he say that? Because there are things in those task force reports that you would not want to be associated with if you were a Newfoundlander.

The Province of Newfoundland, the great Tory Government that gets along so well with the present federal Tory Government—

Mr. Henderson: Did.

Mr. Baker: Did, as of yesterday. It said it needed time to examine the transportation study on cuts. But all you have to do is to look at the index and you will find that one of the chief people in the study group is a representative of the Newfoundland Government. Also in the group is a member of the ministerial task force review, the Cabinet Minister from Newfoundland, the present Minister of Justice.

Now they are washing their hands of the entire procedure. Why, Mr. Speaker? Because of some of the things that have been agreed to, and the Minister of National Health and Welfare knows that because he sits in Cabinet. He knows that every single one of those task force reports have been taken by the ministerial group, submitted as recommendations, with time schedules, to the Planning and Priorities Committee of the federal Cabinet. The last report went to the committee on Thursday afternoon. The Minister of National Health and Welfare will not deny that because he knows it to be a fact. He will not say yes or no because of cabinet secrecy, but he knows that to be a fact. The Ministers are trying to wash their hands of the entire issue.

I want to mention just a couple of other things. I have a letter signed by two former public servants, one from Aylmer and the other from Ottawa.

Mr. Redway: What about Newfoundland?

Mr. Baker: Not from Newfoundland. I think these people have outlined the matter fairly simply. It is a point that has probably been missed by a lot of people.

Mr. Hudon: $30,000 a year.

Mr. Baker: Yes, the Hon. Member across the way says $30,000 a year. Every Member of Parliament, I believe, received the recommendations of these two people.

Very briefly, the matter concerns a public servant who has to pay into superannuation versus somebody else in the private sector who pays into an RRSP or other retirement plan. The public servant when he has finished, perhaps taken early retirement, who had worked and paid unemployment insurance, cannot draw unemployment insurance benefits. On the other hand, the man who paid into the scheme can draw unemployment insurance benefits. The absolute unfairness of the system, which the Government of Canada has initiated, is obvious to all Canadians.

Before I conclude I want to say one further thing about Newfoundland. While Newfoundland has large numbers of people on unemployment insurance claims, the Government of Newfoundland is facing a reduction in the amount of money it gets from the federal Government. This is either intentional by the Government of Canada or unintentional because, as you know, Mr. Speaker, our equalization payments in Newfoundland, as they are in Quebec and in a great many provinces, are tied to various economic factors, one of which is the price of oil. If the price of oil goes down $1, the Government of Newfoundland loses about $10 million on its equalization payments.

Mr. Epp (Provencher): Do you want higher or lower prices? Which way do you want to go, George?

Mr. Baker: The Minister of National Health and Welfare is interjecting. He says, "Higher or lower. George, what do you want?" I wish the Minister of National Health and Welfare and other cabinet Ministers would examine that formula. I just said that if the price of a barrel of oil went down $1, the Government of Newfoundland would lose $10 million on its equalization payments at the end of the year.

The Minister is saying "What do you want? Lower oil prices?" If that dollar in the decrease of a barrel of oil were passed on to the consumers of Newfoundland, the slate would be clean. You add up the consumption of oil and gas in the Province of Newfoundland, and you discover that an average $1 increase in the price of a barrel of oil equals about $10 million in increased costs in oil and gas consumption in Newfoundland. You can look at the equalization formula. It is really a form of indirect taxation. Every time the price of a barrel of oil goes up, the consumer pays about $10 million in the Province of Newfoundland, $1 a barrel averaged out. When the price goes up, the Province of Newfoundland then gets $10 million on its equalization payments. It is a form of taxation by the back door. It is indirect taxation. The Minister asks for my preference. I would prefer that the saving in the decrease in the price of oil be passed on to consumers. I would much rather see consumers in Newfoundland with that money than the Government of Newfoundland.

I want to refer to the Forget Commission. A great many Members have referred to it. Let me tell you who are the most knowledgeable people on unemployment insurance in Canada. It is not the Members of this Chamber, but if you added up all the knowledge on unemployment insurance, you would not come near to the knowledge of the judges, the umpires, in the Federal Court of Appeal. From time to time I review some of the decisions they make. I get them daily in the mail. Today I received decisions of Mr. Justice Dubé, an excellent umpire, Mr. Justice Addy, Mr. Justice Cattanach, Mr. Justice Walsh, Mr. Justice Rouleau, Mr. Justice C. R. Smith, and Mr. Justice Dubinsky.

• (1550)

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. There is a period allotted for questions and comments and I am sure that, being a very popular Member, he will get a few questions.

[*Translation*]

Mr. Hudon: I have a few questions to ask, Mr. Speaker, but first I should like to make a comment.

On television recently the Hon. Member for Papineau (Mr. Ouellet) referred to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) as their new star. Quite true! I keep telling that to myself and to people around me, and the worst part of it is that it is true. That is not saying much about the others!

You have not earned the job of Minister of Finance today, Sir, because I have to tell you a few things.

First, how can you say that the measure under consideration today will result in $65 million cut-backs in Newfoundland? Your calculations are off: the Department of Employment and Immigration expects to recoup only $30 million from this measure throughout Canada.

Second, you have misled your constituents. Pensions paid under the War Veterans Allowance Act are not deductible as if they were unemployment insurance benefits. So there is no problem for all those who thought they were plying dangerous waters.

Finally, before asking my last question, I would like to make preliminary remarks. Today, Mr. Speaker, we are talking about people who want to retire one year before the normal retirement age because they are entitled to early retirement benefits. So I would ask my colleague how old were those Newfoundlanders, considering they had one year to go before retirement and yet took part in the 1939-45 war?

[*English*]

Mr. Baker: Mr. Speaker, the Hon. Member is the Parliamentary Secretary to the Minister of External Relations, and it is obvious that it is not for internal relations. The hon. gentleman is wrong when he says that veterans' allowances and pensions are not covered. In fact, every pension that is

being received that was earned from work or service is being affected. However, a disability pension is not covered. That is the difference. The hon. gentleman is talking about someone on veteran's allowance who is receiving a disability pension. I can assure the hon. gentleman that I have many letters from, and have spent an awful lot of time on the telephone talking to, veterans who have been receiving $2 cheques when they had normally received $260 cheques. That is not a very good reflection on our veterans.

The hon. gentleman referred to one year before retirement age. I do not know exactly what he meant by that, but everyone who is receiving pension income from work or service for any Government or enterprise in Canada is affected. Therefore, I do not know what he is talking about.

The Member said that this will cost the Government of Canada $30 million. I must say that I have never seen such a mess in the Unemployment Insurance Commission as I have since this was announced by the Government. They do not know what they are doing. They do not know the formula. They are not allowed to deduct dollar for dollar, but they were doing it for two weeks. The Government of Canada has instituted something which the Public Service cannot administer and there will be appeals to these very knowledgeable Justices who should have been asked for their opinion by the Minister and by the Forget Commission.

Mr. Rodriguez: Mr. Speaker, I would like to ask a question of my hon. friend. He asked questions of the Minister of Employment and Immigration (Miss MacDonald) with respect to withdrawing this particular invidious regulation. The Minister said that the Government gave adequate notice, that people were told in November, 1984, that this would happen and if they are only now finding that their pension income will be used to calculate unemployment insurance benefits, it is their own fault. How does the Member respond to that particular proposition of the Minister? Do the Member and his Party consider this motion to be a question of confidence?

Mr. Baker: No, Mr. Speaker, this is not a question of confidence because the Government of Canada has already expressed its opinion on such matters.

In answer to the first question of the hon. gentleman, the Minister of Finance and the Minister of Employment and Immigration stood in their places day after day and said that the Government did not bring this measure in out of the blue, that Canadians knew about it ages ago. Yes, it was in a Budget ages ago, but the first time that 99 per cent of the people affected knew about it was when their cheques were reduced.

Mr. Henderson: Mr. Speaker, I would like to make a comment and then ask a brief question of my colleague, the Member for Gander-Twillingate (Mr. Baker). I would like to congratulate him on a very eloquent, explicit and factual speech, such as we always hear from the Hon. Member in the House. It is for that reason that this Member continues to be returned with tremendous majorities in every election. Some of the people on the Government side will not be able to claim that because they are supporting a very ill-conceived regulation put forward by the Government.

Under the new rules they have a tremendous opportunity to show that they are concerned about their constituents and that they understand them. I plead with them to get up and vote against their own Government to help the Minister of Employment and Immigration (Miss MacDonald). When she was in opposition, that Minister demonstrated that she had a conscience for poor people in the country, which is more than she is doing now. However, it is some of the other Ministers who are controlling the Government. Mr. Speaker, the buck stops there.

I would like to ask the Member for Gander-Twillingate a brief question about the contributions of UIC which are taken from Armed Forces personnel. Does the Hon. Member feel that this is in the category of another form of back door taxation by the Government?

Mr. Baker: Mr. Speaker, the hon. gentleman was absolutely correct in the first statement he made. It is good to remember the old saying: "If you sleep on the floor you can't fall out of the bed".

I agree with the second point the Member made. In fact, I believe we may have a case under the Human Rights Commission and under the Constitution. Taking money from people for an insurance policy on which they cannot collect is like buying public liability insurance on your car and then not being able to collect insurance when you have an accident. That is exactly the point. By law they are paying in and now, since the Tories took over, by law they cannot collect.

• (1600)

Mr. Redway: Mr. Speaker, I listened in facination to the Hon. Member. Most of his comments did not deal with the motion at hand but they did deal with the question of unemployment insurance. The Hon. Member was highly critical of the UIC situation, not just because of changes made since the present Government took office, but before that. Specifically, what are the official policies of the Liberal Party that they would put in place to change the UIC provisions as they now stand? Secondly, how often did the Hon. Member stand in his place in this House as a member of the former Government and criticize his Minister on this very issue?

Mr. Baker: Mr. Speaker, let me say in answer to the second question that, I am sure that if he had been here over the past 12 or 13 years he would not be asking that question of this Member.

To answer question number one, I will just repeat that what the Forget Commission and the Government of Canada should do is to hear from all the justices of the Federal Court of Canada, the Appeal Court, and all of the umpires who handle unemployment insurance cases. Therein he will find real knowledge as far as the Unemployment Insurance Act is concerned.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Debate.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I intend to put on the record a few points regarding this motion on behalf of the Minister of Employment and Immigration (Miss MacDonald). The Minister is in Saskatoon continuing a very impressive record of reaching agreements with various provinces on training programs. She has been most successful. I am sure all Members would want to commend her and the Government generally for the fact that since it has been in office Canada has seen the creation of 580,000 new jobs. This has come about largely through the efforts of the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and the Minister of Employment and Immigration. Many of those jobs are filled by peole who were on unemployment insurance. It is also important to note that of those jobs more than 80 per cent are full-time. That means that families caught in the cycle of unemployment and part-time or seasonal jobs can now rely on full-time jobs. I think all of us would want to commend the Minister for that kind of job creation.

Ms. Copps: I rise on a point of order, Mr. Speaker. Unless I misunderstood, the debate today is on changes to the Unemployment Insurance Act. I wonder why the Minister, who is very knowledgeable in this area, does not stick to the subject matter.

Mr. Skelly: I have a point or order also, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I find that the Hon. Member for Hamilton East (Ms. Copps) does not have a point of order. I will recognize the Hon. Member for Comox-Powell River (Mr. Skelly) on a point of order.

Mr. Skelly: It was called to the attention of previous speakers today that it was not appropriate to indicate that Members were absent from the House.

The Acting Speaker (Mr. Paproski): I do not believe the Hon. Member for Hamilton East was referring to the absence of anyone. We only have another hour and 45 minutes and there are a few other Members in the Opposition who would like to participate in the debate.

Mr. Epp (Provencher): Mr. Speaker, is it not strange? Someone points out that there are 580,000 new jobs and a lot of people are no longer on unemployment insurance. Creating jobs is the best way to get people off unemployment insurance. It is the best way to reduce the cost of Government. It is the best way to contribute to society. Yet we have Members getting up and saying, "Oh, you cannot talk about that. Just talk about the program. You cannot talk about the reality of job creation". What poppycock!

Let us go back to the time of changes in the Unemployment Insurance Act and the Minister then was the Hon. Bryce Mackasey. I remember him getting up here day after day and saying it is a good Act but we do not want people collecting unemployment if we can get them into jobs. The Act is designed in such a way that the taxpayer will pick up the shortfall if contributions from employers and employees are not sufficient. He was always arguing that we had to have this kind of coverage and it was always based on keeping unemployment as low as possible. In that ways the program would remain as efficient as possible. To have the Hon. Member for Hamilton East (Ms. Copps) make that kind of statement—maybe I should not even react because it is probably in keeping with the calibre of her other contributions.

I enjoy listening to the Hon. Member for Gander-Twillingate (Mr. Baker). He gets up here and makes a number of points and does it with such conviction that at the end, if you did not know the weakness of the argument, you would almost want to believe what he said. For example, if the Government became more efficient, perish the thought, and costs could be reduced and managers became more efficient, the Government should not recognize that. It simply should not be done. He did not think it could work. There are a lot of managers in the Government, and I have met a lot of them, who are absolutely convinced that we can be more efficient and frugal with the taxpayer's dollar. Those men and women should not only be commended, they should be recognized. This idea is not too dissimilar from an approach used in a profession I was once in, namely teaching. I was one of the people who advocated merit rating. I did not really think tenure was that great an idea. We all had to cater to a certain common denominator. However, people were opposed to the merit principle because they simply did not want to be measured against certain standards. The Hon. Member has an open mind generally. I would like to think that he agrees that there can be a reduction in person-years and greater efficiency in the Government. We have allowed the light to shine in and we are going to do more. His own leader, if he still recognizes him as such, has said that had he been Prime Minister he would reduce the annual deficit by about 50 per cent in seven years. I would like to see him do it without going through some of the very exercises done by the study teams on program review.

He talked about the task force reports. Those reports were given to this House and its respective committees so we can do the work we were elected to do, that is, look at how tax dollars are spent, how they can be spent more effectively and efficiently in the future. That is the role of a Member of Parliament. We are not afraid of Members of Parliament being critical of the Government. The fact that people sit in the front benches, either in this Government or in previous Governments, does not mean that they know everything about all of the programs and that greater efficiencies cannot be effected. Canadians from all walks of life contributed their time, talent and experience so that we could do just that. The Hon. Member should keep that in mind.

I also want to take strong exception to a statement made by the Hon. Member that the Government of Newfoundland will suffer a reduction in contributions by the federal Government on established programs financing. That simply is not true. It is not true for Newfoundland, it is not true for any provincial

Government and it is not true for any Canadian society. If he looks at Bill C-90 he will notice very carefully that there is a built-in inflation factor in that Bill which will increase EPF, both for health care and for post-secondary education, up to one percentage point above projected inflation. So for him to say that there will be a reduction is just not so.

• (1610)

Mr. Desrosiers: He's a liar.

Mr. Epp (Provencher): What he should point out—

The Acting Speaker (Mr. Paproski): Order, please. I believe I did hear an interjection which I do not consider to be parliamentary and I would hope that the Hon. Member would withdraw the remark. The Hon. Member will have to speak from his seat.

[*Translation*]

Mr. Desrosiers: I withdraw that remark, Mr. Speaker.

[*English*]

Mr. Epp (Provencher): Mr. Speaker, coming back to the EPF situation, I think it is important that Members in this Chamber, when they make a defence or say that they oppose a Government action, at least stay with the facts, and the facts are simply that EPF is going to rise over the next five years. I can give him figures that EPF is projected to go from the last five-year block of $65 billion for those two programs about $90 billion for the next five years.

If Members on the opposite side are fair they will have to recognize that that is not a reduction, that is an increase. I think what they are talking about is that if the present formula had been extended for another five years, the amount of money would have been greater than that which is now included in the legislation. If that is the argument they want to make, that is a fair argument on their part, and I respect that argument, but I do not respect an argument which simply does not square with the facts, because it does not.

Coming back to the motion before us, you will know that the UI program was originally designed in 1940 to promote the economic and social security of workers in Canada by providing them with an income protection from the time they left one job until they found another job. It was that period of time for which unemployment insurance was designed. It was meant to reflect the strict application of social insurance principles and social objectives. Although coverage has been gradually expanded, the adherence to social insurance principles was of prime continuing concern.

By the end of the 1950s I think most people would see the program as having been not only expanded, but generally being universally applied under those conditions or those provisions.

The 1960s was a period of greater legislative stability than the previous two decades. There were some changes made to the UI program as well during the 1960s, but they were in response to changes in earnings and living costs. At that time already there was a clear indication and a clear sign of the dissatisfaction with the program, and so in the 1970s some fundamental changes to the program were brought in.

In 1971, as I have already indicated, the unemployment insurance program was amended to include two important principles. They are the coverage of all employees who were in insurable employment and also incorporated in this concept was the necessity that workers who suffer an interruption of earnings be eligible to receive unemployment insurance benefits.

It is in accordance with these two basic principles that it was determined that earnings arising from employment should be taken into consideration for unemployment insurance benefits. This, of course, was to prevent double-indemnification, which is a founding principle for all insurance schemes. That was the principle in 1971, and Members can go back to that debate and to the Bill to discover it.

The unemployment insurance program, it must be remembered, is not a savings plan, but rather it was to be an insurance plan. I must point out that unemployment insurance coverage should not be dependent upon an individual's likelihood of collecting benefits. I go back to the time when some of us were not in the House in 1971 and the changes that were made. I remember myself being active then in various teachers' organizations. We made the point at the time that we should not be included in the unemployment insurance program as the changes were being made. The Hon. Member for Nickel Belt (Mr. Rodriguez) probably remembers that period as well.

We made the point that it was highly unlikely that that group of people would collect unemployment insurance, and the question that obviously followed then was, if we do not collect or are not eligible to collect—because we were not eligible to collect under the agreement with school divisions—why should we then have to pay the unemployment insurance premiums? One of the arguments that was made was that it is a universal plan, you do not know if you will be unemployed at some future point in time, which theoretically is correct. Second, because you were in the labour force you had to contribute to the risk, you had to broaden the base of the risk, and yes, there would be groups and professions in society who would have a lesser likelihood of collecting unemployment insurance, but that did not obviate their obligation to pay into the fund. That was a general insurance principle which was implemented at the time.

What is interesting is to take a look at whether or not that theory, in fact, has been borne out. I do not have the last figures, for example, for the teaching profession, but I do know there was a period of time when a number of people in that profession, as its numbers were being contracted as schools were being reduced because of a reduction in the number of children in school, took new training other than in their profession and were on unemployment insurance and, in fact, collected.

Some people made the argument during the mid-1970s, for example, that group would contribute to the general fund for

unemployment insurance and that there would be a net benefit to the fund from that larger group. That did not happen, whether or not actuarially that can be proven, I am not here to argue the point. What I am saying is that, regardless of what happened in 1971 in terms of what much of it, I believe, was good intention in terms of a discussion of the Bill, in fact, what we saw in practice in the 1970s, as unemployment rose and as demographic changes took place in Canadian society, is that some of the arguments that had been made in 1970-1971 to sell the Bill, in fact, did not find their way into actual fact as we took a look at the implementation of the Bill itself.

It is important here to note that, yes, there were people at that time who were drawn into the unemployment insurance plan who previously had not been in the old plan, and who said very clearly that it was very unlikely they would collect any benefits from it. I must point out that unemployment insurance coverage should not be dependent upon an individual's likelihood of collecting benefits. That was the principle. Instead, UI is to be viewed as a pooled risk. Thus while the amount of certain individuals' pensions may reduce the amount of benefits to which they are entitled or may even preclude them from receiving UI benefits, they had been protected against the contingency of an interruption in their earnings during the whole time they paid contributions to the unemployment insurance program. It is essentially this protection that their contributions covered. I think that principle we understand, even though sometimes, as I said, it caught people in the net who earlier had not been in the net and might not have wanted to get caught under the changes of 1971.

Nonetheless, it is important to remember that, while collecting unemployment insurance benefits, workers who are unemployed can receive earnings of up to 25 per cent of their weekly benefit rates without those earnings affecting the UI benefits paid in any week of unemployment. As pensions are included under this 25 per cent rule, those with modest pensions will continue to be eligible for UI benefits thus not depriving unemployed workers of much needed basic UI support. Therefore, only those pensioners who receive a substantial pension, exceeding even the maximum amount of unemployment insurance benefits payable, may be precluded from receiving UI benefits when they retire.

I think an equally important issue in this regard is that in addition to providing universal coverage to all Canadian workers the UI program must remain affordable to the taxpayer contributing either through premiums or through taxation itself. That is a principle as well that we should not forget. The Government feels that a claimant with an income from employment should not be treated in the same way as a claimant who has no income when it comes to determining eligibility to unemployment insurance benefits and the amount that should be paid. I do not think we can abrogate our responsibilities for the control of the UI funds by paying benefits to those who do not have an interruption of earnings.

We have to make one or two other points on the motion we have before us today. The Government, in its last 18 months, has brought forward other plans as well for people exactly in that age group. For instance, the Canadian Jobs Strategy ensures that federal resources are used effectively to bring direct assistance to those most in need. The re-entry option, for example, is helping many older women who may require career counselling and instruction in job search techniques or skills upgrading.

● (1620)

The Skill Investment Program is also helping older workers to plan for change in advance. They can train for the future before their existing skills become obsolete.

The Community Futures Program will also benefit many older workers in communities across Canada—

Ms. Copps: Mr. Speaker, I rise on a point of order. I do not want to be difficult but there are a number of Members on both sides of the House who want to take advantage of the new spirit and rules to discuss the issue which has specifically been placed before the House by the Hon. Member for Nickel Belt (Mr. Rodriguez).

I have been listening patiently to the Minister and have heard absolutely no mention of the provisions of unemployment insurance income.

The Acting Speaker (Mr. Paproski): I regret but that is not a point of order. The Minister has a couple of minutes in which to finish his comments.

If the Hon. Member wants to know the difference between a point of order and debate, she can come to my chamber later. I would like to discuss it with her.

Ms. Copps: I would be very happy to do so, Mr. Speaker.

Mr. Epp (Provencher): Thank you, Mr. Speaker. The Community Futures Program will also benefit many older workers in communities across Canada experiencing economic decline, chronic unemployment or plant closures about which we have heard so much.

Not only has the Minister of Employment and Immigration acted in these areas to help older workers, she is most conscious of the changes that are referred to in the motion before us today.

The two principles upon which the Minister has worked are the universal payment of premiums and that a person with no employment income or no job has been and will remain eligible.

The Minister stated that the notice of change was given well in advance. In fact, the notice of change was highlighted in the statement of November 8, 1984. It was given again in a press release on December 21, 1984.

It was stated a few minutes ago that the average Canadian who might be affected by this provision was not aware of this change. In March, 1985, the Minister sent some 650,000 letters to all employers participating in unemployment insurance to explain the provisions.

Finally, let me repeat that this question has been referred to the Forget Commission. The Minister has discussed it with the Chairman of the Commission, and although this does not fall directly within my ministerial responsibilities, I have had an opportunity to discuss this issue personally with the Commissioner as well. I know that he is sensitive to the issue and will consider it when making recommendations on the general approach to unemployment insurance and how it can be improved.

I suggest that the Minister has thoroughly informed Members of her approach concerning the recommendations which she will follow once they are given.

Ms. Copps: Mr. Speaker, given that the Minister is from Manitoba he will no doubt be familiar with the specific case of Rudolph Lange. This was, in fact, a test case in which the Board of Referees decided that the Government's action to interpret the use of pension and severance benefits as income was a violation of the law. The board ruled in favour of Mr. Lange. In the meantime, the Government has decided to appeal that decision and no money has been given to Mr. Lange. Why is the Government appealing that decision?

Second, does the Minister not believe that Mr. Lange should get his money in the interim, because it has been rightfully awarded to him in a favourable decision by the Board of Referees?

Mr. Epp (Provencher): Mr. Speaker, I cannot comment on the specific case but I can give the Hon. Member the general principle. The first step is that the Board of Referees has made a decision in favour of the person whom she has mentioned. That decision has been appealed and, being before the courts, is *sub judice*. I believe she recognizes that no decision will be rendered from here until all steps and decisions affecting both parties have been taken.

Mr. Rodriguez: Mr. Speaker, it is with some sadness that I listened to the Minister of National Health and Welfare (Mr. Epp). I thought there would be a new era and a new atmosphere in this place as a result of our approval of the reform and new rules introduced by the committee chaired by the Hon. Member for St. John's East (Mr. McGrath). One of the changes is that Opposition Day motions such as this one could be voted on freely, without involving confidence in the Government. It was in that spirit that I brought this motion forward.

What we have heard is the Party line being laid down by the front benches of the Conservative caucus. I was prepared to be a little conciliatory, but it seems that they have drawn the line and it is down the middle of that aisle. I appeal to those Members opposite who have a conscience about this matter, and I want to ask the Minister specifically—

Mr. Mayer: What a windbag.

Mr. Rodriguez: Why don't you go back to sleep? Why don't you get up and make a speech?

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Mayer: Why don't you open your eyes and stop trying to suck and blow at the same time?

Mr. Skelly: When did you wake up?

The Acting Speaker (Mr. Paproski): Order, please. I hope the Hon. Member has a question.

Mr. Rodriguez: When teachers and Armed Forces personnel were included in the Unemployment Insurance Act in 1971, the Minister recalled the debate which took place with teachers and others who did not want to be included in that Act. Yet the Government announced in November, 1984, that this change to the UI provisions would be made by regulation. The Act was changed by cabinet fiat with no opportunity for a Bill to go through the House with the proper consultative process that it would allow.

I believe that rather than changing the Act by one announcement in November, 1984, the Government should have referred the issue of pensions and the issue of severance and holiday pay to the Forget Commission which was set up in the spring of 1985. Canadians could have had an input into that commission, a report could have been made to the Government and the appropriate changes could take place. I suggest that this would be the proper way to review the program. Does the Minister agree that this would be the proper procedure and, if so, will his colleagues support the motion before the House today?

Mr. Epp (Provencher): Mr. Speaker, the Hon. Member for Nickel Belt talks about a new spirit. I appreciate his recognition of that new spirit and I am sure that his response was given in that new spirit as well.

The Government made a decision and announced it through legitimate means. The Government has both the right and responsibility to make those changes, and they were announced on three separate occasions as well as in response to innumerable questions in the House. The Hon. Member asked a number of those questions.

The Minister of Employment and Immigration and I have given the Hon. Member the assurance that the Forget Commission has been given every opportunity to examine this part of the Act as well as others.

The decision of the Government stands and, as a member of the Government, I have reiterated it for him today.

I appreciate the Hon Member's motion and his intent, but I am saying to him that the decision of the Government stands until the Forget Commission comes back with its report.

• (1630)

Mr. Henderson: Mr. Speaker, I heard the Minister say in his address that EPF funding has not been cut. In the *Charlottetown Guardian* on March 10, 1986, the Minister of Health and Social Services of Prince Edward Island, Mr. Fogarty, is quoted as saying that the Province of Prince Edward Island will get $11 million less than it originally anticipated over the next five years under the EPF formula.

Could the Minister clarify that, because there seems to be a tremendous misconception about EPF funding? The Government is saying there are no cuts and the provinces and departments within provinces are saying, yes, indeed there are cuts.

Mr. Epp (Provencher): Mr. Speaker, I appreciate the Hon. Member's question. I know that as a former Member of a provincial administration he asks that question both legitimately and seriously. I do not know whether the Hon. Member was here at the time I gave an explanation, but I believe two points have to be made on the question of EPF. I believe Mr. Fogarty has looked at the last five years, the formula which just ended, and projected as if that formula had stayed in place over the next five years to 1990-91. Mr. Fogarty, when he makes the point, anticipated—and I think the key word is "anticipated"—the formula as if there had been no change. Again, I am not necessarily trying to be partisan, but I believe the Hon. Member will know that formula changes were made in the previous administration as well in view of the financial realities. Over the next five years, in Bill C-90, for example, there will be an actual increase in the amount of money the provinces will receive under the BLOC funding, the BLOC formula, which includes the federal Government's share of health care and post-secondary education.

During the last five years, about $65 billion was transferred from federal coffers to provincial coffers for those two programs, and it is projected under the new Bill that approximately $90 billion will be transferred in the next five years. It is obviously a substantial increase.

Ms. Copps: There has been a decrease. You are misleading the House.

Mr. Epp (Provencher): I am not misleading the House, and I wish the Hon. Member could see the point—

Ms. Copps: You are absolutely misleading the House. There has been a decrease in the increase of transfer payments.

Mr. Epp (Provencher): If the Hon. Member wants to start to make a speech, I wish she would at least make a speech which is both intelligible and true.

Ms. Copps: Well, tell the truth.

Mr. Epp (Provencher): What I am saying to the Hon. Member is that when the provinces made that point—such as was done by Mr. Fogarty—on something alleged or anticipated, it was on the old formula. The new formula does in fact have increases. It is not a cut of the previous amount of money they received. In fact, it is an increase.

I think the Hon. Member for Hamilton East, if she had any brains in her head, would understand that.

Ms. Copps: You don't know how to count, that's your problem.

Mr. Redway: Mr. Speaker, the Minister is aware of the concerns—

Ms. Copps: Ask the Government of Manitoba what it thinks about your figures. At least tell the truth.

Mr. Redway: I wonder if I could have order, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Order, please. I cannot seem to hear anyone talking in this Chamber.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Would the Hon. Member please ask his question.

Mr. Redway: I can understand that. I have been trying to talk and I can understand why you cannot hear me talking, Mr. Speaker.

The Minister is aware of the concerns of a great many Government supporters concerning the treatment of pension income as income for the purposes of unemployment insurance benefits. I know that he and other Ministers share that concern. I was interested to hear his comments relating to the Forget Commission. Of course, Government Membersare relying on the fact that the Forget Commission is reviewing this matter and that the Government has committed itself to act in the light of those recommendations. Since the Minister appeared before the Forget Commission—I understood from his comments that he had been in touch with it—could he tell us today exactly when we can expect to have a report from the Forget Commission. Of course, Government Members are re-expeditiously?

Mr. Epp (Provencher): Mr. Speaker, I would just like to clarify for the Hon. Member that I did not appear before the Forget Commission.

Mr. Nunziata: Why didn't you?

Mr. Epp (Provencher): I did have a private discussion with Mr. Forget on this issue. I personally asked, as one Member of Cabinet and of the Government that he look at it expeditiously.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. We are over the time now by a minute and a half because of the few interjections.

Mr. Nunziata: With unanimous consent?

The Acting Speaker (Mr. Paproski): No, not this time.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, first I would like to congratulate the Hon. Member for Nickel Belt (Mr. Rodriguez) for placing before the House what is probably the first resolution that can demonstrate that parliamentary reform can work.

I believe the Minister of National Health and Welfare (Mr. Epp) illustrated the problem very succinctly this afternoon. We have argued for the entire day, rationally, intelligently and without rancour, a motion to have this House urge the Government to withdraw an offending regulation. Government Mem-

bers have heard our case. I am under the impression that all Liberals will support this motion. The New Democrats will vote for it. I suspect that some Government Members will weigh in their minds what the Minister of National Health and Welfare, as the representative of the Government, had to say today and they will weigh what the Liberals and the New Democrats have said. They will weigh in their minds the letter of the Deputy Prime Minister (Mr. Nielsen) to the Minister of Employment and Immigration (Miss MacDonald), the contents of the letter from the Secretary of State for External Affairs (Mr. Clark) to that same Minister asking for modification of the offending regulation, and they will weigh what has been said within the Conservative caucus, I assume, by Members of Parliament on the Government side who have been listening to their constituents.

I would point out that the Hon. Member for Victoria (Mr. McKinnon), a Conservative Member for a long time, has the interests of the Armed Forces at heart. The Hon. Member for Esquimalt-Saanich (Mr. Crofton) also represents an area with a very large military area establishment, and the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) has in his riding a military establishment at Nanoose. They must have been listening to their constituents. I am sure Hon. Members have listened to retired people from the Armed Forces, the RCMP and, indeed, the many other people who have been left out of the protection of unemployment insurance by this offending regulation.

I know Government Members are evaluating all this. They are under tremendous pressure from their constituents. They know what is fair and what is not fair. And even some of the most prominent members of their own Government have asked that this be changed. This is the essence of parliamentary reform. I do not envy the Government Members. They have two choices. They can support their constituents and fulfil their responsibility for which they were sent to this House, or they can toe the Government line.

The Minister of National Health and Welfare stated that the Government has the right and the responsibility to make decisions and to carry out those decisions. He said: "We have made a decision on this and we will carry it out". I might remind him, however, that the same statement was made in the House week after week with respect to Old Age Security deindexing until the "grey panthers" of this country rose up in such numbers that the Government realized it would be shot into oblivion if it followed through on that ill-conceived decision.

I would point out to Conservative Members here today that they have a right to vote and they have a responsibility to support their constituents. They must make the judgment with respect to whether or not this move is fair. Indeed, we have made the argument that it is not fair. In fact, there was no consultation. It was simply done in the dark of night in some black cabinet meeting where Ministers decided, without proper guidance and input from their back-benchers with respect to the effect of such a move. Now that the decision has been brought forward in the light of day, constituents have had a chance to look at it. People see that they will be adversely affected by it and they say that it is a mistake.

• (1640)

The very softly worded resolution which would change this mistake is before the House today. I would again congratulate my colleague, the Hon. Member for Nickel Belt, for identifying this issue which allows an opportunity to Members of the House to vote on it. I think Government Members have not only to weigh the merits of the issue today, they must keep in mind that parliamentary reform is riding on it. It is an extremely unfair move, one which is not only the subject of this Parliament but that of provincial legislatures which will consider the question. The question has been dealt with in the Nova Scotia Legislature. A resolution was put forward from there to the Government of Canada stating that it is wrong and that it should be reconsidered. The British Columbia Legislature will soon have an opportunity to consider a motion such as the one which is before us. Since there are many British Columbians who will be adversely affected by it, I suspect they, too, will judge that it is a mistake. I believe they, too, will send a clear message to Ottawa stating that a mistake has been made. If there is such an unanimous decision reached in the British Columbia Legislature, then I think the Government in Ottawa must re-examine the issue. It would be a mistake for Conservative back-benchers, who must judge the issue and explain it to their constituents, not to support the motion today.

What does the motion ask? It asks that a mistake which has been made be corrected. It is a mistake which withdraws unemployment insuance benefits through the mechanism of declaring severance pay and pensions as income, thereby prohibiting the opportunity to collect unemployment insurance. This is something for which they have paid and which many people before them have had the opportunity to collect. Even today others who find themselves in a slightly different position in relation to the law are still collecting benefits. Examples of that have been put forward to the House. This is a measure which must be changed. The only way it can be changed is for government Members to support the motion. There is no shame in showing such support. I ask Hon. Members at what time they will accept the problem of parliamentary reform. There is no shame in acknowledging that a mistake has been made. The Government's position with respect to Old Age Security illustrates that point. There is no great political difficulty in saying that, perhaps, we should re-examine this particular problem, rectify it and recover the public revenue from other sources more capable of paying. Government Members will have to make this judgment.

The Forget Commission has been referred to many times in an attempt to get out from under the problem. Government Members realize they are in great difficulty with respect to this decision. They seem to say: "Let the Forget Commission report on it". The commission will likely come back with an optimistic view in the fall of 1986. By that time many thousands of Canadians will have lost their unemployment insurance as a result of this mechanism. It can be rectified right

now. It can be rectified with very little dislocation to the Government since most of those who have lost their benefits are still in the appeal process. Indeed, boards of referees across the country are somewhat confused in terms of this matter. Some of them are handing down decisions which deny appeals while others are upholding them. For example, some 20-odd appeals have been upheld in Nanaimo. The process will be carried on to umpires. I imagine that at some point in time the Supreme Court of Canada will be required to make a judgment on it.

This regulation of the Government is unfair. It may even be illegal. It will generate enormous political heat because of its unfairness. Would it not be more simple for the Government to say that it will restore the rights removed and wait for the report of the Forget Commission? Would it not be better for the Government to say that it will develop recommendations from the report for Parliament and let Parliament make the decision as to which way we should go on this issue? That is the correct way to proceed. Again, I emphasize that there is no problem in suggesting that in the application of the regulation we have a problem. That problem can be rectified by withdrawing the regulation, restoring the benefits to the individuals involved and moving on.

I now wish to refer to a number of special cases. The first deals with members of the Armed Forces. In the constituency I represent I have an Armed Forces station at Holberg and there is another at Comox. There are thousands of people who have retired from the Armed Forces who have moved into the area. I estimate we are talking of something in the order of 6,000 people who are extremely upset as a result of the Government's actions. They are upset because of the unfairness of the move. As has been pointed out previously, members of the Armed Forces contribute through premiums to the Unemployment Insurance Program even though they can now never collect. That is unfair. Members of the Armed Forces are put out of the Armed Forces. They do not have a choice with respect to whether or not they are retired. They are put out and that is it. Therefore, because of that particular situation I think it is incumbent upon Parliament to make sure that they are entitled to collect unemployment insurance benefits in order to make the transition. Most members of the Armed Forces who retire do so at a time of life when the transition is extremely difficult and expensive to make. Their children are almost grown and they are usually eating them out of house and home. They are very expensive to clothe. The parents are looking at post-secondary education, whether it be vocational training, university or technical schools. These institutions are not found in close proximity to the areas which I represent. Children of the people in Comox who need to get to post-secondary institutions must travel long distances. They must board out. Their costs are much higher than those of other Canadians. The point I am making is that the House should seriously consider this situation and vote together on it in order to restore those benefits. In this way we can make the adjustment for the people a little more humane. Those people who are told that they must leave their jobs will at least know that there will be some security provided through unemployment insurance benefits.

Another aspect of the situation is that in planning pension income the unemployment insurance adjustment period is determined in the development of that for an appropriate level of pension. To withdraw it part way through the game is to do an enormous disservice to those people who have contributed and who have served their country. Through no fault of their own they lose their employment and have to go through a very severe financial adjustment. I am certain that all Members of the House feel that a redress should be made for those individuals. It would only be a misguided response to the Government's line which says: "Since you are members of the Government, you cannot vote in favour of this motion". In the spirit of parliamentary reform, members of the Government should be supportive of such a move in the form of the resolution before us today.

There is another issue which involves retired members of the Armed Forces. These people receive small pensions. To try to deal with the latter years of family life, in terms of children leaving home, purchasing new homes and trying to establish themselves in new employment, many of these people must take part-time jobs which pay the minimum wage. They are still required to pay unemployment insurance. When they become ill they cannot collect sick benefits. They cannot collect unemployment insurance when they pick up seasonal work. This is grossly unfair. We should provide individuals at that time of life with some security, and unemployment insurance was a satisfactory mechanism for doing that. It was fair, and it was a mistake to remove it.

• (1650)

The Government has attacked the Armed Forces, the RCMP and the Public Service on another front. When will the Government stop the attack? There was a proposal in the same recommendations of the Conservative Government to deindex the pensions of members of the Armed Forces down to the level of inflation. It is a mistake. Even the previous Government is not without fault here. When inflation rates were running at the 14 per cent level, it felt that an appropriate level of indexation would be down around the 6 per cent and 5 per cent levels. That was absolutely wrong. Those people on small pensions, who earned their qualification when the salaries of the Armed Forces were much lower, were seriously harmed and will probably never catch up on their pensions because of that attack on their pension income. If the Government compounds its mistake of denying unemployment insurance benefits to those members of the Armed Forces who are retiring by deindexing their pensions, a grievous insult would be inflicted on Canadians, and I do not think they will sit down and take it. Indeed, we in the New Democratic Party intend to support them to the fullest, to win back the benefits they have lost and to preserve the ones they have today.

My counterpart in the Comox constituency, Karen Sanford, will be raising this matter in the provincial Legislature of British Columbia. I would be very surprised if both sides of

that House did not indicate to the Government of Canada that it made a mistake and request it to make that change. Karen Sanford will be raising that matter on behalf of her constituents, and the Government Members in this House should be raising it on behalf of their constituents as well.

Earlier today a Government Member mentioned that he could not support it because generals would be collecting unemployment insurance. I hope the Hon. Member for Halifax West (Mr. Crosby) made that comment tongue in cheek. He knows that there are thousands and thousands of non-commissioned officers who are in very serious financial situations because of what the Government has done to date. Because of one or two individuals, the Member would stop this measure from being retracted or removed so that the vast majority of affected people would be allowed to benefit from a program from which the Government intended them to benefit in order to solve their problems. It is a matter of serious concern. We share the concern about certain individuals with extremely high incomes being entitled to this benefit, but we will certainly not harm thousands and thousands of people because of the odd one who slips through. I hope that Hon. Member will in fact vote with us. I know he has many members of the Armed Forces in his area. Also I know that he is concerned about their welfare and recognizes with some apprehension the kind of harm which this measure could cause.

I should like to refer to another area of concern, there are so many. The Minister of National Health and Welfare indicated that he had been a teacher in another life; I too was a teacher in another life. I know that it is a demanding profession. After a certain number of years, some teachers feel that they have made a significant contribution and would like to change fields. They opt for early retirement; they take a diminished pension. There is assistance from the unemployment insurance fund to make that transition. The nice thing about it is that someone else comes into the profession behind them. One comes off unemployment insurance while the other goes on it to make the transition into another occupation or another area of contribution. The net effect on the Government of Canada is zero. However, a young person is working and a senior person is retiring or moving into another area after having opted for a much lower pension. It would be deemed fair by most Canadians to say that that is a rational use of public funds—to allow more young people to obtain work and to allow older people who have made their contribution to retire or move into another area in which they would like to make a contribution, possibly at a much lower salary. That use of early retirement is very valid. Teachers are being discouraged from taking early retirement because of the unemployment insurance regulation which cuts the opportunity to make a transition with some dignity and with some financial stability; they are facing the same situation. The list of groups affected unfairly by this goes on and on. They were not consulted. The rules were changed on them part way through the game. All their plans were in place, and suddenly those plans went down the drain because the Government changed the regulation. It is grossly unfair; it is unwise.

Today we in the House have an opportunity to kick off parliamentary reform in a very meaningful way. Government Members can judge the merits of the arguments put by the Deputy Prime Minister, the Secretary of State for External Affairs, and by those many Government Members who represent ridings in which there are large populations of retired members of the Armed Forces. They can weigh those arguments along with what their constituents and other individuals who will be affected have said. Also they can weigh what was said by the Minister of National Health and Welfare. I hope he re-evaluates his position on this particular matter. We as a Parliament could remove that offending regulation, replace those benefits which were taken away, and basically wait for the results of the Forget Commission to look at what should be done in a global and planned way to the unemployment insurance fund. That makes sense, and that ends my presentation this afternoon.

Mr. Crosby: Mr. Speaker, I listened with great interest to the remarks of the Hon. Member for Comox-Powell River (Mr. Skelly). I would like to make a comment and then ask him a question. I want to make it clear, though, to the Member and to other Members of the House that this is not a case of opposition to the principle of providing unemployment insurance benefits to deserving people. This is the debate of a motion before the House. While the motion might be acceptable in some ways, it is the role of the Hon. Members to point out its deficiencies, and that is what I want to do in making a comment.

I will not even mention the fact that this matter has been before the House of Commons since November, 1984. I will not even mention the fact that there have been supply periods and Opposition Days galore between that date and today, March 20, 1986. I will not mention the fact that the Hon. Member for Nickel Belt (Mr. Rodriguez) could have raised this matter on numerous occasions when it was not cast in stone, when no action had been taken, and when all Members could have voted freely on the matter. He waited until it had become a *fait accompli*, until the action had been taken. Now he comes, after the horse has been stolen, and asks us to lock the barn door and participate in that process.

I want to tell him, very briefly, what is the matter with the process and with the resolution which he brought forward for those of us who support the fight of early retirees and recognize that there are people who need unemployment insurance benefits in addition to their pension income. Let me tell him what is wrong. He is opening the door completely wide. He is letting in the President of the Bank of Montreal, executives across the country, generals and so on. The Hon. Member for Comox-Powell River said that it would only be one or two generals. Let him produce the statistics and tell us how many people with incomes of $40,000 and more will benefit if this change were made today in the House of Commons. We are not here to protect bank executives. We are not here to protect those people who have earned a living over a 30-35 year working period and have retired at age 65 and want unemployment for a year after retirement. That is not the purpose of the

fund. The purpose of the fund is to aid those people who need that income because they have lost their employment, not superannuates who are 65 years of age, not retired generals, not retired bank executives and so on. If the Hon. Member does not understand that and he cannot present that case to the House of Commons, no wonder he will lose; no wonder the motion will be voted down. They have not adopted the process.

I will not ask the Hon. Member why this matter was not raised a month ago or six months ago, before action was taken. What proposal does the Hon. Member have to pay for this? Almost $12 billion was spent on unemployment insurance in 1985. The income to the fund was in the area of $8 billion. There was a $4 billion deficit. He is saying right in this House of Commons today: "Pay the generals unemployment insurance. Pay the bank executive". Who is going to pay for that? The taxpayers of Canada? That will add to the deficit. Is the Hon. Member asking us to direct the taxpayers of Canada to pay that money?

● (1700)

Mr. Skelly: Mr. Speaker, there are three points which the Hon. Member for Halifax West has made. I hope that there is sufficient time for him to reconsider his position. First, the President of the Bank of Montreal—and I know this for a fact—has organized his affairs in such a way that he will be drawing his pension so that he will be able to collect unemployment insurance plus his pension income.

I have spoken with several generals in the Armed Forces who have arranged deferrals in their pensions and are drawing out RRSPs in such a way that they will be able to collect unemployment insurance, even though the corporals and the enlisted ranks will not be able to collect it. That is the basic unfairness which the Member's Government has put in place. It is a situation where generals and the President of the Bank of Montreal can still collect unemployment insurance while the corporals and the master warrant officers, the group who needs the money, cannot have it. That is the gross unfairness of the Government's position. It is my hope that the Hon. Member will reconsider his position.

The second point the Member made was that the barn door is already closed. It is not already closed. Virtually all of these cases are now in appeal before the Board of Referees. Some cases have been heard. There are 25 of them in Nanaimo in which the Board of Referees says that it is wrong, pay them. Now the Government is appealing. It is not too late to change.

Even though the Hon. Member for Halifax West is against members of the Armed Forces and other people from collecting unemployment insurance, many of the Members on the other side may have weighed his remarks and said, "I do not agree with that. I am going to vote on the side of fairness. I am going to vote for the Hon. Member for Nickel Belt's position. He should withdraw this offending regulation and restore benefits to the people who justly need them".

Mr. James: First, I have a comment and then I will ask a question of my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly).

The Unemployment Insurance Program was not designed to become a second income. It was to be the first payer. If a claimant received money from some other source, then that money was deducted. If a person had a job in a restaurant and worked as a waitress for a time, an amount was deducted from the claim.

It appeared very unfair to me if a pensioner did not have his UI deducted. Costs have escalated. The Hon. Member has been here a good long time. He would know that in 1983 the deficit in the UI account increased to $4 billion from $2.4 billion in 1981. Much of this increase occurred because of the add-ons that took place.

I am concerned about the speeches that have been made about the changes which the Government has made, because somebody else is paying. I was in small business and still own a small business. The worker, the employer and the Government pay. When the Government has nothing more than the workers or the employers, where does the Member thinks all this money comes from?

Mr. Skelly: Mr. Speaker, first we are talking in the order of $30 million annually that is being saved. On the scale of the UI pay-out, that is minimal, but the hardship is very real and hard. It is unfair to allow this to go on for a period of time. The express intent in previous legislation was to create a situation to help people through the transition.

It is unfair to change that by regulation and not in the context of what we are going to do with the unemployment insurance legislation. I would hope the Hon. Member would see that. I would hope he would see that what has come to pass is unfair.

He diverted the conversation into an area that is very near and dear to my heart. When the UI account went so badly into deficit, this country went through almost the worst recession it has ever had. We helped an enormous number of people by having that unemployment insurance. If the Member was in small business, he would know that in my area of the country thousands and thousands of small business people benefited. During that period of income loss, the unemployment insurance fund was there to pick up that loss. It not only kept workers going but it kept small businesses going and the people they employ. Let us not make the mistake of thinking that the small business sector did not, through that recession, benefit profoundly.

There are areas of that unemployment insurance fund where we should be paying unemployment insurance to small businesses. I have had hundreds of contractors coming in to me over a period of time saying to me "My God, if they are laid off in the pulp mill they will get unemployment insurance—

The Acting Speaker (Mr. Paproski): I regret to interrupt but the Hon. Member's time has expired. Debate. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am ready to question a few Conservative Members of Parliament. We know that today is the day we get a chance to test out the much trumpeted new rules. We also know there is a growing dissatisfaction among some Conservative Members of Parliament about the Government's cruel and unjust decision to include severance pay, vacation and pension benefit as income for the purpose of unemployment insurance.

A number of Conservative Members are pulling the wool over the eyes of the public. I look, for example, to *The Daily Gleaner*. The progressive Conservative women—and I can tell you, Mr. Speaker, in every Party the women are the most progressive—passed a resolution saying the unemployment insurance changes were unfair. Not only did they pass a resolution but they organized a meeting, and over 500 people packed the hall, including the MP for the area. The MP was in total agreement with the stand taken against the change in UIC pension policy. He further stated that the petition circulated was now on the desk of the Prime Minister (Mr. Mulroney). Where is the Member of Parliament for that area at the moment? Where is the Member of Parliament who did not even have the courage to come to the House today to speak on this issue?

Mr. Malone: Order.

Ms. Copps: Is the Member representing Gagetown in so cowardly a way that he does not come into the House?

Mr. Malone: Order.

Ms. Copps: He promised to fight for the issue, but he is not here.

I would like to ask why the Minister of National Health and Welfare (Mr. Epp) tried to slough off the question I asked him as it related to a specific case in the City of Winnipeg.

I received a call today from *The Winnipeg Free Press* asking me why I was interested in raising this case when not a Progressive Conservative Member from the Province of Manitoba was prepared to fight for the rights of an individual constituent who had a positive finding from the Board of Referees. I was further asked what the Government is doing. Its Members are failing to speak out on this issue. I hope they will be here at 5.45 p.m. to vote with the Opposition on this important issue. Why is the Government silent when Armed Forces personnel brass are intimidating members of the Armed Forces to stop them from signing petitions against this measure?

I have information that the brass in the Armed Forces have contacted individuals at the local bases advising them not to sign petitions against this measure. Again, we see they are trying to cut off debate, the very lifeline, not only of members of the Armed Forces but of other individuals who have been hurt by this measure.

We heard the Minister of National Health and Welfare talk about how they were not prepared to move on this issue because they were waiting for the Forget Commission Report. I can give you chapter, verse and example of people who have already had to put their homes up for sale in Canada because of this measure, Mr. Speaker. If you are 58, 59 or 60 years of age and you are on an early pension, it is not enough to help you survive. If you happen to be raising a family, there is no way you can make mortgage payments. I can show you that this particular measure has driven people of Canada out onto the streets. It is a real shame that the Members on the Government side of the House do not demand that, at least in the interim until the results of the Forget Commission are known, the Government roll back this cruel, unjust and unfair legislation. If they do not, they will pay the political price.

• (1710)

This issue will not topple the Government today or next week, but it will fester. When organizations like the Oromocto P.C. Women's Association are challenging the Government on this issue, and suggesting that they are prepared to take their fight to the Canadian Human Rights Commission because they believe it is a violation of human rights, there is a pot of trouble brewing.

If the Government is interested, in the very least in listening to the responses of its own members, it should take heed and listen to the message of the women of Oromocto and, in particular, the women of the Progressive Conservative Association of Oromocto who have taken this issue on as their cause. They realize that the time when a person is being dislocated and forced into retirement by the Armed Forces, or dislocated from a job, is the time when they can least afford to pay the price for this change.

One of the Government Members said that the unemployment insurance scheme was intended to be applied to those people who have no income. The facts are that the unemployment insurance provisions were intended to be insurance against loss of a job. As was so ably pointed out by one of my colleagues, this particular measure strikes primarily at working poor and blue collar workers.

If you are an investment money manager who happens to have purchased a private money plan and have a self-directed RRSP, you are exempted from these provisions. When the Government instituted this unfair and cruel tax on the middle-income and poor people, it sent a little notice out with the first cheque on January 5 saying that if you have a private RRSP you are exempt. It is all right if you know how to move your money around, if you have become a landlord, and have investment income from other sources.

Through this particular measure the Government is turning unemployment insurance benefits into a welfare scheme. It is turning unemployment insurance benefits into a means-tested scheme, particularly for those salaried employees who are the middle and lower-income earners in the country. The measures quite clearly do not affect the self-employed and those who have their own private money purchase plans, but they affect those people who may have a small pension.

I can give you names of hundreds of individuals who have contacted my office. For example, Peter Benczi finds himself,

through no fault of his own, out on the street. He filed an appeal with the Unemployment Insurance Commission and hopes it will rule in his favour. Unfortunately, if it does, it is highly likely that the Government will appeal the decision as it did in the case of the gentleman from Winnipeg to whom I referred earlier. He went to the Board of Referees which was established by the Government to determine who was right and who was wrong. He fought his case and won. He should have received his pay but, instead, the Government appealed it. The Government has the finances and resourcess to appeal this all the way to the Supreme Court, but this particular gentleman does not have those resources. Why does the Government not pay him in a show of good faith? Why does the Government not, at the very least, in anticipation of the results of the Forget Commission, say that it will declare a moratorium on this unfair law, at least until it has heard what the Forget Commission has to say?

Unlike the Minister of National Health and Welfare, I made a presentation to the Forget Commission. The commissioners were extremely sympathetic, but said their hands were tied. They could not force the Government to make changes in the interim. They were looking at the over-all structure of the unemployment insurance scheme and would not be ready to report until at least the fall of 1986. In the meantime, hundreds of workers are losing their homes, being deprived of benefits, and having their human rights stripped from them simply because the Government fails to listen to people like the P.C. Women's Association of Oromocto.

I learned a lesson when I was a member of the Liberal Opposition in Ontario. At that time there was a Budget introduced by Marc Lalonde. He decided in his wisdom that he would start to declare workers' compensation benefits as income for the purpose of calculating the guaranteed income supplement. I disagreed with him and wrote to him at the time. As a result of that particular small change in the Budget, hundreds, if not thousands, of workers who had perhaps a very small worker's compensation pension as well as their old age pension, had their guaranteed income supplement cut back.

I wrote to Mr. Lalonde saying that this may not be the most earth-shattering measure in his Budget, but that it would stick in the craw of Canadians for a long time. when I travelled in my riding and spoke with injured workers, they asked why the Liberal Government took this measure. The issue passed unnoticed for the most part, but some of us expressed our concern by sending a message to the Liberal Government of the day. We said that we knew changes were needed, but asked that they not be taken out on the backs of the people who could least afford to pay. That includes people who have been forced into early retirement, who have lost their jobs through no fault of their own, and who, in many cases, are looking for work but do not have a hope of finding another job.

Will you tell me that women and men who lose their jobs at the age of 59, 60, or 61 will have a chance for re-employment? Women come into my riding office who have been subject to lay-offs as a result of the closure of Allen Industries. One woman in particular who is 45 years of age is not eligible for LAB benefits because her age and her 15 years of experience do not add up to the required 80 years. Therefore, she is looking for a job. Since she receives a small pension, she is being denied the right to collect unemployment insurance benefits.

Mr. Crosby: How small?

Ms. Copps: The Member asks how small. I will tell you how small. People are receiving pensions of $200 and $300 a month with which they are required to support families. It may be easy for us in this House to talk about it, but it is wrong for a person receiving a pension of $300, $400, or $500 a month to be denied unemployment insurance benefits. The Member shakes his head and says it is not wrong. I will table in this House the name of a man who has sold his home as a result of the changes which the Government has made in the Unemployment Insurance Commission. If the Member can guarantee me that that man should not have sold his home, that he was living high off the hog, I will withdraw my words and my position. I have received hundreds of letters on this issue, as have my colleagues, the Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) and the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

[*Translation*]

Quite clearly, Mr. Speaker, this Bill affects the more destitute, people who are getting older, who are forced to quit working at age 55 or 60 and who will be penalized by the Government.

There is a second consideration on which I would rather not comment because there is not much time left. I would just like to say that this measure will create even more unemployment among young people because older workers will no longer choose to retire. If they cannot draw unemployment insurance benefits they will refuse to retire and this will not free jobs for younger Canadians. This Bill is just one more insult to Senator Hébert who is now fighting in the Senate for young people. I think that the Government and Hon. Members themselves should realize that their constituents will consider that as their personal and individual decision.

[*English*]

I urge government Members, in the spirit of the new rules, to vote with their consciences rather than just following the Party line.

● (1720)

Mr. Deputy Speaker: Questions or comments?

Mr. Crosby: Mr. Speaker, I have a comment on the Member's remarks concerning eligibility for unemployment insurance of persons with pension income. I call to her attention that she said that with a pension of $200 or $300 or $400 a month, a person would be ineligible for unemployment insurance. I ask her to check with a UIC office and check the formula which applies and find out who is wrong on that point.

I also have a question for the Member. She does not seem to realize that this argument concerning eligibility has been waxing for 18 months. Members of the Progressive Conservative Party, Members of provincial legislatures, and other public officials have pointed out time and time agin that the Government responded to the concerns expressed publicly by Members and others and referred the matter to the Forget Commission. They are coming to the post too late. Can they get that through their heads? The decision has already been made. The matter has been referred to the Forget Commission. I do not remember the Hon. Member for Nickel Belt (Mr. Rodriguez), the Hon. Member for Comox-Powell River (Mr. Skelly), and certainly not the Hon. Member for Hamilton East (Ms. Copps), appearing before the Forget Commission, as did the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) and myself, and asking it to make a recommendation now. We asked it to file an interim report and send it to the Minister so that a decision could be made now.

Mr. Deputy Speaker: Order, please.

Some Hon. Members: Point of order.

Mr. Deputy Speaker: I believe we have four points of order. Order, please. The Hon. Member for Nickel Belt (Mr. Rodriguez) on a point of order.

Mr. Rodriguez: Mr. Speaker, I know the Hon. Member would not want to leave on the record anything that is misleading. He said I did not appear before the Forget Commission.

An Hon. Member: That is not a point of order.

Mr. Rodriguez: Listen before you decide. I did appear before the commission, and here is a copy of the brief which I will send to the Hon. Member.

Ms. Copps: On the same point of order, Mr. Speaker.

Mr. Deputy Speaker: I do not consider that a point of order. Is the Hon. Member ready to answer?

Ms. Copps: Yes, Mr. Speaker. Unlike the Hon. Member for Halifax West (Mr. Crosby), my world does not revolve around Ottawa. If he had a chance to look at the hearing presentation for Friday, January 31, in the great City of Hamilton, he would have been aware that I made my presentation long before the travelling road show arrived in Ottawa.

He talks about people who are living off the fat of the land and getting pensions. Does he really think that the 9,577 widows and orphans who receive an average pension of $4,875 from the Canadian Armed Forces should not be allowed to receive unemployment insurance benefits to that amount? It is deducted from their unemployment insurance benefits. Does he feel these widows and orphans are living off the fat of the land? If he does, he is so out of touch that I am sure his electors will want to remind him of that in the next election.

Mr. Skelly: Mr. Speaker, perhaps the Hon. Member for Hamilton East (Ms. Copps) could clarify this point. If I understand the Government's position, it is that anyone who was concerned about this issue should have raised it years ago. Many Members of this House have raised this issue in letters to the Minister and in questions in this House. Members have appeared before the Forget Commission to make these points. Certain Members of the Government are participating in the debate tonight, although not many of the thinking and clear-sighted Members. They are saying that they are going to vote against this motion because we should have raised this issue some time ago. The fact that they are ignorant on this issue is not a reason to vote against the motion. Arguments have been made in this House today about the basic unfairness of this situation and the fact that the need for that transitional income is critical. Would the Hon. Member agree with that perception of the Government's role here today?

Ms. Copps: Mr. Speaker, the Hon. Member for Renfrew-Nipissing-Pembroke, who I know wants to speak on this issue but has not had a chance because Ministers have been ragging the puck on other issues, and others have been raising this issue ever since it was introduced in the Economic Statement in November, 1984. I have written letters and raised it in the House. I appeared before the Forget Commission. If government Members truly believe in the spirit of reform, then they will throw off their Party shackles and the notion that they are simply Party hacks or book-ends and vote as their individual conscience dictates. If they do, they will vote in favour of the widows, orphans, unemployed and older workers and against this cruel and unjust measure proposed by the Government.

Mr. Redway: Mr. Speaker, I listened attentively to the Hon. Member. She, like myself and all Members, particularly those on the government side, truly believe that the Forget Commission will provide us with very helpful recommendations in order to solve the entire problem. This problem has of course developed over many, many years, primarily during the time of the Government by the Party of which she is a supporter. However, like all of us, I understand she is truly concerned about those who might be suffering while we are awaiting the recommendations of the Forget Commission. I hope some Members of this House will calm down so she can hear me and I can hear what I am saying.

She has pointed out that she is aware of a number of individual cases where people have actually lost their home or are on the verge of it. She indicated she would be prepared to table that information. I would like to ask her if she would do that. Certainly all government Members would be most willing to be of assistance to anyone in that situation. We would be very eager to help to solve that sort of problem. Perhaps the Hon. Member would be kind enough to table names, addresses and other details so that members of the Government could be of help here, too.

Ms. Copps: Mr. Speaker, I am most happy with the spirit of goodwill expressed by the Hon. Member. However, unfortunately that same spirit has not been expressed by his Govern-

ment. In my speech I neglected to draw attention to the fact that the Armed Forces pensioners of this country wrote a letter to the Minister of National Defence (Mr. Nielsen) on the issue because they were very concerned about superannuation as well as their pensions. They got a reply from his sidekick, the Associate Minister of National Defence (Mr. Andre), who first wrote a very glowing letter thanking them for their concerns about pensions and saying that the Government would take them into consideration. Subsequently he threatened to take criminal action against them if they continued to use the name Canadian Armed Forces Pensioners' Association. He claimed that the use of the words "Canadian Armed Forces" was a violation of military law. If they did not revoke that name they would be court-martialled or, in the civil sense, subject to conviction under the Criminal Code, which could result in a $500 fine or six months in jail.

• (1730)

So you can understand that while I appreciate the goodwill of the Member sitting beside, me, it is unfortunate that that same goodwill has not been expressed by that very Minister whose responsibility it is to defend the rights of the people and of the Armed Forces. I think that this is a disgrace and that the Associate Minister of Defence should know better.

Mr. Speaker: The time for questions and comments has expired. Resuming debate.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): I welcome this opportunity to take part in the debate and to announce to the Opposition that I intend to vote against this motion, not because of party discipline but as a matter of principle, and because I believe that the Opposition has failed to provide sufficient grounds for this motion. Mr. Speaker, my stand on this particular matter, even if anyone threatens to tell it to the world—in any case, the debates in the House are public—my stand is as firm as the one I took when I announced in public that I was against all forms of indexation at any level whatsoever.

Mr. Speaker, I am happy to say that I am 44 years old, I have never been on unemployment insurance and I hope to spend the rest of my life without drawing unemployment insurance benefits. The message we get depends on whom you talk to. We hear people saying when they are 35 or 40, and I say they are right: Mr. Hudon or Mr. so and so, I would rather have a job than draw unemployment insurance benefits, because there is nothing more humiliating and distressing for a man or a woman to draw unemployment insurance benefits. And I heartily agree.

And now, all of a sudden, Mr. Speaker, one year before retirement, when they do have an income, it is no longer humiliating to draw unemployment insurance benefits, it is almost a right. And who are we talking about now? We are not talking about people in their thirties or forties, but about the individual who leaves his job, either voluntarily or involuntarily, although in 95 per cent of the cases, at 64 or one year before retirement, it is voluntarily because the companies oblige them to retire early, supposedly in order to create jobs for young people, which are often subsidized by the Government. So we are talking about that kind of person.

They have been telling us from the start: They will lose everything. For a person to lose unemployment insurance benefits altogether, that person has to have earnings of at least $371 a week. This adds up to an annual income of $19,000. So this individual is already earning $19,000 a year. He is losing $15,000 in income, so if we add up $19,000 plus $15,000, we get $34,000 a year, and this is the same person who is forced to sell his home.

If you have to sell your home when your earnings are $34,000, either your payments are too large or your house is too expensive.

Mr. Speaker, $371 a week is the norm. And these are the people we are talking about today. We are not talking about people below the poverty line. I agree that $371 a week is not great, but it is certainly not nothing.

And who is more to be pitied, Mr. Speaker? The individual who has a weekly income of $371, plus unemployment insurance benefits, or the individual who is getting unemployment insurance benefits only, totalling $297 a month? Who is the worst off? And those are the people we are talking about today, Mr. Speaker.

So we are talking about someone who has a weekly income or $371 and who leaves his job and wants to receive unemployment insurance benefits on top of that because, Mr. Speaker, it is a right. We are not talking about people who have less than $371 a week. No! Today, we are not talking about people who work less than 15 hours a week. We are only talking about this particular group. And they say it is a crying shame.

Mr. Speaker, all the retired and early retired Canadians I have met, who say they are not entitled to unemployment insurance, are people who have a solid income. We are going to help the needy.

Mr. Speaker, I will begin by reading an article by Alain Dubuc in *La Presse* of March 26, 1986, the last paragraph where he comments on another program. He writes: "Finally, to be as prosaic one can be, this entire story . . ."—he is referring to Katimavik— ". . . properly depicts the federal Government financial predicament. It shows how one can build up a $30 billion deficit, and it explains why it is so difficult to make cut-backs."

Mr. Speaker, it has been described as an underhanded approach, as a recent decision which is inequitable, unfair, contradictory and illegal. I will attempt to set the record straight because I think such comments are undeserved.

On December 21, 1984, Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) tabled in the House a document announcing changes in the unemployment insurance regulations. I will give you some background information which should be kept in mind.

On November 8 that same year, Mr. Speaker, the Minister of Finance (Mr. Wilson) told the House there would be reductions, cut-backs, a new financial course. That is the day he said: "People drawing an income will no longer be eligible for unemployment insurance benefits." At least, the income was to be considered as unemployment benefits, as income in terms of unemployment insurance. It was said that we were taking everybody by surprise.

I was then Parliamentary Secretary to the Minister of Employment and Immigration and I even received from Members opposite—I will find those documents—letters stating that we were taking people by surprise. This was on November 8, 1984. We did not stand still between November 8 and December 21, 1984 because we thought perhaps we were taking people by surprise, so we would do something about it. Mr. Speaker, that is why on December 21, before everybody, including the old doctor, we tabled in the House a document stating that income from severance pay would be considered as unemployment insurance income as of April 1, 1985, and income from pension funds would be so considered as of January 1, 1986. That is where we are now! It was announced on December 21.

People have told us that the decision is recent. Naturally, it is recent, but it was announced on December 21, 1984. Members of the Opposition spoke about it at the time and there were articles in the newspapers. In addition, a letter from the Employment and Immigration Commissionners for employers and workers, Mr. Doyle and Mr. Chafe, was sent in March 1985 to 650,000 employers telling them that lump sums received as separation payment must now be considered an income for unemployment insurance purposes. It was also announced even then that, from January 1986, pension from employment would be taken into account for unemployment insurance purposes. This had already been announced, Mr. Speaker.

We are therefore saying that there was no secret. This was public knowledge, there were articles in the national newspapers and even negative comments, but one positive thing was said at the time, namely that the Government was changing one of its rules to make it more equitable and that it wanted to give everyone the right and the time to adjust to this change.

Mr. Speaker, we have been told that this is unequitable. I heard people say this morning that this change is unfair and I have also heard some people say: "I have paid the premiums and I am entitled to the benefits." For my part, I do not consider this a good argument.

• (1740)

Mr. Speaker, the unemployment insurance plan is an insurance and not a registered retirement plan. It is not a savings plan.

Mr. Speaker, unlike what was said this morning, when my hon. friend from Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) said: Is it fair that someone who owns a triplex is not cut off, while someone receiving severance pay or retirement benefits is cut off? Mr. Speaker, the Unemployment Insurance Act provides it must be income received from the employer with whom there was an employment relationship. It is not any kind of income. It may be true that this should be extended to cover all incomes, but I will leave it to my hon. friend from Notre-Dame-de-Grâces-Lachine East to apply that kind of formula. I can assure you he will have fun with it for a long while yet. Mr. Speaker, unemployment insurance is not a savings plan and it is not a retirement plan. They say this is unfair. What exactly is unfair about it, Mr. Speaker? An individual draws $371 a week, and on top of that he wants to get $15,000 in unemployment benefits for a whole year? That is what injustice is! That is not fair, Mr. Speaker. As a Government Member I have to be fair and help people who really are in need, and the needy are not people who willingly choose to retire a year in advance. The needy are men and women of 40, 45 or 50 who lose their job at a critical time in their career and who still have to cope with the education of their children.

This morning somebody said it is a contradictory measure. There is nothing contradictory about it, Mr. Speaker. It was first announced on November 8, 1984, and again on December 21 that same year. We are now in 1986, so everybody has had time to prepare for this. I know it is discouraging. Mr. Speaker, our problem today is that people are indifferent, and I am sure the public and everybody else will agree on that. When we talk about something which will take place one year down the road, people say they are not concerned, they will cross the bridge if and when they get to it. Mr. Speaker, the public servants who apply the legislation and who were given those directives are just as indifferent because, under the previous administration, things would simply change according to various pressures. that was the case with respect to footwear quotas: they removed them for six months, only to re-instate them under pressure. Our problem today, Mr. Speaker is a problem of indifference. The people who claim there is a problem today are those who did not listen to their Member of Parliament and their Government, or did not read the major newspapers when those measures were announced. There is nothing illegal about this. Some have said that this rule is illegal, but it is not. The Unemployment Insurance Act provides that regulations can be established and the Government was good enough to announce this change one year in advance, just as it announced that the Budget proposals would come

into force not the next morning or the night of the Budget, but three, five or six months later.

Mr. Speaker, these are the people we are discussing today. We are talking about people who are not in need, whatever may have been said to the contrary. They are not wealthy, but they are not in need either.

Ms. Copps: What about the widows!

Mr. Hudon: We are talking about people with incomes of at least $19,000 a year who want to add another $15,000 on top of that. As for me, I prefer to speak about people with an income of $15,000 or $20,000 a year. It is for those people that we must take action and do something. You can take this speech to my riding; I would not be afraid to repeat what I am saying, Mr. Speaker, when I voted and took a position against indexation, I did so publicly and I repeated what I had said in my riding, and if your only threat is to say that I am going to lose the next election, I shall still keep to my position. As for you, you propose nice things in the hope of winning the next elections, but you will always be in the Opposition. This is not what the Government wants. The Government and those who watch us want us to reduce the deficit, but you cannot reduce the deficit by thinking small. Is my time expired, Mr. Speaker?

[*English*]

Ms. Copps: Mr. Speaker, I rise on a point of order. I know that the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) wanted to speak on the issue. Given that this is the first time we have tried the new procedure, I wonder if we could have the unanimous consent of the House to allow the debate to carry on.

Some Hon. Members: No.

Mr. Speaker: The Hon. Member will know that the matter is subject to a House order and, pursuant to Standing Order 82(9), the Chair is required to interrupt the proceedings at this time.

It being 5.45 p.m., it is my duty to interrupt these proceedings and put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 82(9). The question is the following one. Mr. Rodriguez, seconded by Mr. Deans, moves:

That this House recognizes the unnecessary hardship inflicted on older Canadian workers by the changes to the Unemployment Insurance Act which cause pension benefits to be considered earned income for unemployment insurance purposes, and since votes on opposition motions are no longer considered a question of confidence in the Government, therefore urges the Government to repeal those changes immediately.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Rodriguez), which was negatived on the following division:

(*Division No. 207*)

YEAS

Members

Allmand	Garneau	Nicholson (Trinity)
Benjamin	Gauthier	Nunziata
Berger	Gray (Windsor West)	Penner
Blaikie	Henderson	Prud'homme
Broadbent	Hopkins	Rodriguez
Copps	Hovdebo	Rossi
Deans	Jewett	Skelly
de Corneille	Kaplan	Waddell
Finestone	Lapierre	Young—30.
Fulton	MacLellan	
Gagliano		

NAYS

Members

Andre	Gottselig	McDougall (St. Paul's)
Attewell	Graham	McKenzie
Bernier	Gray (Bonaventure-Îles-de-la-Madeleine)	McMillan
Bertrand	Greenaway	Merrithew
Bissonnette	Grisé	Mitges
Blenkarn	Gurbin	Moore
Bourgault	Halliday	Nickerson
Brightwell	Hamilton	Oberle
Browes	Hardey	O'Neil
Champagne (Saint-Hyacinthe-Bagot)	Hawkes	Plamondon
Champagne (Champlain)	Hees	Ravis
Clark (Yellowhead)	Hicks	Redway
Clark (Brandon-Souris)	Hnatyshyn	Reid
Coates	Horner	Reimer
Cochrane	Hudon	St. Germain
Cooper	Jacques	Schellenberg (Nanaimo-Alberni)
Cossitt	James	Siddon
Crosby (Halifax West)	Jelinek	Sparrow
Crouse	Johnson (Bonavista-Trinity-Conception)	Stevens
Dantzer	Joncas	Tardif (Charlesbourg)
Darling	Kempling	Taylor
Daubney	Kilgour	Thacker
Desjardins	King	Towers
Desrosiers	Landry	Tupper
Dick	Layton	Turner (Ottawa-Carleton)
Duplessis	Lesick	Valcourt
Edwards	Lewis	Vézina
Epp (Provencher)	Lopez	Vincent
Fennell	MacKay	Warner
Ferland	Mailly	Weiner
Fontaine	Mantha	White
Friesen	Marin	Winegard
Gass	Mayer	Witer—101.
	McCuish	
	McDermid	

● (1810)

Mr. Speaker: I declare the motion lost.

[*Translation*]

Mr. St-Julien: Mr. Speaker, I shall abstain from voting on this motion. I am neither for nor against.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order concerning the welfare and good order of the House in the conduct of a vote. With full respect for the competence and beautiful conduct of the Clerks at the Table, when the voting has ended of those either opposed or in favour of a motion, could there be a reasonable 10-second pause before the votes on the other side of the question are called? The Hon. Government House Leader rose so fast today that I thought he was voting with us.

Mr. Hnatyshyn: I have been certified sane; I would never do that.

Mr. Speaker: Order, please. It being 6.12 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Friday, March 21, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA POST CORPORATION

COMPLAINT ABOUT NON DELIVERY OF MAIL

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, today I want to read a letter to the House from Mrs. Pagano of St. Léonard sent to the Minister responsible for Canada Post. She is complaining about not receiving mail at her house. She writes:

> Am I not a taxpaying Canadian? Do I belong to a different class of citizen? Why should I be deprived of a service enjoyed by every Canadian? Is it because I put in the extra effort to purchase a new home thereby encouraging the construction industry and helping to create new jobs?

In closing, she says:

> Mr. Côté, it has been 21 months since we had the pleasure of opening that mail-box, which we proudly installed on the wall of our very first home and find an envelope in there addressed to "Mr. and Mrs. M. Pagano". I think we have waited long enough!

* * *

APARTHEID

SOUTH AFRICA—SALES OF SULPHUR BY PETRO-CANADA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, marking the twenty-first anniversary of the Sharpeville Massacre in South Africa, I bring to the attention of the House and of the Minister of Energy, Mines and Resources (Miss Carney) that Petro-Canada is supporting South Africa's racist apartheid regime through its continuing sales of sulphur to South Africa.

I call upon the Minister of Energy to instruct Petro-Canada to halt these sales. Let me point out that the Minister is in receipt of a March 7 letter from the Anti-Apartheid Network of British Columbia enclosing Petro-Canada's response on this issue. Petro-Canada's position is that it is continuing the sulphur sales because there is no Government policy to the contrary.

The irony is that today the Minister of State for Multiculturalism (Mr. Jelinek) is to announce that his Ministry has been designated as the Government's main tool in the second decade against racism, while another Government agency, to wit, Petro-Canada, is directly profiting from institutionalized racism by continuing to sell sulphur to South Africa.

[*Translation*]

AGRICULTURE

MAPLE SYRUP PRODUCERS—ACID RAIN—GOVERNMENT POSITION

Mr. Gilles Bernier (Beauce): Mr. Speaker, a number of regions in Quebec are being severely affected by the acid rain problem. Beauce, the world capital of maple syrup production which I have the honour of representing, is in one of those regions, and the decline of its sugar maple stands is seen as a major problem.

This week the UPA met with Ministers of our Government, together with a number of Members, and I was present at that meeting. They were encouraged by our comments and by the agreement on acid rain concluded by the U.S. and Canadian governments.

Yesterday we also heard that researchers at Laval University in Quebec City have found a way to stop this decline.

Canada's maple bush operators can take hope from the attention being focused on this problem by provincial governments, the federal Government, our universities and all other parties concerned who are seeking a way to correct a problem that is having such a severe impact on this natural resource.

Mr. Speaker, the leaf of the maple tree, of which Beauce is a prime habitat, is Canada's emblem. We will spare no efforts on this side of the House to preserve this national heritage.

* * *

[*English*]

TOURISM

PROMOTION CAMPAIGN IN SARNIA-LAMBTON

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, as you and other Members of the House are aware, my riding of Sarnia-Lambton has been plagued with extremely negative press. Being known across the country as "the home of the blob" has done little for the country's perception of our home. Yet, once again the community, business, and industry in the Sarnia-Lambton area have banded together to overcome this negativism.

January 29 saw the kick-off of the "Celebrate Sarnia" campaign. The agenda for the upcoming year features numerous and varied activities to promote and attract business and tourists to the Sarnia-Lambton area. The "Celebrate Sarnia" logo is now featured on the letterhead of all mail emanating from City Hall, as well as appearing on the advertising and

letterheads of various boards and agencies. Our Lambton College is using the logo as a major marketing tool to attract students to the college. Bumper stickers, balloons, and parades are all in the works.

My riding realizes that the time is long overdue to celebrate, publicize, and enjoy the multitude of positive aspects of our area, and we invite all to help us "Celebrate Sarnia".

* * *

YOUTH

CONSERVATIVE PARTY ELECTION PROMISES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, during the last election campaign the Conservative Party made several promises to the Canadian people. As a matter of fact, you will recall that I brought 338 such promises to your attention. Today I would like to read to you some promises which the Prime Minister (Mr. Mulroney) made to the youth of Canada.

The Conservative Party promised to create, at the national level, a Canada Opportunity Development Board, and to examine the feasibility of allowing unemployment insurance and welfare benefits to be used as start-up funds for new businesses for our youth. It promised to encourage local youth to organize local youth councils voluntarily, and to supplement the Ministry of State for Youth. The Conservatives promised to create a national registry for exchange of job information for youth, and to place a high priority on the establishment of professional counselling for the youth of Canada. The Prime Minister and the Progressive Conservative Party have betrayed the youth of our country.

* * *

LABOUR CONDITIONS

ANNOUNCEMENT OF LAY-OFFS BY IMPERIAL OIL

Mr. Rod Murphy (Churchill): It was with regret that I read this morning that Imperial Oil intends to lay off over 1,200 employees. On numerous occasions the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of Finance (Mr. Wilson) have stood in the House and said that the low world oil prices are a temporary condition; yet these people are being laid off on a permanent basis.

I call upon Imperial Oil, which has been making a good profit in the last couple of years, to be a good corporate citizen with regard to the way in which it treats its workers. I also call upon the Government to meet immediately with the company and representatives of the workers to avoid unneccessary lay-offs which will not only harm the employment prospects of these people, but will cause an unnecessary financial hardship on the people affected.

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, since the election, 577,000 jobs have been created. The unemployment rate was 9.8 per cent in February, compared with 11.7 per cent on election day. In January it was the first time the unemployment rate dropped below 10 per cent since 1982. The rate at which jobs are being created in Canada is higher than in any major OECD country. Comparatively speaking, jobs are being created 75 per cent faster in Canada than in the United States. The number of jobs for young people has increased by 50,000 since the election, compared with a net loss of 285,000 under the Liberals. Today, the number of working women is 306,000 more than it was in September 1984. The number of unemployed has dropped by 1,000 since January and February 1986, and by 204,000 since September 1984, and the employment rate has gone up in all provinces.

* * *

[*English*]

HUMAN RIGHTS

ZIMBABWE—JAILING OF OPPOSITION MEMBER OF PARLIAMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, Mr. Edward Ndlovu, an opposition Member of Parliament in Zimbabwe, is being detained against his will in jail and is gravely ill. In its annual report Amnesty International describes Zimbabwe as a nation in which enforced starvation, widespread detentions, beatings, torture and killings of civilians are the order of the day.

According to his wife, a Toronto woman of a former CUSO worker, Mr. Ndlovu's health is rapidly failing. Mr. Ndlovu's right side, where he received a new kidney in Ottawa in 1978, is becoming numb and requires dialysis treatment which cannot be procured in prison.

As fellow Commonwealth parliamentarians, we in this House must do everything possible to ensure that Mr. Edward Ndlovu is released. Democracy cannot tolerate such abuses.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I am very enthusiastic about the excellent news heard this morning: the economic growth continues unabated and interest rates are declining.

On election day in 1984 the Bank of Canada prime rate was 12.38 per cent, 11.84 the day the 1986 Budget was tabled, and it now stands at 10.11 per cent. The chartered banks' preferential rate was 13 per cent on election day, 13 per cent on Budget day, and 12 per cent today. Residential five-year mortgage loans were at 14.24 per cent when we were elected, 12 per cent on Budget day, and they are now down to 11.5 per cent.

For the first time in many months the deficit is going down. Mr. Speaker, all those indicators show that we are on the right track and that, as promised, the Mulroney Government is living up to its commitments.

* * *

• (1110)

[*English*]

YOUTH

KATIMAVIK PROGRAM—SENATOR'S COMMENTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, of all the youth who appeared at the hearings across Canada, it was the young people trained under the national youth program called Katimavik who made the strongest impression. These young men and women unquestionably displayed the fine qualities of leadership which are so needed in our country at this time. We studied the Katimavik program and came to the conclusion it was a positive and constructive force in Canadian society. The Government should establish a young Canadians' community service program, either by using Katimavik as a model or by giving it the means to expand. It was most unfortunate, therefore, that the Government decided to cancel the Katimavik program a week before the Senate youth report was tabled. I believe the Government should have waited a week for the report before making its announcement to cancel the Katimavik program.

Those are the words of the Progressive Conservative Senator Paul Yuzyk, Deputy Chairman of the special Senate Committee on Youth.

* * *

AIRPORTS

CUSTOMS CLEARANCE DELAYS AT PEARSON INTERNATIONAL AIRPORT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the service at Pearson International Airport must improve if we expect to increase the number of tourists and business people visiting Canada. A constituent of mine, Mr. Gordon Hinch of Wallingford Road, returned from an international trip on March 6 and it took him over an hour to clear customs. There were four international arrivals, yet only six people were working on Customs.

In other cities supervisors pitch in and help during peak periods when regular workers take breaks. However, when Mr.

Hinch suggested to one supervisor that he help, he was ignored. At the second stage of Customs only one person was on duty to clear everyone.

Having to pay for luggage carts is another annoyance unique to Canada. It is clear these issues need to be resolved so that everyone visiting or returning to Canada will receive courteous, fast service.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES DISCUSSIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, there has been more than one slap in the face in Washington recently. The poor old foreign minister, the Hon. Member for Yellowhead (Mr. Clark), was not even taken along. He had to admit yesterday that he did not know what questions came up in the Prime Minister's meetings with Members of Congress, specifically, whether the Canadian position on military aid to the Contras was given. The Minister's place was apparently taken by the Prime Minister's wife's executive assistant and a couple of people from his own Department. Why is the Prime Minister (Mr. Mulroney) again systematically sidelining his Secretary of State for External Affairs? For that matter, why were other Ministers not there— the Minister of the Environment (Mr. McMillan), the Minister for International Trade (Mr. Kelleher), the Minister of Finance (Mr. Wilson)? It was a Mickey Mouse delegation if ever there was one—

Some Hon. Members: Oh, oh!

Ms. Jewett: —and proves once again that the Prime Minister wants to be the bride at the wedding and the corpse at the funeral.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, scores of communities throughout northern Ontario today are deeply apprehensive about the get-tough attitude of the U.S. Congress and administration toward Canadian lumber imports. What we need, Sir, are assurances that this essential U.S. market for our lumber will be maintained. The question being asked throughout northern Ontario is this. If the U.S. is open to a policy of free trade, as the Government suggests, why then, as we approach those free trade talks, is it taking such a hard line on Canadian lumber imports?

Oral Questions

ORAL QUESTION PERIOD

[*English*]

YOUTH

REQUEST FOR ANNOUNCEMENT OF NEW PROGRAM

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister of which he has been given notice. Yesterday or today the Prime Minister received a letter, I understand, from Senator Jacques Hébert in which the Senator says in part as follows:

> My action is intended to draw attention to the desperate plight of unemployed youth—

Since the Government has said it is developing new programs for youth, will the Prime Minister make an announcement of these programs today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated on March 3 and March 11 in the House and in other circumstances to the press that at an appropriate time, at or about the end of the fiscal year, and in appropriate fashion the Government would be announcing new programs, including programs that deal with the problems affecting Canada's youth.

I am honoured to be able to say we have made substantial improvements. We inherited an unemployment situation that was at 18.4 per cent when we came in, and we reduced it to 16.4 per cent. Two hundred and eighty-five thousand jobs were lost for young people in the previous four years, and we have already created a net 50,000 new jobs. This is not perfection, but this is steady, considerable progress on behalf of Canadian youth.

SENATOR'S LETTER

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a further question for the Prime Minister. Senator Hébert concludes his letter by saying:

> I am appealing to you, Prime Minister, to consider once more the purpose of my efforts and to exercise all the political will at your command to bring back hope to the youth of Canada.

I want to ask the Prime Minister will he exercise that political will and announce the action he is talking about not at the end of the fiscal year but today.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated publicly in this House on a number of occasions that it would be our intention to announce, at or about the end of the fiscal year, our intention in this regard. I will check with my colleagues and officials and see where we are in regard to that. I have not personally gone through the Senator's letter but I will be happy to do so after Question Period, and to respond as I did in the past.

TIMING OF ANNOUNCEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, we understand the Prime Minister's difficulties in this kind of matter, and I note what he has said. I would ask him again to do everything possible to look at the matter of timing with respect to the programs his Ministers have said they are preparing, and make an announcement if at all possible today or very soon thereafter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I appreciate the intervention of my hon. friend and I understand and sympathize with many of the motives. I do not think anybody in this House, irrespective of political persuasion, is happy with the youth unemployment situation, which has been improved under this Government. It is far from perfect and we have a lot to do.

I would point out to my hon. friend, and I think most fair-minded people would acknowledge, that the election, among other things, brought about a change in approach, not necessarily perfect, but a change in approach to some of these programs. On further reflection it is our belief that the private sector, under proper conditions, plays a vital job-creating role for youth as well.

I was deeply encouraged again by a drop in the CPI this morning by three-tenths of a percentage point. Yesterday the bank rate dropped more than half a point. In the last few weeks it dropped 1.75 per cent, and that is good for youth, and good for the economy and job-creation.

[*Translation*]

ANNOUNCEMENT OF PROGRAMS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is also directed to the Prime Minister.

Now that the Prime Minister has admitted he will announce a program in a matter of weeks, by the end of the fiscal year, he could perhaps, in the name of human and Christian charity, visit Senator Hébert and perhaps take him into his confidence and give him the assurance that by the end of the month a program will be announced. I assume the program is ready?

Please, Mr. Prime Minister, isn't there a way to do this? I know how seriously you are taking Senator Hébert's gesture. This is a matter that is above all political partisanship.

Would it not be possible for the Prime Minister to go and give Senator Hébert his assurance, so that he can end his hunger strike, because I think everyone in Canada would like to see—

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend mentioned the absence of a partisan dimension, but on the other hand he started his question by saying that the Prime Minister admitted something today. I did not admit anything.

I said in the House three weeks ago, on March 3, and I said it again on March 11 and in other circumstances even before this matter was raised, that the Government intended to take action at a given time, towards the end of the fiscal year.

I answered the third question from the Leader of the Opposition in the House, saying that I would officially take note of the Senator's letter and that we would try and act on it as soon as possible. And that is all.

● (1120)

SENATOR HÉBERT—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I want to thank the Prime Minister for his gesture, and I hope that thanks to his intervention, perhaps at some time within the next few hours we will be able to put an end to the situation now existing in the Senate. I urge the Prime Minister to meet with Senator Hébert and to take him into his confidence.

Is the Prime Minister prepared to make this kind of humane gesture?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in a column by Alain Dubuc that appeared in yesterday's La Presse, there was a reference to Katimavik, and to show you how widely opinions differ, it said:

Katimavik: Symbol of defeat.

In the column, and this is not necessarily my opinion, here is what the observer says:

It took a heavy blow: their unemployment rate jumped to 18.8 per cent in 1982 and 19.9 per cent in 1983—

Generally speaking, with the catching up done in the last two years, the number of young people between the ages of 15 and 24 who have jobs is higher—

—today—

—that in the seventies—

The process of deterioration was reversed in 1983 and 1984.

That is good news for Canadian youth, and I can assure my hon. friend that we are going to work harder to create permanent jobs for Canada's youth.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—POSITION OF UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns his visit to the United States. Six years ago President Carter acknowledged on behalf of his people that acid rain was a problem common to both countries and said that something ought to be done about it. Regrettably for those concerned about acid rain, he was out of office within a few months.

Five years ago President Reagan said in this House that there was a concern about the problems of the same pollution and committed himself to take action, but has done absolutely nothing in the past five years. Why should we now believe that President Reagan, a lame duck President, will do in the next few years what he completely failed to do in the past five years?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think you would find some people in disagreement with the notion that President Reagan is a lame duck. He was looking well and vigorous the last time I saw him, and he asked me to send his affectionate regards to the Leader of the New Democratic Party.

My hon. friend referred to the views expressed by President Carter and Prime Minister Trudeau. He is quite right. He also observed that President Carter was out of office a few months later. When we came into office we were called upon to deal with a new situation and some facts.

Notwithstanding the view expressed, when we looked over the five-year period there was no progress in tangible terms.

Second, we were called upon to deal with an American administration that expressed a view in regard to acid rain and the environment that was at deep variance with that held by the Government of Canada. So we began two things; first, cleaning up our own act here in Canada and, second, dealing with the United States to obtain two important views, hopefully, (*a*) that this problem was transboundary in creation and must be so dealt with, and (*b*), a comprehensive program to clean it up. That was the Drew Lewis-Bill Davis report, and I believe the wholehearted endorsement of that report by the President, undertaking to seek the funds, and my meetings with Congressional and Senatorial leaders to help ensure that those funds are available, represent substantial progress by Canada.

Mr. Broadbent: Mr. Speaker, I want to begin by complimenting the Government for its action here in Canada. I have said that before, and I repeat it. This Government has taken action on acid rain which was not taken by the previous Government. I compliment the Prime Minister.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): My question pertains to what the Americans are or are not doing. Since the President of the United States said five years ago it was a common problem—that's not new—and since he said five years ago that something ought to be done and nothing has been done—and there is nothing new in that regard—and since the Prime Minister's own Minister of the Environment said: "What is good for the goose is good for the eagle", did the Prime Minister even ask President Reagan to make specific commitments to the reduction in levels of acid rain of the kind the

Canadian Government is making here at home? Did he ask President Reagan to do that?

Right Hon. Brian Mulroney (Prime Minister): But of course, Mr. Speaker, and in fact the structures are now in place because of the Lewis-Davis report. I cannot persuade the unpersuadable—

Mr. Broadbent: Right.

Mr. Mulroney: I acknowledge that. But perhaps other people can. I give the Hon. Member the view expressed last week by Adele Hurley, the co-ordinator of the Canadian Coalition on Acid Rain. She was quoted in *Maclean's* of March 24, 1986, as saying:

The study found that acid rain is a serious problem and that Eastern Canada suffers from U.S. emissions—points the Reagan administration has never conceded. "If the Prime Minister can get Reagan to endorse that," said Adele Hurley,—"I'll tip my hat to him."

This is the first time it has been done. And to confirm Miss Hurley's view, I know the Hon. Member would not disagree with the view of the *Washington Post* which stated yesterday:

President Reagan bowed to strong—

Mr. Speaker: Order, please.

Mr. Mulroney:

—lobbying by Canadian Prime Minister, Brian Mulroney, yesterday—

Mr. Speaker: Order, please.

Mr. Mulroney:

—and acknowledged for the first time that acid rain, threatening the environment on both sides of the border—

Mr. Speaker: Order, please.

Mr. Mulroney:

—is caused by man-made pollution.

Mr. Broadbent: Mr. Speaker, I would be happy to quote for the Prime Minister all kinds of American elected officials, as well as environmentalists, who believe the Canadian Government sold them out in their battle with President Reagan. That is what they think.

UNITED STATES PRESIDENT'S COMMITMENT

Hon. Edward Broadbent (Oshawa): Considering that when President Reagan takes some political item seriously, as he did with funding the Contras in Central America, he goes to Congress with a very specific timetable asking for action and for funds, could the Prime Minister tell the House why President Reagan did not commit his administration to go to Congress with a timetable for reductions in the level of acid rain emissions in order to clear up this problem once and for all on this continent? Why did he not get that from the President?

Right Hon. Brian Mulroney (Prime Minister): I would ask my hon. friend to read the President's endorsement in the context of the full report and all of its recommendations. The Hon. Member referred to elected officials. He mentioned the President and the Congress. The Congress controls the flow of funds—

Mr. Broadbent: Yes, yes.

Mr. Mulroney: —and I think the evidence of that is that the President was unsuccessful in his initiative in regard to the $100 million—

Mr. Broadbent: But he tried.

Mr. Mulroney: —and not only is he going to try, as indicated, but I myself went to meet with the leadership of the Senate and the leadership of the House, including the Speaker, Mr. O'Neill, and the Majority Leader in the Senate, Mr. Dole. We have their views that they will be helpful to Canada and to the United States on this issue. I said to the Americans: "Don't think you're doing Canada a favour, this is your problem as well". The United States Congress must fund this project. I received assurances that it will.

• (1130)

Some Hon. Members: Hear, hear!

* * *

YOUTH

REQUEST FOR IMMEDIATE ANNOUNCEMENT OF PROGRAMS

Mr. David Berger (Laurier): Mr. Speaker, my question is also for the Prime Minister. I would like to pursue the questions of my colleagues. The Prime Minister recites the progress in bringing down unemployment. All of us who care about our country and our youth take heart in that progress. The Senate, though, said that even with the progress the situation of a great number of young people in Canada is intolerable—

Mr. Speaker: Order, please. Question, please.

Mr. Guilbault (Saint-Jacques): Limit the other side, too, with their long answers.

Mr. Speaker: Order, please. It is true that sometimes questions and answers become too long by all of the Leaders. Question, please.

Mr. Berger: Seeing that the Prime Minister and his Cabinet recognize that more has to be done, why wait for the end of the fiscal year? Why will he not announce today, immediately, the programs which he said he has?

Mr. Speaker: Could the Hon. Member phrase a question which is not simply a repetition, please? I think he can ask that question in a way that is not exactly the same as the previous one.

Mr. Berger: Mr. Speaker, the Prime Minister, I think, recognizes the gravity of the problem. Why must he wait for the end of the fiscal year? Why can he not announce immediately the programs which he said he has?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have not waited until the end of the fiscal year. We continue to take very substantial and serious action. For example, in the current fiscal year we have committed $700 million directly to youth employment and job-training programs, this at a time when we have been forced, because of the profligacy of our Liberal friends, to cut back and to bring some sense of sanity to the public finances. This $700 million represents 37 per cent of the entire budget of the Department of Employment and Immigration and 44 per cent of the clients served by that Department. Some 219,000 young Canadians will benefit from that. That is good news.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: A very short supplementary, and not a repetition, please.

Mr. Berger: Mr. Speaker, the Minister of State for Youth said on February 3 in the House that there will be new programs announced very soon.

Mr. Speaker: Order, please.

Mr. Berger: My question to the Prime Minister is—

Mr. Speaker: Will the Hon. Member please ask a question immediately?

Mr. Berger: "Very soon" was six weeks ago. Will the Prime Minister immediately announce the new programs the Government says it has?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Hamilton Mountain.

* * *

THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF FISHERIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Prime Minister. When the former Minister of Fisheries and Oceans resigned over the tuna matter—

Some Hon. Members: Oh, oh!

Mr. Deans: —were the circumstances as were stated at the time, that the Minister offered his resignation and it was accepted, or is the new version the correct version as stated by the Prime Minister in an interview with *The New York Times* that "When it was brought to my attention, bang! Immediately the Minister's resignation was secured". Which is the right version?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know I am back in the House and members of the NDP have their priorities right.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Yesterday the bank rate dropped another one-half point, down one-and-three-quarter points in two weeks. The CPI drops today and the boys are wrestling with something that happened, which was on the public record since September of last year.

Some Hon. Members: Hear, hear!

CIRCUMSTANCES OF RESIGNATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, why did the Prime Minister state that the Minister's resignation was secured immediately after he discovered the matter, when he knows full well that he said in the House of Commons that the Minister offered his resignation and it was accepted with regret? Why does the Prime Minister embarrass that Member further by drawing his integrity into question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have never embarrassed any member of my Party—

An Hon. Member: Ask Joe Clark!

Mr. Mulroney: Nor have I embarrassed an Hon. Member on the other side. My friend, the Hon. Member for Vancouver South, is an outstanding Member of Parliament.

Mr. Deans: That is right,I agree.

Mr. Mulroney: If the divergent—

[*Translation*]

And speaking of divergent views, where is Mr. Chrétien today? What a shame he left! You may be glad to be rid of him now, but I would be careful if I were you.

[*English*]

I acknowledge that there may have been divergences in regard to interpretations placed upon your resignation.

PRIME MINISTER'S POSITION

Mr. George Henderson (Egmont): Mr. Speaker, I wish to follow up on the same question as that asked by the Hon. Member for Hamilton Mountain of the Prime Minister. The Prime Minister obviously becomes very sensitive when he gets caught in his own trap of giving two conflicting reports. Will the Prime Minister now admit to the House—

Mr. Nunziata: He's a liar.

Mr. Henderson: —that the former Minister of Fisheries was pushed out of the Cabinet—

Some Hon. Members: Oops!

Some Hon. Members: Withdraw.

Mr. Henderson: —by a Prime Minister who is trying to cover up his own blunders?

Mr. Clark (Yellowhead): Withdraw, Nunziata, withdraw.

Mr. Speaker: Order, please. Hon. Members have apparently heard something which I did not hear. I was listening to the Hon. Member for Egmont.

Mr. Hnatyshyn: One of the jerks sitting next to him! Not that jerk, the one over there.

Mr. Speaker: Hon. Members may wish to raise something after the Question Period. The Hon. Member for Egmont.

Mr. Henderson: Mr. Speaker, I do not think I said anything unparliamentary in my question. I wish to repeat my question. The Prime Minister gets caught sometimes in conflicting reports, his own reports. Will the Prime Minister now admit that the former Minister of Fisheries and Oceans was pushed out of the Cabinet by a Prime Minister who was trying to cover up his own mistakes and blunders?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the matter is on the public record and it is resolved.

Mr. Speaker: A short supplementary.

INQUIRY OF THE PRIME MINISTER

Mr. George Henderson (Egmont): Mr. Speaker, it is nothing new for the Government to give one message to Canadians and a different message to Americans. Why does the Prime Minister continue to try to undermine the credibility of the former Minister of Fisheries and Oceans, who has served this House for a number of years and who is a very credible individual? I may have some problems with the former Minister's judgment, but his character is A-1. I want the Prime Minister to admit that.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for New Westminster-Coquitlam.

* * *

NORTH AMERICAN AIR DEFENCE COMMAND

RENEWAL OF CANADA-UNITED STATES AGREEMENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Prime Minister. The Prime Minister and the President of the United States in separate written statements in Washington stated this week that the renewal of the NORAD Agreement is, and I quote, "fully consistent with the ABM Treaty". Will the Prime Minister elborate for us today? Does his statement in Washington clearly mean that Canada will not become involved through NORAD, or in any other way, in an active ballistic missile defence?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that has always been clear.

Mr. Broadbent: We couldn't hear you!

Mrs. Mailly: Use your hearing device!

ABM CLAUSE INQUIRY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I understand that the Prime Minister said yes, that that was the meaning of the statement in Washington, that is, that Canada would not become involved in any way in an active ballistic missile defence. Therefore, why was that clause—and I have used the exact words—not reinserted in the NORAD Agreement where it would really count?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this seems to be the day for repetition. The Hon. Member, and others in the House, have put that question on several occasions. She knows the answer is that the former Liberal Government—

Ms. Jewett: You weren't even in Washington!

Mr. Clark (Yellowhead): —took that clause out of the treaty because circumstances have changed.

Mr. Broadbent: It certainly is a day for repetition!

CANADA-UNITED STATES DISCUSSIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, just to pick up on the point raised by the Secretary of State for External Affairs, indeed the clause was taken out because the ABM was not in issue. It is now in issue again. Did the Prime Minister try to convince the President to reinsert that clause in the NORAD renewal agreement? Does the Prime Minister not consider its absence a serious omission?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was involved in those negotiations—

Mr. Lapierre: You were not there!

Mr. Clark (Yellowhead): —I was involved in the discussions which resulted in the statement by the Prime Minister and the President during the Summit in Washington. The concern that existed in Canada was that there might be some question raised about the integrity of the ABM system. That was clear from the report of the Standing Committee on External Affairs and National Defence that was tabled in the House.

We took account of that and secured from the President of the United States through the direct intervention of the Prime Minister at the Summit the affirmations that were stated by both leaders.

* * *

• (1140)

EXTERNAL AFFAIRS

NICARAGUA—CANADIAN POSITION—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, with all respect to the Secretary of State, I am sure you would like to know, as we would, what actually transpired at the meeting at which the Secretary of State was not present. Let me ask the Prime Minister, after what he considers his triumph in convincing President Reagan that acid rain is a problem, did he try to convince the President that the Nicaraguan policy is also a problem, and did he tell the President that Canada is firmly opposed to military aid to the Contras? I know the Secretary of State was not there so I would like to hear the answer from the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I never said that the results of the acid rain discussions were a triumph. They just appear to be a triumph given the lack of action by the Liberals over five years. That is the difference.

Some Hon. Members: Hear, hear!

Mr. Mulroney: What we said was that there was very serious and substantial progress made and that they will—

Mr. Guilbault (Saint-Jacques): Just a giant step.

Mr. Mulroney: Our Liberal friends are mortified by their own record, as they should be, and I know—

Mr. Broadbent: Right.

Mr. Mulroney: The Leader of the NDP agrees. This is a rare day.

Mr. Broadbent: It's my birthday.

Mr. Mulroney: It is his birthday now.

This is solid and steady progress. This is a problem that has developed over many decades and is not going to be cured over night, but we have now in hand a mechanism that will deal with it—

Mr. Johnston: Nicaragua is the question.

Mr. Mulroney: He would like to hear from me on Nicaragua.

Mr. Johnston: That was the question.

Mr. Mulroney: The answer is that I, of course, raised Canada's position on Nicaragua with the President and with Secretary Shultz and others in Washington.

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NATIONAL SOVEREIGNTY

BOUNDARY WITH UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. It is reported in this weeks *Maclean's* that the Minister cut a backroom deal with George Shultz on the voyage of the *Polar Sea* through Canada's Arctic and in fact in Washington agreed on the terms for such a voyage three months in advance. Having perhaps not been entirely candid with Canadians about the *Polar Sea* incident, how can British Columbians find any reason to trust that the Government has not already cut a deal on the AB Line, the Beaufort Sea and the Strait of Juan de Fuca, in the interests of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for asking that question because it provides me with the opportunity to place on the record the fact that the report in *Maclean's* magazine was totally false. With regard to the concerns of the Nishka people, the other day I had the opportunity, as the Hon. Member knows, to meet with representatives of the Nishka people who are concerned about their traditional rights to offshore British Columbia. I found it to be a very valuable conversation, and I think they found it reassuring.

OBJECT OF DISCUSSIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, the article in *Maclean's* is not an editorial. It quotes Canadian officials. I wonder if the Minister would explain to the House why he and the B.C. Government are discussing the movement of West Coast Canada-U.S. boundaries like the AB Line. Dos not the axiom "if it isn't broken, dont't fix it" hold in the case of Canada's sovereign boundaries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is often difficult to know if opinions put forward in *Maclean's* magazines are stories or opinions. Whatever they are, this one was false.

With regard to why we are discussing with the Government of British Columbia whether or not it would be useful for us to discuss with the United States a negotiation to bring clarity to a situation about which there is now dispute, it is precisely because clarity is better than a lack of clarity. I made it very clear on several occasions that if it is not in Canada's interests to enter into those negotiations, we will not do so. If, once in those negotiations, we will not do so. If, once in those negotiations, it is not in Canada's interests to conclude an agreement, we will not conclude an agreement.

Oral Questions

CANADA SAVINGS BONDS

USE AS COLLATERAL FOR LOANS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of Finance and deals with the procedure of selling Canada Savings Bonds. Residents of my constituency were approached by financial institutions and dealers in 1985 with the idea that the individual take out a loan for CSBs from the institution at a preferred rate of interest, using only the bonds as collateral. The individual signs over the bonds after the new year, realizing a tax deduction—

Mr. Speaker: Order, please. This is a very long question.

Mr. James: Given that close to $3 billion in CSBs have been cashed in during January and February, 1986, could the Minister inform the House if the high redemption of CSBs can be attributed in any way to the CSB sales scheme that I described, a scheme that I know the Minister—

Mr. Speaker: Order, please. Order. This is far too long.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has raised this matter in the House before, and since he has raised it with me I have instructed the Bank of Canada to investigate it. That investigation is being carried on right now and I appreciate receiving this further information from the Hon. Member. I will ask the Bank to look into that as well. I should say that I think a large part of the redemption of the CSBs during this period has been related to the increase in interest rates.

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ENERGY

WORLD OIL PRICES—LAY-OFFS ANNOUNCED BY IMPERIAL OIL

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Imperial Oil has eliminated 1,800 jobs in the energy industry. If Imperial Oil has done that, you can imagine, Mr. Speaker, what is happening to small Canadian companies. Does the Government still want to wait and see what is happening to world oil prices before it takes any action? How many jobs have to be lost before the Government does something?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member and all Hon. Members of the House that ongoing discussions are taking place between the producing provinces and the Government of Canada, keeping a watching brief on the situation. It is not a time to panic or make knee-jerk reactions like the Opposition would have us do.

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my supplementary question is likewise directed to the Prime Minister. With all due respect to the Parliamentary Secretary, this situation is becoming very serious. I would like the Prime Minister to treat it as such and to answer the question. What does the Government plan to do to save the energy industry in Canada?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, this Government has done more for the energy industry in Canada in the last 18 months than any other previous Government.

Some Hon. Members: Hear, hear!

Mr. McDermid: The Hon. Member knows full well that we have been meeting with the energy industry, and the energy industry is asking us to maintain a watching brief. It is keeping us informed. It is not asking us to take any drastic action at this particular time. When action does take place, it will take place in co-operation with the provinces, the kind of co-operation that we have seen over the last 18 months but was not evident before this Government came to power.

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AGRICULTURE

IMPACT OF PROPOSED UNITED STATES FARM BILL

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Right Hon. Prime Minister. During his meeting with U.S. officials, we understand that the Prime Minister raised the issue of the devastating effects of the U.S. Farm Bill on Canadian grain producers. Did the Prime Minister receive any commitment from the U.S. that it would cease to disrupt the international markets in grain by giving away grain free, or by selling heavily subsidized grain on the world market?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I had an excellent discussion on the problems of agriculture with both the President and the Secretary of State, and also with the Senate leadership at some length. The view of the Senate was expressed in large measure by Senator Kassebaum.

I indicated to the Senators that, in our judgment, Canadian farmers were not getting either a fair price or a fair shake, and we wanted to make absolutely certain that they got both, including the unfettered access to those new markets that would give them a fair break internationally. We said we were going to be helpful to them in that process, and we sought the understanding and co-operation of the American administration.

PRICE OF GRAIN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, since we did not get an commitment from the United States officials

that they would cease to disrupt the international markets, will the Prime Minister give a commitment to the farmers of Canada that they will receive a price similar to that received by U.S. farmers when they sell their grain on the international market?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I said, we had an excellent discussion, one that I think was very helpful to Canadian farmers and will continue to be so. We have given this extremely high priority. We will continue to do so with the support of all Members of the House.

● (1150)

Mr. Broadbent: And it is a nice day out, too.

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[*Translation*]

FINANCE

REQUEST FOR EXPLANATION OF EFFECT OF LOW INTEREST RATES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Finance. Interest rates went down 1 per cent last week and 0.5 per cent this week. Here is my question. Can the Minister of Finance explain what this sharp drop in interest rates means to Canadians with a $50,000 mortgage, for instance? How do they stand to benefit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this downward trend in interest rates will spur Canada's economy. As to mortgage rates, they have declined from 13.25 to 11 per cent, which translates into a $1,000 annual saving for a Canadian mortgagor.

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[*English*]

NATIONAL DEFENCE

LOW LEVEL AIR DEFENCE SYSTEM

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Associate Minister of National Defence.

Recent media reports have stated that the low level air defence system may be scaled down by 50 per cent, or that the Minister of National Defence wants to eliminate the program or at least postpone it. This program is vital and important to Chatham, New Brunswick, and to our Canadian Forces bases in Lahr and Baden in Germany.

Mr. Speaker: A question, please.

Mr. Hopkins: Can the Minister confirm or deny these reports?

Hon. Harvie Andre (Associate Minister of National Defence): Actually, neither, Mr. Speaker. The reports are speculative and decisions on that are currently before the Government. They will be made in due course.

Mr. Blackburn (Brant): When?

GOVERNMENT POSITION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question was when will the decision be made, and will the Minister give his absolute assurance that this program will go ahead as originally designed and in the timeframe originally announced?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I have nothing to add beyond my original answer. The matter is being considered, and a decision will be announced in due course.

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EXTERNAL AFFAIRS

THE PHILIPPINES—REPORTED CANADIAN ASSETS OF OUSTED PRESIDENT MARCOS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs.

Will he confirm to the House that he has received inquiries from the new Aquino Government of the Philippines about the assets of Mr. Jose Campos of Vancouver and Manila, and other Marcos cronies in Canada?

Will the Canadian Government co-operate with Mr. Roy Sangil, representative in Canada of the Philippine Presidential Commission, to reclaim assets in Canada stolen from the Filipino people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I cannot confirm that contact in that particular case.

I can tell the Member and the House that when I learned there were stories of an interest on the part of Philippine authorities in recovering assets that might be in Canada, I instructed our ambassador to the Philippines, Mr. Davidson, to meet with senior officials of the Philippine Government to indicate that Canada would co-operate fully within the constraints of Canadian law with Philippine authorities. That meeting has now been held.

My understanding is that an official request has not yet been received, but the Philippine authorities certainly understand that if such a request is issued by those authorities, it will be responded to positively by Canada.

Oral Questions

REQUEST FOR RCMP INVESTIGATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am informed that what the Filipino people need here in Canada is trained investigators, investigators whom they do not have.

Would the Secretary of State for External Affairs be prepared to make available the RCMP commercial crime squad, the Mounties, to help them investigate these assets?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would want, as the Hon. Member would expect me, to consider all of the precedents that would be involved in that kind of a response.

If those precedents allow a response of that kind, and if indeed there is a request of that kind from Philippine authorities, I think our disposition would be to respond.

The bottom line, Sir, is that we want to help the Government of the Philippines recover assets that are legitimately theirs that might be in Canada.

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CANADIAN BROADCASTING CORPORATION

INCORRECT REPORTING OF GAS PRICES ALLEGED

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Communications, but in his absence I will direct it to the Parliamentary Secretary. On March 7, 1986, a reporter with CBC's *Journal* said:

> You can buy a gallon of gas in Detroit for 95 cents. That's about 20 cents a litre.

He neglected the conversion to Canadian dollars and he neglected the conversion—

Mr. Speaker: Does the Hon. Member have a question?

Mr. Attewell: Yes, Mr. Speaker—from an American gallon to a Canadian litre.

Some Hon. Members: Oh, oh!

Mr. Attewell: When will this Crown corporation be mandated to report to Canadians in an unbiased, balanced manner?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as one who has spent a little time in a press gallery I can understand how mistakes can happen. That is, however, a pretty big mistake.

As the Hon. Member is aware, programming decisions, including programs selected and new content are the direct responsibility of the Canadian Broadcasting Corporation management and its Board of Directors. I will take the Hon. Member's question as notice and assure him that the CBC executive will be informed of his concerns.

[*Translation*]

MEMBERS OF PARLIAMENT

INQUIRY IF MEMBER FOR SIMCOE SOUTH OBTAINED AUTHORIZATION TO TRAVEL TO SOUTH KOREA

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the Right Hon. the Prime Minister. It has been confirmed that six Progressive Conservative Members are now in South Korea, including the Parliamentary Secretary to the Minister of Public Works. We know why the Minister is not here. Can the Prime Minister tell us whether the Parliamentary Secretary, the Hon. Member for Simcoe South, had the authorization of the Government to travel, is he now on Government business in South Korea?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Parliamentary Secretary is a Member of Parliament, as any other Member of Parliament.

With respect to the question of the Government's sanction, I think the Deputy Prime Minister answered that quite adequately earlier this week.

REQUEST FOR RESIGNATION OF PARLIAMENTARY SECRETARY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary question is again for the Prime Minister. Given that answer, will the Prime Minister do the honourable thing, ask the Member when he returns—or order him back and ask him—to resign his post, and name a Parliamentary Secretary who will do the job here?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like an understanding of why the Hon. Member suggests that that kind of request be made.

Does he suggest that he himself as Whip of his Party should be stuck here in Ottawa morning, noon, and night because he is an official of his Party? What is the basis of the Member's request?

Mr. Gauthier: He replaces the Minister.

* * *

[*Translation*]

TEXTILES AND CLOTHING

COMMISSION RECOMMENDATIONS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. Can the Minister confirm the statement he made in Sherbrooke last Wednesday, namely that he endorses the recommendations of the Textile and Clothing Board? Can he also confirm the statement to the effect that the four Departments involved have now agreed on the need to implement the measures suggested by the Board to ensure the survival of this

major industry, regardless of the statements made last week by the Conservative caucus and the textile industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, once again the Member is admitting that he has made erroneous statements in the past. He has simly repeated what has oft been stated before as the government position with respect to the textile and clothing industry. We have the board recommendations. We agree in principle with those recommendations. We want a viable textile and clothing industry in this country.

ANNOUNCEMENT OF GOVERNMENT MEASURES

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary question, Mr. Speaker. Since the Minister was made an honorary life member of the *le Comité de survie du textile de Sherbrooke*, and since he indicated that the relevant Ministries are now in accord with what to do and have reached a consensus, can he tell us when the specific measures to ensure the maintenance of this industry which will stop the potential loss of 50,000 or 60,000 jobs in Ontario and Quebec will be announced?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased the Hon. Member has noted I am now a life member of that survival committee. It was an honour conferred on me obviously because of my role. It was not conferred on the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Stevens: I know Members are going to be very pleased with our policy on textiles and clothing, which will be announced quite soon.

Mr. Speaker: The Member for Cochrane-Superior. One question.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN LUMBER EXPORTS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Right Hon. Prime Minister. Right across northern Ontario today there is a great deal of apprehension about renewed reports that the U.S. Congress and administration will get very tough on Canadian lumber imports. Having just returned from Washington, can the Prime Minister give the House, and the region from which I come, any assurances at all that this vital U.S. market for our lumber importers will be maintained and not diminished?

• (1200)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did so in a number of ways and on a number of occasions. Some American Senators and Congressmen have been taking the position that an essential precondition to any trade talks was the resolution of lumber issues in their favour. The answer was that there would be absolutely no preconditions of any kind.

Second, I told them in the Congress, in the Senate, and in the White House, that with particular regard to the forest industry Canada was a fair trader. We met all the objective criteria of the GATT and any bilateral requirements. I said that we are competitive and want to compete more. I said that we wanted a bigger share of their market and that I thought the quality of our products deserved it. I said that we would compete fairly and expect reciprocity in return.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

VISIBLE MINORITIES

TABLING OF PROGRESS REPORT ON GOVERNMENT RESPONSE—EQUALITY NOW

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, in accordance with Standing Order 67(2), and on the occasion of the International Day for the Elimination of Racism and Racial Discrimination, I am honoured to table, in both official languages, a progress report on the response of the Government of Canada to the House of Commons Special Committee report on Visible Minorities entitled *Equality Now*.

* * *

COMMITTEES OF THE HOUSE

BILL C-75—REPORT OF LEGISLATIVE COMMITTEE

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, with amendment.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—FIFTH REPORT OF STANDING JOINT COMMITTEE

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have the honour to present the fifth report, Statutory Instrument No. 32, of the Standing Joint Committee on Regulations and Other Statutory Instruments on behalf of the joint chairmen of that committee.

Petitions

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

* * *

PETITIONS

Mr. Speaker: I assume Members are presenting certified petitions.

Mr. Gauthier: Yes, Mr. Speaker, the petitions are indeed certified.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present six petitions signed by many Canadians, young Canadians, in support of Senator Hébert's demonstration to convince the Governement to relent, create jobs for young Canadians, and re-instate the Katimavik program.

These petitions come from Sainte-Scholastique, Sherbrooke, Ottawa-Vanier, Saint-Romuald near Quebec City, Beauport, and a number of towns and villages in the Gaspé Peninsula.

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour to present a petition from many Canadians asking for the re-instatement of the program which enables young Canadians to get better acquainted with their country and the language and culture of its inhabitants. They urge reconsideration of the decision to end the Katimavik program.

Mr. Speaker, the petition was signed by residents of Lac Saint-Charles and Notre-Dame-des Laurentides.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to present three petitions concerning the Katimavik program and the action of Senator Hébert.

The petitions bear the signatures of people from various regions: Sainte-Foy, Bellechasse, Mirabel, Lachute and the Sherbrooke region.

[*English*]

PRICE OF GASOLINE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a duly certified petition in which over 200 residents of Cochrane, Ontario, have indicated that they want the Government to take firm and effective action to lower gasoline prices.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I also want to present another petition concerning the Katimavik program.

[*English*]

PRICE OF GASOLINE

Mr. Bob Horner (Mississauga North): Mr. Speaker, I have the honour to present two petitions to the House today. The first petition is signed by many residents of Mississauga and calls upon Parliament to consider a reduction in gasoline taxes so that savings can be passed along to Canadian motorists.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Bob Horner (Mississauga North): Mr. Speaker, I have a second petition signed by many concerned residents of Mississauga which calls upon Parliament to do everything in its power to ensure that the Metropolitan Toronto police force continues to lay charges under Section 251 of the Criminal Code to prevent any further illegal operation of the Morgentaler clinic.

USE OF PENSION INCOME IN CALCULATION OF UIC BENEFITS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a number of petitions to present which have been duly certified by the Clerk of Petitions. The first petition is signed by residents of Corner Brook in the riding of Humber-Port au Port-St. Barbe who are protesting the changes in the unemployment insurance regulations which cause pension income to be deducted from UIC. The pensioners request that the Government reconsider this change and restore the UIC program to its former process.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a petition signed by residents of the riding of Humber-Port au Port-St. Barbe, specifically from the northern peninsula, protesting the elimination of the Katimavik program. The petitioners request that the Government of Canada re-establish this program as requested by Senator Jacques Hébert.

Mr. Speaker, I have another petition from residents of the federal riding of Humber-Port au Port-St. Barbe with regard to the Katimavik program. This petition is from the northern peninsula portion of that federal riding. It also requests that the Government of Canada restore the Katimavik program to its original funding level as requested by Senator Jacques Hébert.

I have a petition from residents of the Three Rivers area of the Province of Quebec. It is protesting the cancellation of the

Katimavik program and asks that it be restored to its full funding level as quickly as possible.

Mr. Speaker, I have another petition from the Province of Quebec with regard to the Katimavik program. The petitioners again ask that it be restored to its full level.

Mr. Speaker: The Hon. Member knows that when he has multiple petitions with regard to one subject all he need do is say he has more than one petition. I think he can conclude briefly.

Mr. Tobin: Mr. Speaker, I have multiple petitions with regard to the Katimavik program from residents of the Province of Ontario. The first petition is from residents of the Ottawa region, the second from residents of the Ottawa and Toronto area, and the third is also from the Province of Ontario. They all protest, in large number and clear voice, the cancellation of Katimavik and ask the Government to restore it to its previous funding level.

[*Translation*]

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I have a petition from Montreal region residents who claim that the Katimavik project was a success and want the program to be maintained.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, join my colleagues in presenting a number of petitions collected throughout the Province of Quebec. They come from young and old residents of about 20 ridings who are expressing their support for the courageous stand being taken by Senator Jacques Hébert. They request the Government, and particularly the Prime Minister (Mr. Mulroney), to restore full funding to the Katimavik program which offered a sense of vision and future for young Canadians across the country.

[*Translation*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have the honour to present to the House of Commons a petition asking the Conservative Government to reconsider its decision to cancel the Katimavik Program.

[*English*]

The petitioners are requesting the Government of Canada to reconsider its ill-conceived and insensitive move to cut Katimavik. This petition is in addition to the thousands of others which have been presented in this House.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have ten petitions signed by some 250 people throughout Quebec. The petitioners ask this House to reconsider the decision about the Katimavik Program.

• (1210)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, question No. 515 will be answered today.

[*Text*]

PENSION PLANS—REQUESTS FOR RECOVERY OF SURPLUS

Question No. 515—**Mr. Young:**

1. In 1985, how many applications did the Department of Insurance receive from pension plan sponsors to recover surpluses from pension plans registered under the Pension Benefits Standards Act and (*a*) how many were approved (*b*) what was the total amount recovered?

2. What amount did plan sponsors propose recovering from pension plans registered under the Act?

Hon. Barbara McDougall (Minister of State (Finance)): 1. Twelve. (*a*) eleven, (*b*) $30,023,343. 2. $30,067,455

[*Translation*]

Mr. McDermid: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question specified by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Energy, Mines and Resources) moved that Bill C-85, an Act to amend the Petroleum Incentives Program Act, as reported (without amendment) from a legislative committee, be concurred in.

Motion agreed to.

Hon. Ray Hnatyshyn (for the Minister of Energy, Mines and Resources) moved that the Bill be read a third time and passed.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I know my colleagues from the Liberal Party and the NDP will also participate in this brief debate this morning on third reading of Bill C-85.

[*Translation*]

You will probably recall following my preliminary comments in this House at the second reading stage of this Bill that the phasing out of the Petroleum Incentives Program is an important element of the commitment of this Government to the Canadian people as concerns national reconciliation, economic renewal and social justice.

[*English*]

The purpose of Bill C-85 is to provide a legislative framework for the orderly phasing out of the Petroleum Incentives Program, commonly referred to as PIP. This is but one element of our Government's new frontier energy policy announced on December 20, 1985. The Bill was referred to a legislative committee on January 27, 1986. Hearings were held and representations made by the Canadian Petroleum Association, the Independent Petroleum Association, and representatives from Canadian companies such as Husky-Bow Valley. The committee, under the very able chairmanship of the Hon. Member for Calgary South (Mrs. Sparrow), then reported back to the House on March 7, recommending passage of the Bill without amendment.

It should be noted that the phasing out of PIP comes at a time when the frontier is moving from a phase characterized by high levels of Government intervention, to one which relies more heavily on market forces and private sector decisions; a phase of wildcat exploration to one which is more development oriented. In Hibernia we are now ready to move into the start of the production phase, which is very, very important. The finds experienced in the Beaufort, which are very exciting indeed, will of course move to the development stage in the not-too-distant future. I do not think there is anything that will help exploration in our frontiers more than the development in our frontiers. In other words, nothing provides more of an incentive to further exploration than to see the fruits of previous exploration being realized in this great country of ours. Development of Hibernia is a priority with us. Construction of production facilities and drilling of development wells will have an important and positive impact on the economy of Atlantic Canada in general and Newfoundland in particular.

I had the good fortune to visit Stavanger, Norway to look at the offshore developments which will be comparable to some extent to what we will see off Newfoundland. I was impressed by the number of construction jobs created by this project. The platforms were very impressive and their immensity is very difficult to describe. They are huge. I visited one platform, about one-eighth of which contained a 200-room hotel fully equipped with theatres, exercise rooms and restaurants. You can imagine the immensity of these projects. This all bodes well for our future, especially the future of Atlantic Canada is general, and Newfoundland in particular, where the spin-offs will be tremendous.

To encourage this trend in development the Government has introduced a new frontier energy policy. The main thrust is to remove all the National Energy Program taxes, including the phased elimination of the PGRT. That tax has dropped to 10 per cent and will disappear as of January 1, 1989. We have implemented a royality regime which is more profit sensitive. We have introduced a royality investment credit and exploration tax credit to assist companies in financing their exploration activities. There is new legislation to simplify and improve the management regime for Canada's energy frontiers. This is reflected in the proposed Canadian Petroleum Resources Act, Bill C-92, which we hope will receive and second reading in the not-too-distant future. Since it was printed representations have been made by various private sector groups and organizations, and Governments for that matter, who will want to make representations on that Bill.

There has been some concern expressed that this Government is abandoning the frontier to the multinationals. I do not think that is a fair criticism. This Government has stated many, many times, and made it very, very clear, that we want both the multinationals and Canadians on the frontier. There is room for both. As a matter of fact, the multinationals have tremendous financial resources and a much broader base than our Canadian companies, so we need them. We as a Government welcome their participation and their investment because it means jobs. It is as simple as that. It means jobs in Canada. We have made it very, very clear that we want them to participate in exploration and development of our frontier.

There are now a number of sizable Canadian-controlled companies active on the frontier as well. We want a partnership of these two interests. We think we can have a partnership. Not only do we think, we know we can have a partnership between these two interests. The capital and expertise such a partnership can provide is important to the enhancement of frontier exploration and development.

Bill C-92, which we will be discussing later in the year, requires as a necessity 50 per cent Canadian ownership of post-1982 frontier discoveries once the production phase has been reached. We are encouraging the multinationals to join the partnership with Canadians to develop our frontiers. The Petroleum Incentives Program, the PIP regime, that will be in place from April 1, 1986 to December 31, 1987 is the result of extensive consultation with the oil and gas industry and honours industry commitments in place at the time of the Western Accord, commonly referred to as grandfathering.

● (1220)

We understand that on the frontiers the lead time for exploration, for planning and for commitments is much longer than that of conventional plants? Therefore we are allowing a period of time for those companies who have signed commitments in place at the time of the Western Accord to carry out those commitments. The Government will be spending in that period of time from April 1, 1986, to December 3, 1987 about a billion dollars. We are not talking about a small amount of money, we are talking a billion dollars. That will be spent for those firms which qualify through the grandfathering rules that form the basis of this new regime. We feel that it is fair. We feel there has been extensive consultation with the companies. During the committee hearings we read off the lists of the numerous meetings that the officials and the Ministers held

with the industry on this particular grandfathering clause in the PIP regime.

Some companies have expressed concern that it is not enough, that they would like to do more exploration and they would like more money in that period of time. That is only natural. When a program is about to close everybody wants just a little more. I can remember when it was announced that the CHIP program would all of a sudden close a year early there was a mad flurry of applications. That is human nature. People tend to put off things until the very last moment and then all of a sudden they want more and more and more. I understand that, that is a way of life. I put off renewing my licence till the very last possible day, until my birth date. I know I am being chastised by the Hon. Member for Ottawa-Carleton (Mr. Turner) for doing that, but I think it is human nature and that is what we have seen here.

We feel we have struck a fair deal with the industry on the grandfathering clause, that there will be activity in the frontier and this will cushion that period of time until we get into our new regime of exploration on the frontier. I am sure that my colleague from Cape Breton-The Sydneys (Mr. MacLellan) will have more to say on that when he makes his contribution to the debate on third reading of this Bill.

With your permission, Mr. Speaker, I might thank the Hon. Member from Cape Breton-The Sydneys as I know that in order to be here this morning he had to make some special arrangements, and I do appreciate him doing that. I trust that he will take my best wishes back home to his mom, who I know is not feeling well. I am hopeful that she will be up and around in the not too distant future.

We are pleased with this Bill. It fulfils the campaign promises made by this Party before the election, and the policies of this Government regarding energy and dismantling the National Energy Program and to bring in a new energy program. We feel it is going to be far more receptive to the warrants and the requirements of a very vital industry. We are going through a period right now of low prices, a matter of great concern to this Government, which is affecting adversely one province especially.

I can tell the Hon. Members here that what we are talking about is frontier exploration. We are talking about bringing supplies onstream, probably four, five, six years down the road. As James Schlesinger, the former Secretary of Energy, said recently in Ottawa, projections are difficult, especially if they pertain to the future. What we have to do at this particular time is project what is going to happen in the world of energy, in the world of hydrocarbons, four or five years down the road. The industry is doing that. They have confidence in the frontier and have assured us that they are continuing their exploration and their development work.

I conclude by saying that we are extremely pleased that we have brought Bill C-85, the Petroleum Incentives Program Act, to this stage. We are seeing it pass through with grandfathering clauses in place to take care of those signed commitments that were in place at the time of the Western Accord. It is part of our over-all package which will be continued with Bill C-92 in the not too distant future. I look for speedy passage of this Bill so that we can send it on to the Senate and Royal Assent. Thank you very much, Sir.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, first of all I would like to thank the Parliamentary Secretary for his kind comments regarding my mother, and I appreciate it.

Mr. Speaker, Bill C-85 is one that, as the Parliamentary Secretary has said, has gone through first and second readings and through committee. This Party has not agreed to the Bill. It feels that the Bill is particularly harmful to the energy sector and to the people of Canada. Not only that, this Bill is harmful to the credibility of Governments in general. I think we have a situation where this Government is not honouring commitments made by the former Liberal Government. It is going to speak very badly for continuity of investment in Canada if the energy sector and, indeed, the business community look upon Canada as a place where you have to get in and get out before the Government changes. That is going to be very unfortunate, but that is what is happening, and that is what foreign companies, multinational companies, and Canadian companies are looking at.

This Bill also does a great deal of harm to frontier development. I will speak considerably more about that as I continue in my speech. What we are doing is really very harmful for the future. We are literally sabotaging our security of supply of oil and gas in this country. We are going to be very sorry and we are going to regret the day that we allowed this Act to pass.

What is going to happen to the very important question of Canadianization, to Canadian companies that under the Petroleum Incentives Program were able to receive 80 per cent funding even if they were in a non-taxpaying position? Under this Bill they will only get 10 per cent financing. We are going to have Canadian companies that will not be able to participate. It is a very serious situation. I would like to just go through, if I may, some of the things that were discussed in committee, some of the points that this Party feels must be made so that this Government if it passes the Bill is forewarned that it is passing something completely unpalatable to this Party, unpalatable to the energy sector, and I think unpalatable to Canadians who know about the situation.

● (1230)

One company in particular, Husky-Bow Valley, filed a drilling program with the Department of Energy, Mines and Resources in 1983. It believed at the time that, on the basis of that plan and its acceptance by the federal Government, it could drill the wells it anticipated. In the belief that it was assured of these wells, that it had an agreement and the support of the federal Government, Husky-Bow Valley took upon itself to build two drilling rigs that would be designed exclusively for East Coast drilling, although they could be used in other parts of the world. These two drilling rigs cost the Husky-Bow Valley consortium $430 million, which they paid in anticipation of being able to drill the proposed wells it laid out in its program, and to which the Government agreed.

The proposed wells in this program were identified as a result of a law passed by the then Liberal Government. According to this provision, Canadian companies—with their benefits—could be encouraged to farm-in on lease holdings of other companies. In this case the company was Mobil Oil, which was operating off the coasts of Nova Scotia and Newfoundland. Mobil Oil would sublease its well drilling rights obtained from the federal Government to other companies like Husky-Bow Valley. In other words, it would be a sublease, but in return for obtaining this sublease Mobil Oil and other companies giving the sublease or farm-in would often require those companies to drill additional wells besides those for which they had obtained rights.

In the case of the Husky Oil and Mobil sublease, the drilling of additional wells was a requirement of the farm-in provision. While Husky-Bow Valley agreed to these requirements, it wanted the right to back away from these additional wells if the initial wells drilled showed no likelihood of oil or gas in those areas. It would not proceed with the other wells, even though it could get 80 per cent funding. I believe that such an arrangement was a benefit to the Government and the Canadian people because the companies would not be drilling dry holes.

Other companies that granted these sublease rights required that additional wells be drilled regardless of whether the initial wells showed any likelihood of oil or gas.

According to the regulations introduced by the Government after the Western Accord, those companies which had an agreement that they would not have to drill additional wells unless the initial wells indicated that oil and gas deposits may be found were placed in a detrimental position. Since these were not firm commitments to drill wells, the Government said those companies could not receive funds under the Petroleum Incentives Program. Therefore, companies that acted in a business-like manner were being penalized and prejudiced under the regulations of the Petroleum Incentives Program. That is unfair because it was prejudicial to companies like Husky-Bow Valley. It had submitted its drilling program and acted in a business-like manner. It stated that it was interested in the frontier off the East Coast of Canada. It even spent $430 million on two drilling rigs as a show of its good faith.

Furthermore, the federal Government indicated that any penalty expense would not qualify for grants under the Petroleum Incentives Program. A penalty expense refers to those companies, Petro-Canada in particular, that were given particular rights, through a consortium, to a particular well through the back-in or Crown lands provision. This back-in provision would enable Petro-Canada to obtain 25 per cent of the drilling rights to a particular well and its production. If Petro-Canada backed out of the consortium, the new partner or remaining partners that would have to pick up the 25 per cent would not qualify for grants under the Petroleum Incentives Program. In other words, the remaining partners or new partner are being put into a prejudicial position.

The Government is asking companies in financial difficulty, particularly during this time of declining oil prices, to take on an extra 25 per cent with no assistance from the federal Government other than the minuscule 10 per cent provided according to this Bill. It is incredible that the rules of the game are being changed retroactively.

Let me return to the case of Husky-Bow Valley. At the time of the Western Accord it was in a position to drill 10 additional wells, pursuant to the Petroleum Incentives Program. These wells were to be drilled in 1986 and 1987. The company owned two drilling rigs which enabled it to drill a limited number of wells at one time. If it did not use these rigs, worth $430 million, it would have to rent additional rigs at a cost of millions of dollars, while the repayment and recapture of its investment on its own rigs might go completely unreplenished. Therefore, the company wanted to make use of its own investment in order to drill the wells which they acquired on their own behalf and on behalf of the people of Canada.

The Government makes matters worse by stating that the Petroleum Incentives Program grants are only available under the primary term, which it is limiting to the period from the Western Accord, approximately a year ago, to the end of March, 1986. Since Husky-Bow Valley would have to stagger its drilling in order to use its own rigs, that provision completely rules out the possibility of Husky-Bow Valley being able to drill its 10 wells with its own rigs. This was done by the Government, with full knowledge of the drilling program of Husky-Bow Valley because Husky-Bow Valley had to file its drilling program and did so in 1983. You can imagine, Mr. Speaker, the concern of a company which spends $430 million, plans to drill 10 wells to recapture the money invested and then finds out it cannot drill these wells.

• (1240)

The company immediately started to talk to the federal Government about drilling the 10 wells. In the fall of 1985 it met with the Department of Energy, Mines and Resources and the Department of Finance—and we have the Minister of Finance (Mr. Wilson) here today—and was asked if it would accept seven wells. Husky-Bow Valley said it would accept seven wells at the urging of the federal Government. It agreed to reduce the number of wells to be drilled from 10 wells to seven. I think that is a quite a magnanimous move on the part of Husky-Bow Valley, even though it felt it should be able to recapture the expenditure by drilling the seven wells instead of 10.

Then in January of this year, the Minister of Finance put pressure on the Department of Energy, Mines and Resources, saying the Government could not afford to let Husky-Bow Valley drill seven wells, so changes were made in the regulations under Bill C-85. But no one has seen the regulations. No one knows what they are. Certain regulations have been made known to Husky-Bow Valley and Members of the industry but no one has ever seen them in their entirety. No one knows exactly what they are going to be. They could be changed yet again.

By saying that it could not afford to let Husky-Bow Valley drill seven wells, the federal Government has taken these

regulations which only it knows—and perhaps even it does not know or perhaps it will change them yet again—and applied them retroactively, because they are going to be put into effect no sooner than April 1, 1986. That is when the grandfathering period begins. The regulations cannot come into effect before then, but the federal Government has taken these regulations and applied them retroactively, using cohersion through the Department of Finance to have the Department of Energy, Mines and Resources reduce the number of wells because the Government wants to save money.

The Government is not worried about its commitment, or about the proposition in which it is putting Husky-Bow Valley and others. It is not worred about the future of offshore drilling and drilling on the frontier. The Government wants to reduce its Budget, a plan which it has had in its since it came to power on September 4, 1984.

For the Government to believe it does not have to honour the commitment of a previous Government is ludicrous and despicable enough, but, after it has been in power a year and a half, to say it is going to change its mind again on a program which was implemented and filed in 1983 is ten times worse.

What are the results of the regulations we have not seen? We did not see them in first and second reading or in committee. We are told by Husky-Bow Valley that instead of the seven wells—which it has reduced from 10 in order to be co-operative—it can now only drill two wells. That is all these new regulations will allow. What a stab in the back of this consortium. And the negotiations continued. By the time we had dealt with this Bill in committee we were told that it was probable that the federal Government would up the amount of wells drilled to four. It seems like there has been a flip of the coin or throw of the dice, but we were told that Husky-Bow Valley would be able to drill four wells. That is still down six from what it wanted and down three from what it agreed to in previous negotiations with the Department of Finance and the Department of Energy Mines and Resources. That is literally treachery.

After the last meeting of committee the Minister of Energy, Mines and Resources decided she would throw a few nickels and dimes into the hat as well. She said that Husky-Bow Valley could go for four wells. It is still four. That is the most consistency we have seen for quite a while. It has been a whole two weeks with the same number of wells. Now the Government is going to throw in $20 million as a sort of sop because the company is going to get stung under the penalty expense, and because Petro-Canada is going to pull out. Petro-Canada is urging the cutting back on its expenses, and on the original commitment and intention of Petro-Canada to explore and develop energy sources, at the urging and instructions of the Government. But the Government tells Husky-Bow Valley that because Petro-Canada is going to back out and leave it high and dry, taking with it its 25 per cent right to funds under the Petroleum Incentives Program, the Government is going to allow the company $20 million as a sop. That is incredible.

It is no wonder that foreign companies which are watching the Government's actions are inactions, whichever way you want to look at it, are completely befuddled as to what is going to happen to our Canadian energy policy. This is no way to run a Government. It is no way to run our energy policy. This is not way to deal with an important economic sector.

What will happen now? Where do we go from here? We have the Estimates. According to the Estimates the Government is reducing the funding under the Petroleum Incentives Program for the fiscal year to $950 million. Husky-Bow Valley told us in committee that to drill its seven wells would cost in funds under the Petroleum Incentives Program approximately $300 million. The Government is allowing $950 million under the Estimates. The Government said initially the company could drill two wells because of the retroactive regulations. If we assume the first two, which were agreed to under the clandestine activity of the federal Government, there are still five wells. The additional five wells would probably cost $225 million. The Government has allowed $950 million. The world oil price has completely skuttled whatever intention was left on the part of companies to come in and participate. Why could the Government not fit this into the $950 million? What the Government is doing is throwing out $950 million as Petroleum Incentives Program funds for drilling in the frontier, and then snatching it away by regulating the industry so that it cannot qualify. Even if it cost Husky-Bow Valley an additional $300 million for its wells, we could say that it would be half of what would be spent on the East Coast. Why do I say half? Because Husky-Bow Valley said in committee that on the average between April 1, 1986, to the end of the grandfathering provision on December 31, 1987, there would be an average of four drilling rigs, and that two of those drilling rigs would belong to Husky-Bow Valley. So we would assume it would be using half of the Petroleum Incentives Program funds. The other companies at the most would be applying for $300 million and, as a rule, 40 per cent of the Petroleum Incentives Programs funds go to the Beaufort. That takes us to $1 billion. We have $950 million allocated for this fiscal year. However, this fiscal year ends on March 31, 1987, which means there is still from April 1, 1987, to December 31, 1987, for the rest of the drilling program, when other funds could be allocated. It is a diabolical plot to frustrate activity on the frontier, to hold out money to Canadian companies and then snatch it away by not allowing these Canadian companies to qualify.

● (1250)

Husky-Bow Valley was the only one to testify before the committee. But there are other affected companies. Because they do not have an investment in drilling rigs, for which they have to recoup funding, they do not face the prospect of losing so much money. In this way they can walk away without suffering the tremendous financial loss which a company such as Husky Bow Valley will suffer.

The treatment which has been dealt to the industry in exploration and the frontier development area is unacceptable to my Party. In no sense of the word can the Government possibly say it is interested in increasing our country's security

of supply because it is clandestinely working against what it said it would do.

We heard yesterday that the Premier of Alberta telephoned Sheik Yamani to voluntarily put a limit on production in Alberta. What the Government is doing is exactly the same thing, but through different means. It is placing a limit on production in the country as a result of its policies and the way it is implementing them. It gives policies on the one hand, and on the other it takes them back; through the back door by regulations which are to be used and retroactively applied.

We are in a very vulnerable position in Canada because our conventional supply of crude oil will last only a few more years. Unless the Government recognizes that, and unless it is prepared to take a stand, then the country's future supply of oil will run out very soon. I believe today is the day the Minister of Finance said he would hold meetings regarding the Husky upgrader. This is an important project in Western Canada. It would provide a means to develop synthetic oil which can be refined and used in the same way as we use conventional crude at the present time. It is vital that the Government agree to go ahead with the original commitment of the former Government to provide the loan guarantee of $780 million and the $50 million in grants in order to help this program.

It is not the industry we are seeing backing down in terms of development and exploration. What we are seeing is the Government backing out of the commitment to the exploration and development sectors. It is the Government which has weak knees in terms of planning for the future in order to provide what the Minister of Energy, Mines and Resources (Miss Carney) has called the engine for growth. Well, the wheels have fallen off that engine. How have they fallen off? Not as result of the falling price of oil and not as a result of the industry backing away. They have done so as a result of the Government backing away from its commitments. Where is the policy now? There is just so much contradiction. Not only is there contradiction in terms of policy but there is contradiction in terms of dealing with the industry. This creates what I think is most damaging of all, uncertainty. No one in the country knows where the Government is going, least of all the Government.

What is this doing? There is a range war out there in the energy sector. What we see is vigilante law in the energy sector because the Government is afraid to make a call or send a telegram asking for prices to come down. It is afraid it will be accused of scrapping deregulation. It is saying, in effect: "Goods heavens, don't let us be perceived as having said anything to the industry". I cannot call the President of Petro-Canada and tell him that he must pay a fair price to Canadian producers. I cannot tell him to give Canadian retailers the same wholesale price he is allowing American retailers. Right now the wholesale price from Petro-Canada to American retailers is seven cents a litre less than it is to retailers in Canada.

This is our rapidly depleting resource which the Government is selling. There is nothing wrong with that. It is important that Canada carry on in this regard. However, we have to replenish what is there. We have to plan for the future. The Government is not doing that. Not only is it not doing that, it is allowing the product to be sold to American retailers more cheaply than to retailers in Canada. The Government is allowing the consumer to be gouged at the pumps. The Government is allowing Petro-Canada to pay producers in western Canada the lowest price in the world for crude oil. It was paying the west Texas intermediate posted price up until January of 1986; but then in January of 1986 The west Texas intermediate posted price became higher than the west Texas intermediate spot price. Instead of sticking with the posted price, Petro-Canada offered producers the spot price, which is the lowest price in the world for crude oil. So at a time when small and medium-sized Canadian companies are going bankrupt laying off employees the Crown corporation is gouging them with the lowest price possible. This is reprehensible. It is not what we want.

Why is it happening? Because the Government wants the Canadian people to hate Petro-Canada so much that there will be no flack whatsoever when it is offered to the private sector in a share issue. It wants Petro-Canada to make as much profit as it possibly can so that these shares will be as valuable to wealthy Canadians as they possibly can be, regardless of the fact that Canadians already own the corporation. What will happen is that Canadians will have to pay a third time for Petro-Canada. First, they will have to do it through the takeover of corporations of which Petro-Canada is now formed. Second, they are paying inflated prices at the pump. Third, there will be a share issue which will have Canadians, or ones who can afford it, buying the company which they not only own but which all Canadians own.

I would like to ask the House and the Government to reconsider this Bill and the damage it will cause if it becomes law.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver-Kingsway (Mr. Waddell) now has the floor. It is close to one o'clock. Shall I call it one o'clock?

Mr. Waddell: Let us call it one o'clock, Mr. Speaker.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at 1 p.m. the Hon. Member for Vancouver-Kingsway (Mr. Waddell) was given the floor.

Mr. Ian Waddell (Vancouver-Kingsway): Thank you, Mr. Speaker.

Mrs. Mailly: Stand up.

Mr. Waddell: I am standing up. I will tell you a Friday afternoon story, Mr. Speaker. The first time I ever gave a speech in the House I was sitting way back in the far corner of the Chamber. I was the last Member in the House because my name starts with a "W". Before I went into the House to make my first speech I said to the Hon. Member for Saint-Denis (Mr. Prud'homme): "I need something to make me appear taller in the House," and he said: "Here, take this". It was the Ottawa-Hull phone book. I put it down on the floor and stood up on it and it was just perfect. Then the Hon. Member rose on a point of order and said: "Mr. Speaker, the Hon. Member is speaking on a Liberal platform".

Some Hon. Members: Hear, hear!

Mr. Waddell: Of course, that has changed, has it not?

I do want to speak on Bill C-85, the Bill which ends the PIP. It is a short Bill. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) dealt with the Bill in some detail. I would like to illustrate in a different way how the PIP worked by using a concrete example and illustrating some of the problems that exist.

In committee we dealt with the fairness of the provisions for grandfathering out the Petroleum Incentives Program, the grants to oil companies for exploration in the offshore and the Arctic. I made my position on this fairly clear in the House on Monday, April 19, 1982; on Thursday, June 10, 1982; and on other occasions in the past. On those occasions, I spoke against the Petroleum Incentives Program. Normally I would be in favour of a Bill phasing out the program since I was against the program in the first place. However, the position of NDP Members is that we oppose this Bill. We opposed the program in the first place because it was an expensive means to Canadianize the industry and it was open to abuse.

As reported in Volume 1, page 1:17 of the committee hearings, I asked how much the PIP cost. The answer was that in 1982-83 it cost $1.4 billion; in 1983-84, $1.5 billion; in 1984-85, $1.9 billion and the expected cost for 1985-86 was $1.5 billion. As well, it was expected that the grandfathering period would end with a cost of a further $1 billion. That means that almost $8 billion has been spent on the program. I thought it was too expensive and open to abuse and I will show how it was open to abuse in a moment.

We are going to oppose the Bill, albeit reluctantly, for four reasons. The Government has not given the program a decent burial and is not grandfathering the program honestly. There was one advantage to the program. It permitted medium-sized Canadian oil companies to play with the big majors on the frontiers. The top recipients of PIP grants were Petro-Canada, Dome Petroleum Ltd., Husky Oil, Bow Valley Industries, Canterra Energy, Norcen, Home Oil, Gulf Canada, Scurry-Rainbow and Trillium Exploration. Those grants enabled these companies to go out to the frontiers. We should treat them fairly now that we are ending the program.

I was convinced by the evidence presented at the committee hearings that the Bill is unfair to the Canadian companies that invested and worked in offshore. I would like to read an article from *Oilweek* of February 24, 1986. The article quotes Robert Blair of Husky, probably Canada's leading private oil man. It reads as follows:

> "We lowered our sights to seven wells," Blair said. "Now we're fighting for our seven wells." He was referring to separate meetings the day before with the same two ministers in an attempt to confirm that the seven remaining wells would be grandfathered for full PIP grants under C-85. "Through December, 1985, Husky-Bow Valley believed these wells could be fully 'PIPed' if drilled between April 1, 1986 and December 31, 1987," he said. "But, starting in January, we heard the number of wells we could drill would be reduced to two." If true, he said, it would devastate the companies' program.
>
> "As of this morning, we have been assured there will be four fully 'PIPed' wells." This would keep the consortium going for several months but "we still need the seven wells to salvage the program." He estimated the PIP eligibility of the seven at $290 million.

What we saw in committee, and this is the hub of the problem, is that if a company under these new regulations is brought in to replace one that drops out of a well under the existing drilling program, that company cannot receive PIP grants for its work. We were told by some of Canada's leading oil men who testified before the committee, including Robert Blair, Art Price and Doc Seaman, that they would lose the end of the program and it would be very difficult to restart. As a matter of fact, there would be bad blood between the Government and these private oil companies and the programs could never be started again.

The second reason we are opposed to this Bill is that most of the Bill is in fact in the regulations. Without seeing the regulations, we cannot judge the Bill. We were offered telexes by the Parliamentary Secretary but these telexes were not really of much help. Why should we pass this Bill when we do not have the regulations? We will simply be giving the Government *carte blanche*.

We have passed Bills containing regulations that are to be made later, but in this case the regulations will be so broad and all encompassing that there is really not very much in the Bill itself. All the Bill does is deal with a few definitions and phase out the PIP.

The third reason we are opposed to this Bill is that exploration off the Grand Banks and the Scotian Shelf would be killed too abruptly which would be too much of a shock to Atlantic Canada. There has been a strange silence in committee. We did not hear from the Nova Scotia Government and we did not hear from Petro-Canada, even though we asked them to appear. I think this Bill means trouble for the East Coast. In fact, in my view it means the end of gas and oil exploration activities in Hibernia and in the Venture gas field in Nova Scotia. When this Bill is combined with the lower oil prices, it creates a double whammy and it will end exploration. I think the people of Atlantic Canada are just beginning to realize this.

The fourth and final reason we are opposed to this Bill is that I am not satisfied that we heard the real story behind the PIP grants in committee. I would like to tell the House a little bit about that story and I will dwell on one company, East

Coast Energy Corporation. I referred to this matter in committee a number of times.

The evidence of the committee meeting of February 6, 1986, as reported on page 1:21 of the minutes of the committee, show that I asked how much money East Coast Energy got in PIP grants. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) replied that it had received $1,726,466. Then, at the end of the committee hearings, I tried to get the committee to subpoena Mr. Edward Chaisson and Mr. Fred Doucet, the principals of East Coast Energy. This was voted down by the Conservative majority. I want to tell the House a little bit about—

● (1410)

Mr. McDermid: You said Fred, you meant Joe Doucet.

Mr. Waddell: I meant Gerald Doucet and Edward Chaisson.

East Coast Energy was the only private Atlantic Canada company that got involved in the coastal exploration. All the other companies were from Alberta. It is very important why this company failed and why it was unable even with the PIP grants to continue its program. This failure tells us something about the PIP grants. It also tells us something about what I call the St. Francis Xavier gang and the cronies who operate the PMO. They are real operators, Mr. Speaker.

East Coast Energy got a piece of the offshore from its friends in the Nova Scotia Government. The company paid $8 million for 1 per cent of the Venture field off Nova Scotia. The principals in the company were the Doucet brothers, Fred who later became the chief of staff of the then Opposition Leader, Brian Mulroney and Gerald.

Mr. Hnatyshyn: Order.

Mr. Waddell: I am sorry, Mr. Speaker. I should not use a Member's name. I meant the present Prime Minister (Mr. Mulroney). Mr. Doucet is on the Prime Minister's staff.

Last Friday I was in the court house in Toronto and found some interesting documents. I would like to quote from the case of Walter Wolf versus Jean Alfred Doucet. Wolf is the plaintiff and Doucet the defendant. This action is in the Supreme Court of Ontario, court file No. 6354/85. On page 4 of the statement of claim it reads:

> The Defendant, Jean Alfred Doucet, is a senior advisor to the Prime Minister of Canada, resident in the City of Ottawa, in the Regional Municipality of Ottawa-Carleton and was until in or about the autumn of 1983 the Chief Executive Officer, Vice-President, Secretary and a director of ECE.

The Prime Minister in the early 1980s had been in St. Francis Xavier and had raised some money. Actually, Mr. Doucet had done most of the fund-raising, about $11 million for St. Francis Xavier University, but the present Prime Minister got a lot of the credit.

Just after this, Mr. Doucet called back in some of those favors. He got a number of the Prime Minister's friends, including the Prime Minister, to invest in East Coast Energy. The Prime Minister invested $15,000.

In December, 1982, there was a share issue because the company was undercapitalized in drilling holes off Nova Scotia. Even with the PIP grants and with a 1 per cent share it cost lots of money. According to the court documents, Mr. Doucet was approached by Michel Cogger, another of the Prime Minister's cronies and a Quebec solicitor, and he got Walter Wolf, who says he is a friend of the Prime Minister, to invest $500,000 in East Coast Energy.

According to further court documents, Mr. Speaker, and a related law suit, the suit of McLeod Young Weir Limited plaintiff against Michael Cogger and Walter Wolf, Supreme Court of Ontario court file No. 1654-84.

Mr. Hnatyshyn: This is a pre-trial hanging.

Mr. Waddell: I am being very careful and only reporting from court documents that are public. The investment firm of McLeod Young Meir handled the shares and Don Ripley, another old crony of the Prime Minister, handled this deal for McLeod Young Weir.

Mr. Hnatyshyn: I suppose that is in the court documents?

Mr. Waddell: Who is Walter Wolf and why is he important to the story of the PIP grants and East Coast Energy? He is the mysterious offshore money that came in, according to Mr. Dalton Camp, to fund the downfall of the former Conservative Leader, Mr. Clark. Mr. Wolf said publicly that he gave $25,000.

In fact, my sources tell me that a sum of $6 million was spent by the present Prime Minister in 1976, 1983 and 1984 at conventions in order to win the leadership of his Party. Up to $2 million was invested by Mr. Wolf. Up to $2 million was invested by Paul Desmarais of the Power Corporation, and another $2 million came from other sources.

Mr. McDermid: Wouldn't that be nice if it were true? It would be nice if fund-raising were that easy.

Mr. Waddell: Why is Mr. Wolf suing Doucet? According to the court papers, the shares Wolf said he bought were never listed on the stock exchange. In other words the share issue fell flat. Fred Doucet then decided that East Coast Energy needed more than just PIP grants, but conventional oil production and immediate cash flow from it. Mr. Doucet then had East Coast Energy buy Petroleum Royalites Limited, an Alberta company. This was a dreadful mistake. He tried to merge the two companies and go to the market with a huge equity issue to wipe out the joint debt. The deal fell through, of course, because no one wanted to buy the shares of companies that were so indebted.

Last July, the Canadian Imperial Bank of Commerce called the loans of East Coast Energy to fold East Coast Energy. Mr. Doucet is now one of the senior advisors to the Prime Minister of Canada.

What did Mr. Wolf get for his investment in East Coast Energy and in the Mulroney campaign? The answer is not much, although there was the matter of a contract for $363,-

000 from Petro-Canada to Wolf Sub-Ocean Ltd. which is part of the offshore play.

Wolf Sub-Ocean was owned by Walter Wolf and Frank Moores. Gerald Doucet, who is Fred's brother and formerly of East Coast Energy, is now a partner with Moores in a lucrative consulting firm in Ottawa. Members are well aware of this firm. Also in the company is Gary Ouellet, an important Quebec organizer for the Conservatives. Eric Dorion, President of the Young P.C.s of Quebec and an organizer for that Party, worked for Mr. Moores, Quellet and Gerry Doucet.

What was done with Wolf's offshore money? It went to buy Quebec bodies to send to the Winnipeg convention. At one meeting, for example, 1,000 people were paid $10 each to choose six delegates who were paid $1,000 each to go to Winnipeg. You can see why this committee should have heard from East Coast Energy and its principals. You can imagine how this would be treated in the United States by a committee there if the Americans were examining PIP, offshore and the way moneys were spent, Mr. Speaker.

The first Wolf case was set down for trial July 10, 1985, but there is a 16 to 18 month delay in Ontario. The trial will be December, 1986 or in 1987. Then maybe we can hear a little bit more about what is going on. Wolf is suing Doucet for $300,000. McLeod Young Weir is suing Wolf and Cogger for $200,000. There is no honour among thieves.

There should be a royal commission appointed in this country to investigate East Coast Energy, its use of the PIP money, its connections to Walter Wolf and to the Prime Minister's office through Fred Doucet, and the extent to which East Coast Energy money or Wolf money went to purchase, first a Party leadership, and ultimately the control of the Government of Canada. Who says Canada is a banana republic?

Mr. Baker: Mr. Speaker, I rise on a point of order. Is there or is there not a 10 minute question and answer period.

The Acting Speaker (Mr. Paproski): There is not a 10 minute question and answer period. I have given ample time to speakers.

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker. I believe we are entitled to a ten-minute question period for the Hon. Member who is the New Democratic Party energy critic. I think we are allowed ten minutes of questions.

[*English*]

The Acting Speaker (Mr. Paproski): I was a little fast on the draw, I must admit. Standing Order 55(1) states that the first two speakers have unlimited time and the last Member has 20 minutes plus a 10 minute period for questions and comments. Therefore, I will recognize the Hon. Member for Gander-Twillingate (Mr. Baker) on a question or a comment.

Mr. Baker: Mr. Speaker, I know that was just an honest slip on your part. The rules have been changed so often since the convening of this Parliament that I do not know how any Speaker can fulfil his function to meet these changes that have been made by the Government—

Some Hon. Members: Oh, oh!

Mr. Baker: —since it took office. I listened with interest to the hon. gentleman's speech. I want to ask him about the first couple of minutes of his speech which had nothing at all to do with East Coast energy companies or individuals.

• (1420)

He stated correctly that he and his Party, in this Chamber, opposed the Petroleum Incentives Program. Over the years New Democratic Party members labelled the program as a massive giveaway to large oil companies. The Member now recognizes that Canadian companies based in Alberta, other than the company to which he mainly referred in his speech, are now saying that they cannot continue drilling without those incentives, regardless of the price of oil. Given that fact, would he not agree that the incentives which were in place prior to this Government assuming power should be reinstituted for the next two or three years?

Mr. Waddell: Mr. Speaker, the Member is perhaps politely asking whether I am not being inconsistent, having spoken and voted against the PIP and now speaking against this Bill which phases it out. I said honestly in my speech that I did that and I gave the dates when I spoke in the House. I said at the time that I thought the PIP was too expensive. What have we got for $8 billion? Do we have a barrel of oil or any gas from the offshore or the Arctic? We got a token shipment of barrels from Bent Horn. We got some exploration and a little bit of knowledge of what was out there. However, I thought it was pretty expensive and I am not sure it was worth it. I recognize that some Canadian companies were involved, and I gave a list of them. The problem is that we are now going to leave them high and dry.

The program had two purposes. The first was to Canadianize the industry by giving breaks to Canadian companies. The second was to find out what existed in the frontiers. The real reason for the program was that the former Prime Minister, Mr. Trudeau, was having a war with the former Premier of Alberta, Mr. Lougheed, and he wanted exploration to be shifted to the frontiers which the federal Government controlled. You will recall that the federal Liberal Government always insisted that it had power in the offshroe. That was part of the energy battle. It was a tremendous waste of money.

I wish we could examine the amounts of money which were blown on this program. For $8 billion we could have bought Imperial Oil and that would have instantly given us 50 per cent Canadianization. We could have invested it in the tar sands or the heavy oil where results were guaranteed. I think it was a waste of money.

To answer the Member's question specifically, I do not think the program should be extended, but we owe it to those companies to have an orderly phasing out. It is a great surprise for the NDP to stick up for Canadian oil companies, but they

are being treated unfairly and this program should be phased out differently. Therefore, it is consistent for me to say that and oppose this Bill.

Mr. Baker: Mr. Speaker, a moment ago the hon. gentleman said that he felt his Party owed it to the companies. I think perhaps he meant they owe it to the workers in the offshore and the companies which keep those workers employed.

In view of his party's position, does the Hon. Member believe—Mr. Speaker, I would ask the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) to listen to the questions and answers because he would learn something. It is unfortunate that questions were not allowed after his speech because that would have been a most enjoyable ten-minute experience after hearing the statements that Member made in the Chamber this morning.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I would be happy to answer any questions the Hon. Member may have. I was in committee for a week and I did not see him there once asking one question. He is show-boating.

Some Hon. Members: Shame, shame.

The Acting Speaker (Mr. Paproski): Order, please. Order! The Hon. Member for Gander-Twillingate has the floor for a question or a comment.

Mr. Gauthier: That is going to cost you. That's a dumb move.

Mr. Rossi: He is dumb anyway.

Mr. Baker: Does the Member believe that the oil companies which drill in the offshore and frontier lands actually made money from the PIP? This is a very important question, Mr. Speaker. The Member has considerable knowledge in this field. Does he believe that these companies actually made money drilling under the PIP? In other words, regardless of the price of oil, would they have drilled under the PIP?

I ask this because he knows that companies from western Canada are now saying they cannot drill in the offshore, not because the price of oil has gone down but because they cannot get the PIP money. They say that if they got an 80 per cent return on their dollar they would continue drilling. With the present income tax structure the return is about 30 per cent, and they say they cannot drill under those circumstances. Regardless of the price of oil, does the Member believe that with the PIP in place the companies would have drilled? In other words, is he saying that the companies actually made money under the Petroleum Incentives Program?

Mr. Waddell: Mr. Speaker, I will first say that the Member is right in saying that we owe it to the workers employed by the companies on the East Coast to not let them go just like that. That is what will happen if we do not phase this out in an orderly fashion. That was the evidence in committee.

With regard to whether the companies are making money or could continue, I will quote Mr. Allan Ruffman, the Vice-President of Geomarine Associates Ltd. He told a business conference in Halifax, Perspective '86:

> Based on the stated intention of East Coast explorers, there will probably be a 40-to-50 per cent reduction in drilling and a 70 per cent drop in the number of active rigs for a 50 per cent decline in over-all activity.

That was before oil prices fell. He said:

> With the elimination of the replacement of exploration grants by tax breaks, however, the smaller companies may be out of "the offshore game".

We had other witnesses who said that without the grants they would not be in there. Oil companies will go if you give them big grants or super depletion allowances. Of course they made money under the Petroleum Incentives Program. I wish the committee could have studied some of the abuses which I heard of under the program. Money was transferred from company to company. There were a lot of abuses, but they made money and they drilled. There was activity there, there is no denying that. However, if you put enough money in front of anyone, they will take it as encouragement to go ahead.

• (1430)

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired. Debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Hnatyshyn: Point of order, Mr. Speaker. I do not want to discourage anyone from speaking on this Bill, but there were discussions between the parties on the basis of rearranging the scheduling of Business of the House to accommodate the Liberal Party energy critic and the Hon. Member for Vancouver-Kingsway (Mr. Waddell). I had a clear understanding that in order to accommodate the critics we would have one speaker per party. I would like to know if the Hon. Member for Laval-des-Rapides (Mr. Garneau) was aware of that understanding and whether the Liberal Party is going to continue speaking on this Bill.

Mr. Gauthier: Mr. Speaker, I was here yesterday when the Minister made a proposal concerning Bill C-85. My House Leader said he could not give his undertaking to whatever the proposal was because we did not understand it. There was a lack of communication. There must be another lack of communication because I understood that the Member from our party who spoke this morning on the Bill did not tell us there was an agreement that there would be only one speaker. He did tell me that the Bill would be voted on today sometime but I never understood there would be a restricted number of speakers.

Mr. McDermid: Mr. Speaker, I was involved in the discussions and the initial agreement was that the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and I would speak today. Because of an illness in the family the Liberal Party critic would speak on Tuesday. As it turned out he very kindly said he would stay this morning so we would have one speaker each. I made that agreement with the critics who in turn spoke to their House Leaders. The Hon. Member filled his commitment this morning and has since left for his riding because of

an illness in the family. If they are going to break the agreement, then we will be very disappointed.

The Acting Speaker (Mr. Paproski): I am at the disposal of the House. I would like to help the cause but I see that there is going to be debate—

Mr. Baker: On the same point of order, Mr. Speaker. This Bill ends the PIP program and exploration off the Newfoundland coast.

Mr. McDermid: No!

Mr. Baker: I am going to put my words on the record here in this Chamber this afternoon regardless of any agreement. I do not know of any agreement, but regardless, I am going to speak.

The Acting Speaker (Mr. Paproski): On that basis, then, debate. I would like to recognize the Hon. Member—

Mr. Tobin: Point of order, Mr. Speaker. I am here on a Friday afternoon when I generally go to my riding because I expect this Bill is going to be coming to a vote.

Mr. McDermid: Speak to your House Leader.

The Acting Speaker (Mr. Paproski): It is not a point of order, it is debate. I appreciate what the Hon. Member has just said.

Mr. Tobin: They are trying to shut us down.

The Acting Speaker (Mr. Paproski): It is debate and the Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I do not know exactly what transpired in a discussion by various Members of this House, but before I start my speech on Bill C-85, perhaps I should mention that this morning I was talking to my hon. friend from Cape-Breton-The Sydneys (Mr. MacLellan) about my speech this afternoon and along what lines it would be. He never indicated there had been an agreement on limiting the number of speeches.

Mr. Speaker, I believe that today we are beginning a very important phase in the way this country is going to manage its limited and non-renewable gas and oil reserves.

In fact, Bill C-85 is an almost definitive step towards the abolition of a national energy policy. This policy, with its weaknesses, strengths and shortcomings, had three objectives. The first was exploration; the second was to achieve increasing Canadian control; and the third was to protect producers and consumers against substantial price fluctuation.

Mr. Speaker, this objective was perhaps too ambitious. And it was perhaps difficult to achieve, not only in the North American context but also in the world energy context. The fact remains there was at least one very specific objective which was to provide for increasing Canadian control over exploration, distribution and Canadianization.

But why should we have a national energy policy in the first place, with, granted, its strengths and its weaknesses? First of all, because the market theory was no longer workable. In fact, since the middle seventies, a group of producing countries had decided to use production control as a means of artificially raising prices. So there was no more free market as we know it, that is, freedom for both buyers and sellers. Furthermore, the number of participants in the market was becoming increasingly limited. And the impact of the activities of this cartel was considerable in terms of excessive profits being enjoyed by an increasingly limited number of participants.

I want to get back to the national energy policy. It did have its weaknesses, which could have been corrected, I will not deny that. The national energy policy was perhaps too ambitious. If the Conservative Government had been willing, it could have limited the scope of the policy through legislation and Government programs. It could have changed or adjusted the policy.

But now, Bill C-85 creates a situation where there will be no Government of Canada to oversee the administration of this limited and non-renewable resource, which is now in the hands of a very limited number of producers.

Mr. Speaker, there will be no more national energy policy. And as for the law of the market, when people say: "Now the market will determine the price", do we really have a free market when producing countries decide to cut production in order to control prices? Do we really have a free market? Can we talk about market laws when four or five producing countries can determine the price millions of consumers will have to pay for this very important commodity? Is there a free market when independent producers are at the mercy of four or five buyers? Can we say the market place is working when we find ourselves in a situation such that the Premier of a province gets in touch with an Arab leader in an attempt to control production so as to boost prices?

Mr. Speaker, if we are to have an energy policy established by a few countries or a handful of producers, why should that policy not be set here in the House by the elected representatives of all Canadians? Mr. Speaker, do we want energy prices and exploration methods to be determined by OPEP members who may or may not agree among themselves? Is all that going to depend on the odd phone call between the Alberta Premier and Sheik Yamani?

Mrs. Mailly: No, no!

Mr. Garneau: Mr. Speaker, the Hon. Member may take the floor anytime she wants, but she should refrain from interrupting Members who are serious about this matter. She should speak to her friend the Premier of Alberta.

Mr. Speaker, nobody can tell me that the dictates of the market place will prevail with respect to energy when we are facing a cartel and when a handful of foreigners can affect the price Canadians pay for their gasoline or heating oil.

● (1440)

Mr. Speaker, I would say allright, for I believe in free competition and in marketplace, but only when it works. That is why I agree with the marketplace, but I reject the interference of the cartel. If indeed foreigners can decide the future of Canadian consumers and independent producers, I say that if foreigners can do that the Members of this House not only can do the same thing but they must give it top priority. That is why I am a bit upset and quite concerned about the Conservative Government approach, and again I repeat that our national energy policy could have been amended and changed. Some of those benefits could have been limited if they had been deemed excessive, but because of the current world situation, I suggest that a joint intervention of the federal Government and producing provinces is not only desirable but necessary.

Mr. Speaker, why could we not decide ourselves to ensure that oil resources exploration and development—at least most of it, if not all of it—is carried out in Canada by Canadians? As representatives of the Canadian people as a whole, could we not decide democratically here and now, through our tax system and budgetary measures, what is good for our country, our consumers as well as our producers? Mr. Speaker, why could we not, through consultations with the producing provinces, achieve a consensus governing the exploration, development and distribution of these limited and non-renewable resources?

[*English*]

Mr. McDermid: That's exactly what we have done.

[*Translation*]

Mr. Garneau: Mr. Speaker, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) has said: "Exactly what we have done". What is it that they have done? They have turned over the whole administration to the private sector under the pretext of a free market system, something which actually does not exist. I challenge the Parliamentary Secretary to argue today that competitive forces are at work in this country and are determining oil prices. I am going to use against him his own argument. It is said today that Petro-Canada is buying oil at the lowest possible world price and selling it to Canadians at the highest possible price. What is the purpose of this policy? To get rid of independent producers and gouge consumers of this country.

Mrs. Mailly: That is not true!

Mr. Garneau: What is happening is that . . .

The Acting Speaker (Mr. Paproski): Order, please!

Mr. Rossi: Mr. Speaker, we will be entitled to a 10-minute period for questioning and comments.

The Acting Speaker (Mr. Paproski): Order! Order, please . . . !

Mr. Rossi: The Hon. Member for Gatineau (Mrs. Mailly) is interrupting all the time.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Order, please. Order, please. There will be an opportunity for questions and comments after the Hon. Member finishes his 20-minute speech. I know it is Friday afternoon and everybody wants to go back to their constituency but I would like to hear the Hon. Member's speech. I would also ask you to hold your questions and comments until after the Hon. Member finishes debate.

[*Translation*]

Mr. Garneau: Mr. Speaker, I submit that Bill C-85—

[*English*]

An Hon. Member: Did you learn that in Quebec City?

[*Translation*]

Mr. Rossi: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bourassa (Mr. Rossi) rises on a point of order.

Mr. Rossi: Mr. Speaker, I rise on a point of order. The Hon. Member has insulted the Province of Quebec when he said that—

[*English*]

Did you learn that in Quebec City? Mr. Speaker, we will not stand for that kind of rubbish.

The Acting Speaker (Mr. Paproski): It is not a point of order. I don't know what happened there but I know that the Hon. Member has the floor. I would appreciate very much if Hon. Members would allow him to finish his debate and then I will recognize Hon. Members for questions and comments.

[*Translation*]

Mr. Garneau: Mr. Speaker, what I wish to emphasize is that . . . I understand, Mr. Speaker, that it hurts the Conservative Members to realize that they are giving away something very important, namely our oil and gas resources. They are giving them away by allowing foreign interests to gain control over them, not in terms of ownership, but in terms of development because the present price of oil lets the cartels control the energy policy of Canada, even though this policy should be set by this very House.

Mr. Speaker, I submit with all due respect that by virtually cancelling all exploration programs and abandoning any national energy policy, we are placing this country at the mercy of decisions made outside Canada. I also submit that, to the

extent that there is no competition because of the number of companies involved, what the Conservative Government is now doing is to crush independent Canadian producers as, sooner or later, especially if the prices go down, these producers will have to sell out to the larger companies which have the required cash flow because of the fact that there is no competition and that prices at the pumps are high. Because of this and the attitude of Petro-Canada in this sector, the large companies will be able to liberate the necessary cash flow to buy out independent producers, who will be caught in a trap. Why are these independent producers now caught in a trap? Because one of the larger companies, Petro-Canada, must purchase 60 to 70 per cent of its oil from them. It buys this oil at a low price and resells it at the pump where it can control prices.

In this context, Mr. Speaker, I think that if decisions have to be made logically and democratically, it should be by this House and by the Government on the other side and not by players outside this place.

I would like to add another dimension to this debate and speak about Canadian unity. When international oil prices were high, the Liberal Government at the time naturally disagreed with the people opposite and said that it was abnormal for Canadians in general to pay excessive prices for heating oil and gasoline and for Canadian businesses to pay such high prices for their energy products because three or four producing countries had decided to set up a cartel. Naturally, at that time, certain producing provinces were asked to make sacrifices for the rest of Canadians. What I am suggesting today to the Government is that in that same spirit of Canadian unity, a point in time will come, if the situation continues to change, where the central provinces, Quebec, Ontario and other regions will have to send the elevator back to the Western producers because we cannot accept that for the purpose of allowing for a kind of free competition that does not actually exist they should tear down in a matter of two to three years' time what has cost so much time and money to build up, that is the Canadianization of our companies which are engaged in oil exploration and production. This is exactly what the OPEC cartel is trying to do, disrupt as much as possible our national self-sufficiency policies. And once they are disrupted, they will jack prices back up and we will find ourselves, in a few years from now maybe, with oil at $40 or $50 U.S. a barrel. And by eliminating with Bill C-85 important elements of the National Energy Policy, by completely deregulating a "free" market that is not actually free, they are trying to bring to an end the Canadianization of our companies and they will push Canada into a situation in which it will again have to depend on foreign producing countries for our supplies, if all exploration is to be stopped.

This is why I am arguing today, not so much to defend the petroleum incentive program as it existed. My aim is not at all costs to defend every aspect of the National Energy Policy. My aim is to tell the Government: "Watch out! Make no mistake! The approach you are taking might be the one that will kill free competition. It might prove to be the most damaging approach to private enterprise that could exist. And it might probably place this country back into situations of conflict between the East and the West."

• (1450)

Mr. Speaker, considering the reduced international price of oil and the fact that Petro-Canada because of its purchasing power is crushing independent producers, would the government intervene rather than withdraw from the management of that resource which is generally known as being limited and non-renewable.

I see all the Tory Members from Alberta. I understand that they are in a difficult position. However, I say today, having travelled throughout Quebec and part of Ontario, that you have supporters not only in Alberta but everywhere in Canada who realize that at a given time there should be a reversal.

I do not know when one should intervene, but I am concerned each time the minister of Energy, Mines and Resources (Mrs. Carney) says that we will have no intervention but free competition.

I am concerned and I say to the Tory Members, especially those from the West that they may have made some representations in their caucus. However, these will not be entirely inconsistent with mine because I do not want to take a partisan approach. However, if they want me to, I could well do so.

But when I talk about Canadian unity, will the Tory Members tell me that I am being partisan? When I say that there is no competition in the oil industry, am I being partisan? When I say we should help Canadianization and protect our producers, am I being partisan?

Mr. Speaker, at what point should I consider comments as insulting to my colleagues? I would invite them to understand that we are not talking about the corner store but about an industry where four or five major companies control product distribution. When there are only three, four or five buyers, how can you expect independent producers to survive if there is no Government to protect competition.

In fact, how can we have a free market when producing countries are openly getting together to try and limit production and make prices go up? I say that if anyone should set prices for oil and gas within Canada's borders, it should be the Government of my country, not the member countries of OPEC.

The Acting Speaker (Mr. Paproski): Order. Questions and comments.

The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, it is really too bad that in his first major speech since he was appointed,

the Hon. Member for Laval-des-Rapides (Mr. Garneau) should serve up another one of those speeches full of lies and exaggerations. I would like to comment on certain points. However, he raised so many, Mr. Speaker, that in spite of ourselves, we reacted rather violently to what he was saying. For instance, when he said that we were letting this country's oil policy being determined by the premier of one of the provinces . . . He knows perfectly well that the Secretary of State for External Affairs (Mr. Clark) said that Canada's policy is created by the Government of Canada. He did not say that the Premier of Alberta had no voice in discussions on international policy or even the national policies of our Government. And he knows that. And that is why I maintain that what he said was a tissue of lies.

Second, he said we wanted to let the market decide the future—

[*English*]

Mr. Tobin: Mr. Speaker, I rise on a point of order. The Member opposite is not only conducting herself in an unlady like fashion with her "vomitting" phrases, she has now referred to lies. That is clearly unparliamentary and she should withdraw it as quickly as she should withdraw herself from the House.

Mr. Rodriguez: Withdraw.

The Acting Speaker (Mr. Paproski): Order. This is not *The Young and the Restless*. I realize that this is Friday afternoon. I have not head the Hon. Member because of the amount of conversation that is taking place.

Mr. Tobin: She said "fabric of lies".

The Acting Speaker (Mr. Paproski): If the Hon. Member is are intimating this, I think you should withdraw your statement. I find that that is not parliamentary.

Mr. Tobin: A point of order.

The Acting Speaker (Mr. Paproski): One moment. I did not hear the translation and I would ask the Hon. Member to say whether she used unparliamentary language. If she has, I would as her to withdraw it and if she has not, we will carry on with a short question and short comment. The Hon. Member for Gatineau (Mrs. Mailly).

[*Translation*]

Mrs. Mailly: Mr. Speaker, I did not use unparliamentary language because according to the Standing Orders we cannot call somebody a liar, but we can express doubts about the true meaning of the remarks of Hon. Members, and that is what I did. I pointed out that the remarks of the Hon. Member were a fabric of lies. I did not say he was a liar, I said his remarks were a fabric of lies.

Mr. Speaker, if I may—

Mr. Gauthier: Mr. Speaker, the Hon. Member for Gatineau should wash her mouth with soap because her comments are absolutely . . . She is indulging in semantics. If she says that the comments of the Hon. Member are a "fabric of lies", it is the same thing as saying that the Hon. Member is a liar. She must withdraw those remarks.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. It is a borderline case. The Hon. Member for Gatineau is causing the Chair a lot of difficulty by getting as close as she is to unparliamentary language. I hope she will refrain from that and carry on with a short question and comment, please.

[*Translation*]

Mrs. Mailly: So, Mr. Speaker, I will continue. I was saying that the Hon. Member for Laval-des-Rapides (Mr. Garneau) . . . Mr. Speaker, I was saying—

[*English*]

Mr. Tobin: A point of order, Mr. Speaker. The Hon. Member for Gatineau (Mrs. Mailly) clearly indicated to the Speaker and the House that she used the words "a veritable fabric of lies". Those were her words, referring to the speech of the Hon. Member who spoke from this side of the House.

When she goes further and tells you that she is doing it in that way because it might be an indirect and permissible way of calling someone a liar, her intention is clear and the Speaker ought to rule decisively.

Mr. Gauthier: You cannot do indirectly what you cannot do directly.

The Acting Speaker (Mr. Paproski): If the Hon. Member used unparliamentary language, would she please withdraw and carry on with her question.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I went on to say that in his remarks the Hon. Member had claimed—

[*English*]

The Acting Speaker (Mr. Paproski): I would ask the Hon. Member to withdraw—

Mr. Tobin: Name her.

The Acting Speaker (Mr. Paproski): Would the Hon. Member please withdraw her statement and carry on with her question or comment.

[*Translation*]

Mrs. Mailly: Mr. Speaker, since you are asking me to make a concrete gesture, I am pleased, to save you from an embarrassing situation, to make that concrete gesture. I regret having said it was a "fabric of lies" and I will simply rephrase by saying that he stretched the truth more than can reasonably be expected.

So, there you are.

Some Hon. Members: Hear, hear!

Mrs. Mailly: Now then, Mr. Speaker, to get back—

[*English*]

Mr. Gauthier: A point of order.

The Acting Speaker (Mr. Paproski): I am ruling that the Hon. Member has withdrawn the statement she made. If the Hon. Member has a point of order, I will hear it.

Mr. Tobin: Mr. Speaker, my point of order is that when the Speaker orders a Member to withdraw, the rule is that there be an unequivocal withdrawal. That was not an unequivocal withdrawal and the Speaker knows it. If we want to set new precedents in the House, we can.

• (1500)

The Acting Speaker (Mr. Paproski): An unequivocal withdrawal is very hard to get in this Chamber, I must say to the Hon. Member, who has been here for a long time. What the Hon. Member has done, as far as I am concerned and the Chair is so ruling, I consider to be a very fine withdrawal in this regard, particularly on Friday, March 21.

[*Translation*]

Mrs. Mailly: For instance, Mr. Speaker, the Hon. Member for Laval-des-Rapides (Mr. Garneau) is wrong when he says that we let the market place set Canada's oil policy and that it was harmful to the consumer. Indeed, had we followed the energy policy of the Liberal Government the consumer would not now be able to benefit from falling prices because the Liberal Government had set up a system of administered prices which would have prevented them from dropping since there was a compensation charge.

Second, he said that the Minister of Energy, Mines and Resources (Miss Carney) did not intervene in this case, but apparently he forgot—perhaps he was not in the House at the time—that when world prices first began to come down she told the oil companies' representatives that they would eventually have to pass on to the consumer any savings resulting from declining crude oil prices. Therefore it is not true to say that she did not intervene in this case.

On the other hand, when he talks about canadianizing the industry—

[*English*]

The Acting Speaker (Mr. Paproski): I hope that the Hon. Member will come to a question, please.

[*Translation*]

Mrs. Mailly: As you know, Mr. Speaker, I have been interrupted so many times that it is difficult for me to carry on with my question. However, I should like to mention for instance the fact that under the previous Liberal administration, the purpose of Canadianization was to force small Canadian companies to join huge foreign oil consortia to become eligible to the tax breaks under the National Energy Policy, which meant that instead of developing under a free market system, the small businesses were crushed by the foreign oil corporations.

[*English*]

The Acting Speaker (Mr. Paproski): I think the Hon. Member has had ample time. The Hon. Member for Laval-des-Rapides (Mr. Garneau) may reply or rebut.

[*Translation*]

Mr. Garneau: Mr. Speaker, the Hon. Member who has just spoken has failed to understand what is at the heart of the debate, as evidenced by her questions . . . or rather her comments. She submits today that the Minister has intervened, while the Minister herself has indicated on several occasions in the House that she would not intervene in order from now on to allow free market forces to operate. She would weekly suggest to the oil multinationals to lower their prices, at a time when she herself, as a Member of this Government, is a shareholder of the company which refuses most stubbornly to lower its prices at the pumps, the same company which is paying our small producers the international price instead of the average Texas posted prices as before.

Which means that the Government, because of its decision not to intervene, will turn over the whole management of Canadian energy resources to four or five Canadian companies equipped with refinery facilities and a distribution network, and also to a foreign cartel which, through production control, may impose, more or less successfully, the prices which Canadian consumers will have to pay at the pumps, which brings me back to the gist of my remarks. If someone in this country is to determine the price which Canadian men and women will have to pay for gas at the pumps, it should be the Government of my country, because if I am dissatisfied, I may, together with other Canadian voters, change the Government; however, there is nothing anybody can do against the OPEC cartel or for that matter, against the presidents of Petro-Canada or Imperial Oil.

[*English*]

The Acting Speaker (Mr. Paproski): I will allow another two minutes or so with regard to questions or comments on the speech of the Hon. Member for Laval-des-Rapides. I would like to call upon the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and then the Hon. Member for Gander-Twillingate (Mr. Baker). Will they make it brief, please?

[*Translation*]

Mr. Waddell: Mr. Speaker, I should like to direct a question to the finance critic of the Liberal Party. He has referred to Canadian unity and to problems between Eastern and Western Canada. Would he be in favour of a floor price for oil producers in Western Canada?

Mr. Garneau: Mr. Speaker, I said a while ago that at a given time there should be some intervention. I have not referred to a minimum price and the Member should know that there are other means. Taxation can be used but I do not want to suggest that this is the only approach. However, if the international price of oil keeps going down, if at a given moment we do not want to destroy something which has been so costly, as you and other Members have said, it has cost billions, of dollars to build up a Canadian oil industry controlled exclusively by Canadians. If we do not want to see that destroyed, there will have to be some intervention. It could be setting a minimum price or something else. This is why at present, I do not want to personally endorse a minimum price, because there could be some other solutions and I would like Government leaders and other authorities to suggest some sort of policy.

[*English*]

Mr. Baker: Very briefly, as you said, Mr. Speaker, to correct the record, the fact is that American companies are purchasing oil from Canada cheaper than the refineries are purchasing Canadian oil. Canadian companies are then buying back a refined product and selling it in Canada cheaper than Canadian refined oil is being sold to Canadians. That is the bottom line. Canadian oil and gas are being transferred across the border and still end up being cheaper than what Canadians are paying for their own oil and gas. That is the question the Minister of Energy, Mines and Resources (Miss Carney) should have to answer when she speaks to Canadians.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Debate.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, like my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), I would like to take advantage of this opportunity to say a few words about Bill C-85 because of its profound implications for the country in general and for my home province in particular. What the Government did in its head-long rush to satisfy the whims of people in the corporate office towers and around the boardroom tables a year and a half ago when life was presumably a bit rosier in the oil patch than it is today, was to write an energy policy for them, which essentially made them very happy because it put back into their hands billions of dollars in tax revenues which, up until the election of this administration, belonged to the Government of Canada. At the same time, the Government's policy took away substantial amounts of taxpayer dollars which were being used as an incentive to develop Canadian oil and gas self-sufficiency. I am talking about the Petroleum Incentives Program, which is absent from Bill C-85, which was used to begin exploration on the offshore Hibernia in Newfoundland, my own home province, Venture in Nova Scotia, the Beaufort Sea, and so on. What has happened? When the Government announced its policy to abandon PIP, when it took that first Draconian step to destroy the notion of energy self-sufficiency and the development of frontier oil reservoirs, it said to those companies operating in the offshore of Newfoundland: "Don't worry. We're going to honour our commitments made in 1983 through to 1987". That was in reference to drilling programs which were already in place, which were contingent upon receiving those Petroleum Incentive Program grants. That is what the Minister of Finance (Mr. Wilson) said. That is how he reassured this House about offshore Newfoundland when he brought in his May, 1985 Budget.

• (1510)

What has happened since? Oil patch people and people concerned with the offshore in terms of development said that although it was not good news, they still had until 1987 to adjust. What happened in the interim? In the interim the Government decided that as of January 1, 1986, it will not honour its commitments through to 1987. It will no longer make available PIP grants to the offshore.

What was the reaction to that announcement in the offshore of Newfoundland? By the time they get around to the offshore drilling season they will be lucky to have any activity left at all. That was the reaction. Every major player involved in offshore activity in Newfoundland and Nova Scotia has told the Government publicly that their programs have been destroyed. They have told the Government that the commitments they made a number of years ago based on the notion that PIP grants would be in place and maintained through to 1987 have been shattered. There will not be a drilling program worth calling a drilling program this year in the offshore of Nova Scotia. The Government has destroyed the offshore play. It has abandoned the notion of self-sufficiency.

What does that mean to an area such as Nova Scotia? What does it mean to a province such as Newfoundland? What does it mean to the riding of Western Arctic where the Fraser is used as a major transportation artery? What does it mean to the towns of Pine Point and Hay River from where goods and supplies are moved into the Beaufort? It is the equivalent of having one's heart ripped out while it still beats in one's breast. That is what it means.

Many people across the country involved in frontier exploration made commitments. These were commitments made not only of heart, fibre, soul and mind—not just commitments to a bright new day, as the Prime Minister (Mr. Mulroney) likes to say—but commitments made in terms of dollars and cents. They were commitments made which involved substantial amounts of money. This money has been spent in anticipation based on the Government's word, which melts like snow in the spring.

In my riding of Humber-Port au Port-Ste. Barbe, one company, North Star Cement Limited, in anticipation of moving to production in Hibernia, has spent millions of dollars upgrading its plant. It is the only cement plant in Newfoundland. It has spent several millions of dollars developing a terminal on the other side of the island in St. John's in anticipation of being able to participate in concrete form development. What has happened? The Government which gave its word, which set out the ground rules and the promises

for tomorrow, has changed the ground rules dramatically. It has walked away from offshore Newfoundland and Nova Scotia. This plant, in an area where there is 30 per cent unemployment, and which was able to acquire the financing from the banks in the first place, now passes every single day in dread of the news that the development which was promised will now be shelved. Because of the fiscal policies of the Government there is a sense in offshore Newfoundland that there has been a death in the family and that no one has bothered to announce the date of the funeral. That is the sense which pervades in the Province of Newfoundland. It is in that type of environment that 6,000 civil servants are in the streets in the Province of Newfoundland as we speak today.

The Government of Canada is not responsible for world oil prices. I do not blame it for something which is beyond its control. It is not responsible for the turn-around in the economy. That is also as a result of world economic factors and not as a result of the good policies of the Government. While it is not responsible for decreased prices, it is also not responsible for positive factors which have been generated by the world economy.

Let me tell Hon. Members for what this Government is responsible. It is responsible for changing the rules of the game. It is responsible for withdrawing funds which were committed and promised as recently as in the May Budget. It is responsible for breaking commitments which were given and upon which substantial investment in Newfoundland and Nova Scotia was made. That is what this Government is responsible for.

The Government continues with a market-place doctrinaire-driven mentality which would see the Government stand idly by while the oil industry of Alberta is destroyed. It is responsible for the market-place free enterprise philosophy to the extent that it will stand by to see the play off Newfoundland and Nova Scotia destroyed. It is worse than that. It is worse when one comes from a province in which we saw 84 men go down on the rig *Ocean Ranger*, 84 men who drowned at sea in an accident which was preventable. It is worse coming from a province in which we saw a federal-provincial royal commission on the disaster recommend certain changes and improvements at a cost of $20 million of taxpayers' money. It is worse coming from a province in which we have seen excellent recommendations designed to provide every possibility of rescue in the event of a disaster at sea. The Government has not moved on the major recommendations of the royal commission which looked into the *Ocean Ranger* disaster.

There was a Bill tabled in the House today, Bill C-75, a transportation Bill which contains within it the seeds of insanity. Despite the recommendations of the royal commission and the results of two Federal Court of Appeal cases, the Minister of Energy, Mines and Resources (Miss Carney) has refused to pass the jurisdiction with respect to rigs operating in the offshore over to the Minister of Transport (Mr. Mazankowski). Why has she done this when the Minister of Transport has jurisdiction for every other vessel or type of equipment which floats in the nation's seas under the jurisdiction of the Canada Shipping Act? Why should he not also have jurisdiction over such an area? Why should the Minister of Energy maintain jurisdiction over such rigs? What sense does it make? There is a political personality fight brewing in Cabinet. The other day I had to sit through a spectacle in the legislative committee on Bill C-75 where I saw a phrase added to the Bill which states that with respect to questions of safety—those questions regarding the life and limb of people who work in the offshore—there will be unprecedented joint jurisdiction between a power-mad Minister of Energy and an empire-building—

Mrs. Sparrow: Mr. Speaker, I rise on a point of order. I really wonder whether or not the address being given by my hon. friend is relevant to Bill C-85 which deals with the phasing out of PIP grants.

The Acting Speaker (Mr. Paproski): I think the Hon. Member for Calgary South (Mrs. Sparrow) is right. I believe the Hon. Member for Humber-Port au Port-Ste. Barbe (Mr. Tobin) will return to making his comments relevant to the Bill before us.

Mr. Tobin: Mr. Speaker, I would like to deal more particularly with Bill C-85. I am sure the Hon. Member from Alberta will appreciate my emotional response in which I have taken the opportunity to express my disgust at what is obviously a ridiculous situation resulting from petty personality politics.

Let me say to my colleague from Alberta, who has reminded me to speak more particularly to Bill C-85, that it must be frustrating for her—indeed, for all Hon. Members from Alberta—to see thousands of jobs, particularly in the last four or five weeks, disappear in the Province of Alberta quicker than the snow disappears in the spring, while the Minister of Energy says nothing more than—

• (1520)

Mrs. Sparrow: Mr. Speaker, I rise on a point of order. My hon. colleague's remarks are still not relevant to the Bill which phases out PIP grants.

Mr. Tobin: They are very relevant.

The Acting Speaker (Mr. Paproski): I am sure the Hon. Member still has a few moments to speak and I know he is going to get back to Bill C-85. I think he is trying to get to Bill C-85.

Mr. Tobin: That is correct, Mr. Speaker. It is relevant to Bill C-85 because it is part of the total fiscal regime for the energy plague. Whether PIP grants exist or not, what happens to the oil industry in the frontiers is very relevant to what happens in Alberta.

Perhaps the Hon. Member does not understand that it is part of the total fiscal regime, but I admire the Hon. Member. She is genuinely serious and sincere. I have heard her express her great concern for the lack of action on job loss in Alberta. If she does not understand what I am saying, then I ask her to take my word for it that it is relevant. It is indeed relevant

because the same kind of attitude is being expressed toward the Province of Alberta by the administration as is being expressed by it toward the Province of Newfoundland.

We have a fiscal regime that is a recipe for inaction in the event of a made-in-Canada oil industry. Canadian companies operate in Newfoundland and those same companies operate in Alberta. Their ability to operate in Newfoundland, whether they make or lose money, impacts on their ability to make investments in more traditional kinds of exploration in Alberta.

Canadian oil companies are being destroyed because this administration has a non-interventionist policy at a time when the industry is very weak and susceptible to takeover by American concerns. The net result for Newfoundland is a denial of promise, a denial of opportunity, a denial of potential and a loss of hope for the future. In the case of Alberta, it is a loss of tangible jobs that already exist, not promised jobs. It is a loss of the backbone of the economy that keeps the whole fabric of Alberta society together.

As I see the promise of my province destroyed, I feel great empathy for those people in Alberta who are not losing just promises but are losing their bread and butter. There has been not a whimper, not a peep and not an indication on the part of the administration that it is going to intervene in any way, shape or form beyond slapping the Premier of Alberta on the wrist.

In desperation and frustration, because he sees no action taken on the part of the Prime Minister and the Minister of Energy, Mines and Resources, the Premier of Alberta, called Sheikh Yamani of Saudi Arabia. What does it tell us when the Premier of one of Canada's provinces is ready to jump into bed with OPEC and is ready to join a cabal in desperation to try to stop the outflow of economic blood from his province? What does it tell us about the leadership at the federal level when the Premier of Alberta, a member of the Conservative Party, presumably a personal friend of the Prime Minister and the Minister of Energy, Mines and Resources, gets on the phone to Sheikh Yamani Looking for answers to problems in Alberta, answers that he cannot find in Ottawa? The imagery is incredible.

Mrs. Mailly: The price of oil is too low, that's what it means.

Mr. Tobin: The Hon. Member opposite says it means that Premier Getty has not got a good mind, if that is what he does.

[*Translation*]

Mrs. Mailly: Mr. Speaker, this is definitely not what I said and he knows it.

[*English*]

Mr. Tobin: I'm not sure what she said. Maybe I misheard it.

The Acting Speaker (Mr. Paproski): Order, please. There will be questions and comments after the very personable and popular Member finishes speaking.

Mr. Tobin: I am not sure what she said. It was another unintelligible sound.

Mr. Rossi: She's a dumb dodo.

Mr. Tobin: When a premier finds it necessary during a time of renewed federalism, as advertised by the Prime Minister, to take his problems to Saudi Arabia and tries to find sympathy, empathy or understanding for his difficulties in Saudi Arabia, when he goes to the heart of OPEC, a cartel operated in a despicable manner that is desperately trying to find solutions to the problems it has caused for itself, rather than picking up the phone to talk to the Secretary of State for External Affairs (Mr. Clark) who comes from Alberta, rather than talking to the Prime Minister who claims to have brought the West into Confederation, rather than talking to the Minister of Energy, Mines and Resources who comes from British Columbia, that surely is an indication that we have a serious problem. All we are hearing from the Government is that free market forces shall dictate.

Let me say to Government Members that in their obsessive, doctrinaire approach to the lack of regulation and lack of management of the oil and gas industry, they are destroying the promise and potential of future generations of Canadians, particularly those in some of the poorest parts of this country. I speak in particular of Newfoundland. The Government has broken faith.

The Government signed an Atlantic Accord that turns out to be nothing more than a shallow, farcical bit of theatre designed for an election campaign that occurred in Newfoundland a year ago. The people of Newfoundland shall not forget. The people of Newfoundland shall not forgive. Before the last act of this sorry play has been presented to a desperate people, the Government shall rue the day it took its orders from the barons who occupy the ivory towers of New York and Holland rather than those people who are trying to build a Canadian oil industry in Canada.

Mr. Rodriguez: Mr. Speaker, I listened very carefully to the Hon. Member and I would like to ask him one question. Does he think we should keep the PIP grants or not?

Mr. Tobin: Mr. Speaker, I come from a province where there is a very simple philosophy. When you give your word, Mr. Speaker, when you say to somebody: "I shall be there, I shall do something", then, providing you have legs to walk with and hands to work with and tongue to speak with, you deliver. In my province, it does not take an Act of legislation, a recording on tape, an announcement in the House of Commons or something cast in blood or stone, it simply takes one's word. In the case of the Government, its word has been cast in stone, said in the House of Commons, recorded on television and published in the newspapers, but it has all been shattered, crushed and thrown away like a word that was never seriously given at all.

Do we keep the PIP grants? Yes, the Government of Canada made a commitment upon which thousands of people rested some hope for the future, upon which thousands of

young people based a notion of their place in Newfoundland society, upon which hundreds of small business people relied to mortgage businesses and homes. They had the expectation that a word given would be a word kept. For all of those people, the Government should keep its word.

Mr. Waddell: Mr. Speaker, I don't know about that comment about tongues, hands and legs. In my province, if it has a tongue like a duck, hands like a duck and quacks like a duck, it is a duck.

Perhaps the Hon. Member was being a little less than straightforward in some regards. His former Leader, Prime Minister Trudeau, was, in the words of the present Minister of Finance (Mr. Wilson), dancing sheikh to sheikh with Sheikh Yamani when he visited Saudi Arabia.

I would like to ask the Hon. Member about this East-West thing. What does he expect the Premier of Alberta to do right now considering that the Alberta economy is falling apart and there is 40 per cent unemployment there and even double that in Newfoundland? Industries are collapsing. This guy seems a bit desperate. I know he is not as sophisticated as Premier Lougheed but what does the Hon. Member expect the Premier of Alberta to do in this present situation?

• (1530)

An Hon. Member: Dance.

Mr. Tobin: Mr. Speaker, I find that an amazing comment from the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who is quoted yesterday as having said that he believes the actions of the Premier of Alberta to be totally improper. In my province, if it has a beak and claws and scratches around and cannot make up its mind to speak clearly, we do not call it a duck, we call it a chicken.

Some Hon. Members: Oh, oh!

Mr. Tobin: Let me respond to the Hon. Member by saying that I did not, I am proud to say, participate in the election in Alberta of a solid wall of Conservative Members provincially and a solid wall of Conservative Members federally. The net result is that very few people were elected in Alberta to provide an effective Opposition.

As a Canadian who is concerned about my fellow Canadians in Alberta, I expect that what Mr. Getty really ought to do as Premier of Alberta is to put aside his Party loyalties and affiliations for a moment, and ask himself whether, as Premier of all the people of Alberta versus the Leader of the Conservative Party in Alberta, federal current fiscal policies and the notion of letting the market-place determine how low the price drops and how many people get laid off is acceptable to his people versus his Party.

He should ask himself whether his problems can be resolved by the late night desperate call to Yamani in Saudi Arabia or whether they are better solved by standing up as an Albertan versus hunkering down quietly as a Conservative and asking the Government of Canada, "If the price goes straight through the floor and every job be lost and every back be broken in the oil patch, is this philosophy really right?" Is this a long view approach to developing energy policy in this country? Does this in the long view ensure some sense of energy self-sufficiency? Does this in the long view ensure that there shall be a Canadian energy industry? Those are the kinds of things that I would be saying to Mr. Getty.

I hope that Mr. Getty will put aside phone calls to Sheik Yamani. I understand those are phone calls made in frustration and made by a man who does not know where else to turn. I know he is frustrated, but I am saying to him that the way to resolve the problem is by sitting down and doing some tough nosed bargaining and negotiation with the Government of Canada, speaking frankly as an Albertan and not as a Conservative on behalf of the people of his province.

Mr. Waddell: I have a short supplementary, Mr. Speaker. Does the Hon. Member then favour a floor price so that the price of oil for the Alberta producers, to use his phrase, will not go through the floor?

Mr. Tobin: Mr. Speaker, the Hon. Member favours a made-in-Canada energy policy—

Mr. Waddell: You have to stand for something.

Mr. Tobin: —and as is suggested by the finance critic for the Liberal Party, Mr. Garneau, there are a variety of ways, either through the tax system or through other means that we can use. We can sit down together and talk and not be locked into a doctrinaire position. We can develop ways to assist the industry in Canada. It will not be done, Mr. Waddell, by walking away from the problem and shaking—

The Acting Speaker (Mr. Paproski): Order, please. It is the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Questions and comments are now terminated. Debate. The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to congratulate the Hon. Member for Humber-Port au Port—St. Barbe (Mr. Tobin) for the excellent presentation that he made. I can understand why he made the point, why he got rather riled up and why he became, at least so far as I detected, somewhat emotional. His voice was raised, and I believe that the reason the Hon. Member for Humber-Port au Port-St. Barbe does that on occasion on certain issues—and I am being perfectly serious—is that he spends most of his day in his office doing constituency work on behalf of people who are either on welfare or on unemployment insurance, who are seeking pension income, are disputing a decision of the Government or are begging for a job at $200 a week.

That is a fact. This is what people have got on federal job creation programs for the last couple of years, $200 a week. You see a family man seeking a job and trying through every means possible to get work.

The Hon. Member for Humber-Port au Port-St. Barbe—and I suppose it is true for all Members from Newfoundland—saw the great carrot hung out in front of the people in Newfoundland, that is, offshore oil, and saw an announcement made by the oil companies that there will be practically no drilling this year, not even a guarantee of one well, because the oil companies claim that the federal Government has discontinued PIP grants under the Bill before the House. You can then understand, Mr. Speaker, why the Hon. Member from Humber-Port au Port-St. Barbe would speak sometimes as loudly as he does and get so emotionally involved.

As he so correctly pointed out, the Minister of Finance in this Chamber last May presented a Budget. In that Budget the Minister of Finance said—and I am sure if you check the Budget Speech you will find this to be practically exactly what he said—that the Government of Canada will honour all commitments made under the Petroleum Incentives Program and will not phase out those grants until those commitments are met.

We have the major oil companies in western Canada in the news media in the Province of Newfoundland saying "We cannot drill. This is 1986. We had a drilling program up the the end of 1987 but we cannot drill now". You have 1,000 people working in that industry. Somebody might say that it is only 1,000, but it just so happens that they are well paid people. On thousand families are affected.

The Hon. Member from Humber-Port au Port-St. Barbe also spoke about the business community that made investments. He mentioned the disaster in the offshore while this drilling was taking place.

Newfoundlanders are now asking where is the carrot? Where are the jobs now? People are asking, why, after all of this hoop-la by the Conservative Government in Ottawa and the Conservative Government in Newfoundland, are we looking at no jobs? What about the *Ocean Ranger* disaster? What about all of the statements that were made after that? Some politicians claimed that we had to come to grips with the problem, that that is the danger of working at sea. Some politicians said that these people worked for a great, glorious and bright future for all Newfoundlanders and Canadians. The Bill now before the Chamber, and the decision of the Government, mean that there will be no more drilling. I can assure you, Mr. Speaker, that the majority of Newfoundlanders today know that you just cannot find a job any day of the week, any month of the year, or any year.

• (1540)

They also remember what the Premier of Newfoundland said and what the federal Government said prior to getting elected. The Government promised a great new era of federal-provincial co-operation and that the great offshore would be developed for the benefit of all Newfoundlanders. They were told that there would be enough jobs, that they would not need to work in the seasonal plants, look for part-time work, or count on direct program delivery.

The Premier, the Prime Minister (Mr. Mulroney) and certain Conservative Members complained that the Liberals created jobs for four months of the year paying $200 a week for 40,000 Newfoundlanders a year. The Conservatives said that they would create long-term jobs through the offshore agreement. They said they would give Newfoundlanders a great and prosperous future.

What is happening today with this Bill? What has the Government done recently? Well, it has done some incredible things. It introduced this Bill and a policy statement saying that it will not honour a commitment made by the Minister of Finance (Mr. Wilson) to honour the PIP grants. It is immaterial whether you think PIP grants are a waste of money, or whether you feel the companies will not drill without the PIP grants because they were actually making money on them, when you consider what is happening in Newfoundland.

The other policy for the offshore which really burns the people in Newfoundland who have read the legislation is the Atlantic Accord which the Government introduced in this Chamber relating to the offshore and offshore drilling. It should be called the Atlantic Discord. The Bill stipulates that the oil cannot come ashore to Newfoundland to develop any jobs. It cannot be used for refining purposes in the Province of Newfoundland. It cannot be used for petrochemical industries in Newfoundland.

Mr. Rodriguez: Why not?

Mr. Baker: The Member for Nickel Belt (Mr. Rodriguez) asks why not. I will tell him why not. There is a clause in the Bill, which I believe meets the Conservative philosophy, which says that if an offshore drilling company has sales contracts for offshore oil anywhere in the world, those contracts must be honoured before any oil can come ashore anywhere in Canada. It says that anything in excess of that will go to existing refining capacity. Quebec is excluded from that Bill. It refers only to existing refining capacity in New Brunswick, Prince Edward Island, and Nova Scotia. The first contracts which must be fulfilled are those for sales anywhere outside of Canada.

Let it be clear on the record that there is to be no drilling because the companies are not going to get any money. Under the new income tax system, the companies will get back about 30 per cent of what they invested. They previously got back 80 per cent. The Canadian oil companies are saying that they cannot drill this year. It is those companies that actually employ people in this country.

The Government of Canada then said that perhpas it would allow them to drill two wells or four wells. When one looks a the contracts of these companies one can see that they must drill five to seven wells in order to retain their rights to the drilling permits. In other words, if they do not drill the wells by the end of 1987, they will lose their leases for over 2 million acres offshore.

This Government and the Government of Newfoundland are like two peas in a pod. They promised so much. If Newfound-

landers could eat promises they would all weigh 400 pounds. Those two Governments approved a Bill to be introduced in this Chamber which says that any oil from the offshore of Newfoundland must first be used to fulfil any contracts which the drilling companies have. You know, Mr. Speaker, who those drilling companies would be.

When we review the record we see that the oil companies and the Governments were saying that it was necessary to receive $40 per barrel in order to exploit Hibernia. A year went by and then they said they really needed $35 a barrel. Approximately a year and a half ago the break-even price decreased to $28 a barrel. It later decreased to $24 a barrel, and the other day the break-even price went down to $24 per barrel. You and I know, Mr. Speaker, where the truth perhaps lies.

The Government of Newfoundland said that it was a good idea to discontinue the PIP grants because the Conservative Government would have a better scheme when it assumed office. The PC Party handbook said that there would be more money through the taxation system and incentives built into it. When the new Atlantic Accord was presented and the new Bill on the offshore was introduced in this Chamber, the Premier of Newfoundland said it was a bright new day for Newfoundlanders. If you are a Tory Premier, Prime Minister, or cabinet Minister, you must never disagree publicly.

Now, of course, all Newfoundlanders know the truth. They have read it in the newspapers, seen it on television and heard it on the radio. They have been told there is to be no drilling. The great Tory Government promised the oil companies that it would not renege on its commitment. The oil companies believed they had a commitment for a drilling program from 1982 to 1987.

• (1550)

We now see the aftermatch of the great promises that were made for the Newfoundlanders who actually believed what the Government was saying. I do not fault them for that. If you were to sit down in front of a television set and watch the Prime Minister campaign and watch him on other occasions, you would just have to believe what the man was saying.

Mr. Tobin: Used to believe.

Mr. Baker: You would have to believe what the Premier of Newfoundland was saying. He was elected at least three times on the same issue of offshore oil, drilling and jobs. Yet we knew, and we dare not object, that the policy was completely misplaced. We knew that Newfoundland, for always and a day, exports all of its raw materials.

So what is new about this Bill before the House not allowing any development in Newfoundland? We send 80 per cent of our fish to the U.S. in a frozen state to be thawed out so as to create jobs. We have always done that. We send away most of our minerals and forests and other raw materials. It is the same old story, and Newfoundlanders today are grabbing after jobs which pay $200 a week. Then their Governments turn around and agree to do away with the only incentive to drilling for oil in the offshore. Newfoundlanders watch their Governments sign an agreement which says there will be no industrial development for all time on everything on the continental shelf around their province. They watched the champagne celebrations of their Governments as they clink glasses and try to convince everyone it was a great deal.

We are here to tell you today, Mr. Speaker, that it was not a great deal. We are here to tell you that this Bill is not a great deal. We are here to tell you that the policy of the Government as it relates to this Bill and its regulations is not such a great deal at all. Newfoundlanders are thinking about something else. I will tell you what they are thinking about. They are thinking about the day when they will have the opportunity to vote out that Tory Government in Newfoundland, and the day, hopefully soon, when they can also vote out this federal Tory Government.

I notice you are giving an indication that I have only one minute left. I suppose Members of this House from Newfoundland will go back to their offices in a few minutes, sit down and start working on unemployment insurance appeals for the weekend.

Mr. Holtmann: Go to the Press Club, more likely.

Mr. Baker: The Hon. Member over there does not really understand what I am talking about because he does not represent the ridings we represent. Perhaps when someone phones him about a welfare problem, he says, no, phone the provincial Government, that is their responsibility. The fact of the matter is, as the Hon. Member for Humber-Port au Port-St. Barbe knows, we are the ones who have to go before the umpires and federal judges on unemployment insurance appeals. The people concerned cannot afford to pay for lawyers and legal aid will not pay for it. We are the ones who get phone calls every single day from someone who got only nine stamps. A lot of Members would not know what nine stamps are. We know.

Mr. Henderson: Nine stamps, nine letters.

Mr. Baker: They think it is nine letters. It is, of course, unemployment insurance stamps, as you would know, Mr. Speaker.

Mr. McDermid: This is a very long minute.

Mr. Baker: The bottom line is that this Government has betrayed the offshore workers of Newfoundland and other parts of Canada. The Government has also betrayed the hopes, wishes and dreams of Newfoundlanders on offshore oil for a long time to come.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Tobin: Mr. Speaker, as a colleague of the Hon. Member who just spoken and a fellow citizen of Newfoundland, I have never heard—

Mr. McDermid: A mutual admiration society.

Mr. Tobin: It is not a mutual admiration society, it is a mutual survival society. Though we are few in numbers on this side, particularly from my province, let me say that when I hear the Hon. Member speak I learn something. Although we are few in numbers, we shall speak with a loud and clear voice on behalf of our people.

Mr. McDermid: Well done, Brian.

Mr. Tobin: Members opposite would not understand that, Sir, because they spend more time exercising their lungs saying, "Aye, aye, boss" when it comes time to vote than they do exercising their minds to develop their own points of view or exercising their lungs to make their voices heard to represent the views of their constituents. I understand Members opposite because they get most of their exercise running back and forth to the House at the crack of the whip, voting the way the Government tells them.

Mr. Holtmann: What is this, a question or a comment?

Mr. Tobin: This is a comment and a question as allowed under the Standing Orders. Members opposite would not appreciate that either because they sit there to provide a peanut gallery for those of us who are serious about debate. I want to say to the Hon. Member for Gander-Twillingate that he has very accurately and with great eloquence—

Some Hon. Members: Oh, oh!

Mr. Tobin: —outlined the dilemma facing not only the average citizen but the business community in Newfoundland who put a great deal of stock in a promise or commitment. Does he believe at this time that the business community in Newfoundland should have or can have any confidence in the word of the Minister of Energy, Mines and Resources in the future with respect to the offshore? Can they have any confidence in the Atlantic Enterprise Program announced in the Budget, given the brutal and callous manner in which the Government broke its commitments? What bothers me is not that they broke their word, because I am used to that from this crowd. What bothers me is the ease with which they broke their word. What bothers me is not that they walked away from a commitment. What really bothers me is that they have not even bothered to pause and say, "I am sorry". What advice would the Hon. Member give to those people in Newfoundland who may see any prospect of benefits from something like the Atlantic Enterprise Program announced by the same Minister whose word on PIP grants was broken?

Mr. Baker: Mr. Speaker, it is a very, very serious question. He is asking if there is any real future in Newfoundland with this Government and the Government of Newfoundland. I suppose my few remarks now would apply to most of the areas which are far from the centre, but I would say that the cut-backs presently taking place, along with those recommended in the task force review, as well as the statement made by the President of the Treasury Board (Mr. de Cotret) that he will give bonuses to managers who cut more people from the Public Service, will have a greater effect on Newfoundland and Prince Edward Island than they do on any other province in Canada. The reason for it is that we do not have regional offices or central offices, although we have a couple but nothing worth talking about. Usually when cuts are made they are passed down the line. The very programs the federal Government is cutting back on are the ones that affect the extreme rural areas.

• (1600)

When you ask about the future of Newfoundland as of today, there are 100,686 people who are what they call UI claimants in Newfoundland out of a workforce of 224,000 people—that is 48 per cent whom they classify as UI claimants. Now that does not mean they are collecting unemployment insurance. That means they have claims to the unemployment insurance. When you look at the decrease in the workforce from December to January to February that went down $3,000 a month, you will know that the definition of Statistics Canada, if you are in the workforce, means that you have been unemployed for 26 weeks and have not found work, but when you go beyond 26 weeks you are taken out of the workforce by Statistics Canada. So there is a drop in Newfoundland of 3,000 a month now.

When you look at the future and you look at all the cuts that have been made, the cut-backs in the direct employment programs, cut-backs in direct payments to individuals, it is not a very bright future that Newfoundlanders have to look forward to. The only thing that I can see is some sort of a massive demonstration or a general election.

Mr. Rodriguez: Mr. Speaker, I wanted to ask the Hon. Member a question. At a Commons committee meeting on this Bill the Hon. Member for Brampton-Georgetown (Mr. McDermid), a PC Member on the Government side, was quoted as saying that it does not matter when the PIP grants are removed. He suggested that companies will soon be drilling wells without the aid of the PIP. Does the Hon. Member agree with that Conservative Member on the Government side that this is going to happen?

Mr. Baker: Mr. Speaker, that is a very important question. It certainly reflects the obvious answer that the hon. gentleman gave who asked the question in the committee. Yes, of course, you can drill in the offshore and we will have those offshore companies drilling. There would be no problem at all if the price of oil had continued going up. You would have had economic development in the offshore if you could have convinced the financiers, the people who had some in with the sheikhs, as the hon. gentleman referred to them, to find out which side of the bed they get out on in the morning. There would be no problem if you had some in with the international financial community, which would then risk the money that is needed for the long term for the development of the offshore. It is the same problem that the hon. gentleman who is the energy critic for the New Democratic Party has in British Columbia with the great hydro projects that keep getting proposed in that particular province. When you are talking about that kind of investment, you have to have a financial

community that says yes forever and a day. You have long-term contracts that mean that that money is going to be returned.

The same thing applies in the Province of Quebec where our critic on finance is from, the hon. gentleman in front of me. We have a $30 billion proposal by that Government for hydro development. That money is dependent upon the same expectation and facts in the international financial community. So if the price of a barrel of oil were increased maybe to $50 a barrel as the Conservatives would like to see it, no doubt about that—I do not know a Conservative Member who would not like to see $50 a barrel—

The Acting Speaker (Mr. Paproski): I must say that questions and comments are now terminated. Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

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

* * *

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed, from Monday, March 17, consideration of the motion of Mrs. McDougall, that Bill C-99, an Act to provide borrowing authority, be now read the second time and referred to a legislative committee, and the amendment of Mr. Deans (p. 11570).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to take part once more in the debate on the Government's borrowing authority Bill and on our proposed amendment to give this Bill a six months' hoist, something that is totally justified by the completely inept economic performance of this Government as it faces the challenges of 1986.

Perhaps the ineptitude, the lack of knowledge, the basic ignorance with which this Government approaches economic policy has been nowhere better demonstrated than in the area of its free trade negotiations, which it seeks to carry forward with the United States. In particular, I was transfixed by a speech made last night in Sherbrooke by the President of the Treasury Board (Mr. de Cotret) who demonstrated his general lack of knowledge, both of the free trade argument and of the constituency from which I come.

This Minister, who is supposed to be one of the primary economic spokesmen of the Conservative Party announced, first, that we can all feel faith in free trade because the auto pact had proved itself to be such a great success, not recognizing that the auto pack is the very opposite of free trade. Within the auto pact there is, first, a commitment by the companies that benefit from the auto pact that they will sell as many cars in Canada as they produce in Canada; and, second, and more important for the jobs of Canadians, a promise that 60 per cent of the value added of each vehicle made in Canada will come from Canadian value added. It is, in short, a trade pact with safeguards, exactly the sort of thing that we in this Party, and the trade union movement in this country and the thousands and even millions of people across the country who oppose bilateral free trade, are looking to achieve. They are safeguards in sectoral trade which will give Canadian workers guarantees of jobs for the future.

Unfortunately, the Minister did not seem to know that. That level of ignorance was accentuated in his net statement as reported by the *Journal de Montréal* from Sherbrooke. The President of the Treasury Board indicated as well that the strength of the auto pact was also shown by the fact that: "Windsor in Ontario, where the auto pact has succeeded so well, was a city where one found the lowest rates of unemployment in the country".

• (1610)

Unfortunately, the President of the Treasury Board had not bothered to consult his own Government's statistics. If he had, he would have found, according to the most recent month, that 9.5 per cent of the workers of Windsor are out of work. He could have compared that the Halifax where 8.7 per cent are out of work; to Quebec City where 9.2 per cent are out of work; to Ottawa where 8.8 per cent are out of work; to Toronto where 5.5. per cent are out of work; to St. Catahrines-Niagara where 7.7 per cent are out of work; or indeed to Kitchener-Waterloo—where I spoke on free trade last week—where 6.8 per cent of the workforce are out of work.

In fact, no fewer than nine Canadian cities across the country have lower unemployment rates than Windsor. The Government has again demonstrated its complete lack of sensitivity and knowledge as far as my City of Windsor is concerned. It is no wonder that the Conservatives never manage to win constituencies in Windsor. If they succeeded in getting one fact about my city correct, they might be taken seriously by some of the people of Windsor. However, so long as they perpetuate ignorance and an incapacity to understand reality they will continue to be the laughing stock of my community.

The communities of my constituency have recognized both the severe dangers of the free trade thrust of the Government and the complete lack of knowledge of the Government with respect to my community. Let me quote from two documents. The first is a resolution from the town council of Amherstburg, the second largest community in my constituency, which was passed on February 14. That is the day that groups representing over 8 million Canadians met in Ottawa to protest the Government's approach to free trade with the United States. On February 14, the Town of Amherstburg passed a resolution against free trade.

The resolution states that all members of the community would be affected by a free trade agreement. Second, the infiltration of foreign products into our market-place would

result directly in an increase of the unemployed, and under a free trade agreement with the U.S. we would be unable to retain our social programs and our cultural heritage and, most important of all, the sovereignty of Canada as a nation. The resolution concludes that the Municipal Council for the Town of Amherstburg fully opposes any bilateral free trade agreement between Canada and the United States.

This week the City of Windsor indicated its opposition through Resolution 1099/83 to such a free trade agreement. It states that such a free trade agreement is expected to cause severe and widespread dislocation of industries, as well as placing hundreds of thousands of jobs in jeopardy. It suggests as well that negotiation for a free trade agreement will include demands from the United States for the elimination or weakening of vital social programs and that U.S. demands for a "level playing field" will mean an end to Canadian government programs which encourage regional development and job creation.

In short, the opposition to free trade is growing as the lack of knowledge and sensitivity of the Government continues to be demonstrated. It is for this reason that we believe the vote to give the Government yet more borrowing authority for future use must be put off as long as possible.

The Government has retreated to insult instead of reason in its attempt to sell free trade to Canadians. We have a Prime Minister (Mr. Mulroney) who travels across the country talking about free trade opponents as being timorous and fretful.

The Acting Speaker (Mr. Paproski): I apologize. I regret that the Hon. Member's time has expired.

Mr. Langdon: May I finish my sentence, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Certainly.

Mr. Langdon: We regret the sense of insult on the part of the Prime Minister and have called on him to attempt to treat the serious question which greatly affects the future of our country with the honesty and openness which he has so far lacked in presenting his case to the people of Canada.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I would also like to say a few words this afternoon in the debate on the Government's Borrowing Authority Bill.

First of all, I would like to draw a parallel with the situation where a person goes to the bank to borrow money. The first thing the manager does is the analyze the facts and information he is given to ensure that those facts and that information are not just a façade and that they have real content and substance.

Today, if this Government had to undergo the same kind of test and examination it would fail. And this is because we are dealing with a Government that is terribly concerned about appearances, and when we look behind the façade, behind the public relations act, there is nothing, no content, no substance.

All you have to do is analyze the Nielsen Report. In the fall of 1984, it was announced with a great deal of fanfare that a group of professionals, Canadian businessmen working without remuneration, would carry out a study to examine the Government's programs, and we were told that this was a really serious study. And now, after nearly a year and a half, we have twenty-one volumes, not one book but twenty-one books, and after some quick scanning—it would take months to read them all—we found there was nothing new. We knew it already, even before the study got underway.

The sad thing about this report, Mr. Speaker, is that most of the so-called options or recommendations have already been adopted. Just look at Bill C-80, which arises from the Nielsen Report and which was in the May 1985 Budget, and a Bill that was passed not long ago. I can name at least two items from this legislation, including removal of the sales tax exemption for drugs. Today, if we don't have medicine and we need aspirin, we have to pay federal tax. It is no longer exempt. This measure, for instance, raises $510 million.

And what about construction, Mr. Speaker? In three years, construction materials . . . They are going to bring in this new tax, and in eight months they got an 8 per cent tax increase which is going to give the Government $1.5 billion in three years.

Of course, the report dealt with the possibility of taxing footwear and clothing, but they could not deal a new blow to the industry every month. In November, they had abolished the quotas on footwear, and if they had also imposed a sales tax on footwear and textile, I wonder what would have happened to the industry.

That it is all, Mr. Speaker. In the Budget of February 1986, the Minister announced new taxes. There had been a preliminary study on the value added tax. Its name has now been changed to business transfer tax, but if we look closely, we find that it is the same thing. Only the accounting has changed a bit, but we shall be able to examine all this in detail when the Minister of Finance (Mr. Wilson) presents his great White Paper, which, thanks to the Hon. Member for Mississauga South (Mr. Blenkarn), we now know will be tabled on April 15, and as soon as October 1986, we can expect a new 7 or 8 per cent tax.

As you can see, Mr. Speaker, the Minister announces what will happen bit by bit, but it is always the same. It is quite easy. The Government says that it is reducing the deficit. However, when we look at how this is going to be done, some serious questions should be raised. There are two major sources of revenue. First, there is oil, for which the Budget gives an estimated price of $22.50, and we all know how low prices have fallen. As for interest rates, the Minister expected them to be at 9.5 per cent and they are still at 12 per cent. Again yesterday, Mr. Speaker, I received from the Minister of National Revenue a communiqué announcing that, from April 1 to June 1, 1986, interest rates on taxes payable by Canadians

will be between 9 and 11 per cent, which representes a 2 per cent increase. I therefore imagine that we must expect interest rates to remain at the present level and I wonder how the Minister of Finance will be able to reach his objective of bringing the deficit down under $30 billion.

• (1620)

Mr. Speaker, another absurdity concerns the Federal Business Development Bank. Members of all three parties spent several evenings at the Committee on Finance and Economic Affairs examining the whole situation of the Federal Business Development Bank to determine whether to recommend that the Government change the mandate of the Bank or do something else. Of course, all Canadians agree that the mandate of this Crown corporation, which was established a few years ago, should be adjusted. The Minister responsible for Small Businesses said before the Committee that the Nielsen Task Force on Program Review was also considering this matter and had asked the Committee not to publish its report immediately. Mr. Speaker, as for me, on April 23, as shown on page 4023 of *Hansard*, I asked when the Minister would announce whether there would be any change in the Federal Business Development Bank. And the Hon. Minister of State (Small Businesses) (Mr. Bissonnette) is telling me that this would have happened around late June or early July 1985.

Not later than yesterday, indeed, Mr. Speaker, a Government Member asked him whether there were new programs to help people who want to start up small businesses but lack financing facilities. And the Minister said that in conjunction with the Federal Development Bank and the Department of Regional Industrial Expansion, they were lookding at the various programs.

So we have the Nielsen Report proposing certain changes, and Ministers announcing new programs. What then is the direction? Are they going to change it or not? Are they going to refer once more the whole issue to the Committee on Finance and Economic Matters? As you see, Mr. Speaker, there is no direction, there are no contents, there is no substance. It is a mere public relations exercize. They bring forth a 21-volume report and say: "All right, we looked into the matter, we know where we are going". But no action is taken.

Mr. Speaker, I would like to read into the record part of what Alain Dubuc had to say immediately after the Budget in *La Presse*, and I quote:

> Workers who obtained a 4 per cent wage increase this year should have enough to maintain their purchasing power. But taxes, and especially the tax increases brought in by Michael Wilson, will take back three quarters of that. As a result, they will be 3 per cent poorer in 1986!
>
> A middle-income family in the $20,000 to $40,000 a year bracket, will pay $500 to $650 in additional federal taxes in 1986. That is a very significant amount, and indeed a major tax grab.

Going through the Budget, experts did not see how horrendous the increase was, because it is chopped down in a number of small increases that individually are marginal. For instance, that famous 3 per cent surtax will only cost $54 to a person earning $20,000 a year. It is just about meaningless.

However, the total tax increase is high because taxpayers get it in a double whammy—last week's Budget, but also last May's Budget, whose major measures only hit the taxpayers in 1986. Altogether, consumers will pay out this year five new tax increases that will bring Ottawa $3.6 billion.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to take this opportunity to participate in the debate on the motion of the New Democratic Party with respect to Bill C-99, a Bill which will allow the Government to borrow $22 billion. As I listened to my colleague, the Hon. Member for Windsor-Walkerville (Mr. McCurdy), give some of the unemployment figures for southern Ontario, I thought, in a sense, how lucky those towns were as compared to our situation in British Columbia. The figures are still too high, there should in fact be full employment in southern Ontario, but those figures are double in British Columbia and sometimes triple.

My main criticism of the borrowing Bill, and of the Budget before it, is that my Province of British Columbia does not benefit enough from government economic policies. We are in real trouble in British Columbia. We have not recovered from the last recession. Because we have a resource economy we are still subject to these booms and busts which in the future, I hope, with good economic management, we can learn to level out as we become perhaps less dependent on raw resources and more into technology, education, and into businesses reaching into the Pacific Rim. The 1990s should belong to British Columbia. It does not matter from which political Party one comes, I am sure we would all like to make the 1990s belong to British Columbia. We need some policies to change the Government's view. We also need some policies to change the Government's view. We also need some policies to do that in the Province of British Columbia where we probably have seen the worst economic management in the country. What did Premier Bennett of the Socred Government do when the economy started to go down? He applied the brakes of restraint. In applying them he put the economy into a nosedive. We are also seeing bad economic policies there. They are what I call cruel policies.

Let me give Hon. Members an example of this cruelty. We have all heard of Expo 86. No matter from what political Party we come, provincially or federally, we all want it to be a success. That does not mean that we have to evict poor people from their residences in the east end of Vancouver. These are people who have lived in cheap hotel residences, including the Patricia Hotel, which has a bad record on this and other matters. Why do these older people have to face this cruel situation? Why do they have to be thrown out of their hotels in order to make room for people who are coming to visit Expo 86? I do not think that is right. I do not think Canadians believe it is right.

In order to give a bit of flavour with respect to what things look like in British Columbia I would like to read to Hon. Members a letter which was sent to me by one of my constituents, Ms. Trish McKeen. She is a young woman who lives at 3234 Vanness Avenue in Vancouver. She writes:

May I take a few moments to air my grievances about our present Conservative Government with you, my elected representative? I have grown increasingly dissatisfied, dismayed and angered since their assumption of power in Parliament.

I wish to speak of Canadian unemployment, in British Columbia in particular. I was working at my job, performing a routine task, when I heard of the election being called. I was also working when Brian Mulroney was sworn into office. A short while later I wasn't working.

Under the last provincial NDP government in B.C., and with help from my NDP MLA, I, a grade nine junior high school drop-out, was able to attend post-secondary educational institutions.

I lacked four years of public school, and after seven years of hard work in universities and colleges (and subsequently seven years' worth of Canada Student Loans) I became a professional. I studied engineering and petroleum chemistry and, at my discretion, filled out my academic background with heaping doses of oceanography.

I am really not sure what heaping doses of oceanography are. It is obviously an interesting course.

Before, and during, my studies I had worked as a veterinary assistant, small business manager, a chemical technologist and a dog groomer. Just before my graduation I went to work as a research assistant to an associate professor in the Dept. of Oceanography at the University of British Columbia.

There I applied and expanded my knowledge in chemistry, geochemistry, geology and geophysics. After several months I transferred as a research assistant to the Head of the Dept. of Oceanography, UBC. I was busy on that latter position when Brian Mulroney was sworn in.

● (1630)

Mr. McDermid: The Prime Minister.

Mr. Waddell: I am reading from a letter. It continues:

I have not worked in over a year now.

I was laid off from UBC in August 1984 due to lack of research funds. All did not seem hopeless though, as I received a job offer from a small consulting firm within a couple of months. I took the position, poor-paying as it was.

After 3½ months with the firm, and 3½ months of humiliation, degradation and abuse from my superiors (so much so that Employment and Immigration Canada called me in to make a report) I was "dismissed". Had I belonged to a union I could have protected myself; I did not.

Since February 1985 I have been seeking suitable work. By "suitable" I mean that I am not qualified as a waitress or telephone solicitor, having done neither in my life. In any case I have been to two interviews (for "professional" positions). Both were for government positions (one federal, one municipal). In each case my "overqualifications" were made very apparent to me and both governments expressed a fear of quickly losing me to something better. The municipal interview strongly impressed this point. The municipal agents asked me about my feelings towards field work.

Quite simply, I love field work. I told them just that but one of the MEN interviewing me told me that because I was a "girl" (exact word used) I was probably saying that I loved field work (there and then) but should I get the position I'd whimper and whine until I could get one of the MEN to do (it) for me (the field work) so I wouldn't have to physically exert myself and get dirty. This was my first taste of blatant sexual discrimination.

So she is in a Catch-22 situation. She cannot get lower paying jobs because she is over-qualified. She cannot get proper paying jobs because they are just not there. It is also evident what some people have to go through in job interviews in terms of the discrimination they face.

Shortly after that, Ms. McKeen was in a motor vehicle accident which made things more difficult for her. Her letter goes on to read:

Meanwhile, I have nearly exhausted my 18-months interest relief on my Canada Student Loan.

She has student loans for university which are now due.

My bank is getting restless. I have only until July 31st 1986, then my UI runs out. I have not had so much as a job offer, much less a job, and I have little to look forward to but welfare and creditors knocking on my door (very shortly). The only thing the Tories have done for me (as of January 1, 1986) is deduct another $2 off each week of my unemployment benefits.

The new 1.5 per cent increase in personal income tax announced February 26, 1986 in the federal budget is effective July 1, 1986. It is little consolation to me that the "Tories" will only get the increased tax out of me for one month, should I still be unemployed. It is even less consolation that I cannot be taxed on welfare.

That is where she thinks she is heading.

Thank you for your loan of a "shoulder', to cry on. It is not crying as such, it's complaining and protesting. To use a famous line, "I'm mad as hell and I'm not going to take it anymore."

She closes with a P.S. which states:

Tell Mikey Wilson not to spend my $2 all in one place!

This is but one example of the frustration which is being felt out there. This letter sets out the case of a young woman who has gone back to school to get a good education, who has taken out student loans, and who tries for different jobs only to be told that she is over-qualified. She has experienced discrimination because she is a woman. However, she is realistic. There are hundreds of people such as this in British Columbia. We can now see why Senator Hébert is fasting down the hall. There is a type of quiet desperation here.

When one is in Ottawa it is hard to understand this. I thank this young woman for writing me this letter. I hope, when I get out of here, to go back to British Columbia to talk to her personally. I wish I could do miracles for her. I wish I could produce a job for her. I know I cannot. I can give her some leads with respect to government jobs. I can make some suggestions and so on. Most of those government make-work programs are pretty low paying jobs.

We have to get the economy moving again, especially in British Columbia. There is a real tragedy out there. We cannot have this type of wasted resources. I would approve of the Government borrowing money here if I thought it were going to do something important with it. I do not see any economic strategy on the part of the Government. Some two months ago it was going to create jobs in the oil industry, the so-called engine of economic growth. This month the direction seems to be consumer-led recovery through cheap oil prices. It is a complete contradiction. And then we hear about free trade. I say to the people of Canada, especially those in British Columbia, let us wait and see whether the Americans impose countervailing duties on our lumber products. We will see how good the Prime Minister's (Mr. Mulroney) relationship is with the Americans at that point.

My remarks have not been very encouraging for a Friday afternoon. However, I am an optimist by nature.

Some Hon. Members: Oh, oh!

Mr. Waddell: I am of the view that Hon. Members will listen to this woman. I am of the view that we will get together and enact co-operatively policies which will put her and people like her back to work.

Mr. David Berger (Laurier): Mr. Speaker, I do not have a very encouraging picture to paint either with respect to the actions of the Government. I do have a few suggestions to make. I would like to remind Hon. Members of a couple of campaign promises made by Government Members which, if implemented, might justify giving the authority to borrow that is sought.

• (1640)

[*Translation*]

Mr. Speaker, Senator Hébert has reminded us that there are almost 700,000 young Canadians who are unemployed today. If this were not enough, the Senate Committee has described this situation as "intolerable". The Committee has emphasized that this "intolerable" situation does exist.

In their action plan which they tabled last February, the Senate Committee members indicated that their public hearings throughout Canada has changed their way of thinking, adding that they had realized that a great many young people were living intolerable situation and they had to convince all Canadians of that.

When we examine newspaper articles across Canada, when we read the letters which we are getting in our offices, when we study the petitions signed by thousands of Canadians, we realize that the Senate Committee has indeed succeeded. Senator Hébert and his colleagues have managed to raise Canadians' awareness of the situation and convinced them of the need to solve the unemployment problem among young Canadians.

Mr. Speaker, we are told that some progress has been made. It is a fact that the economic situation in the world has much improved over the past couple of years, and that the employment picture in Canada has improved since 1982.

But does this mean that we have to be satisfied with the current situation? Can we live with 700,000 young Canadians being unemployed?

As I said, Mr. Speaker, the consensus is that no, that the situation is "intolerable". I could quote a passage from the editorial of *La Presse* listing the misfortunes of the Minister of State (Youth) (Mrs. Champagne), and we all know the sad story about the way the Government axed the Katimavik program even before getting the plan of action of the Senate committee. Then the Minister found out she no longer had a budget when the Minister of Finance (Mr. Wilson) tabled the main estimates. Editorialist Jacques Bouchard wrote in the March 5 issue of *La Presse* that time had come to transfer the responsibility to somebody who would tackle urgent problems with more resolve. According to the editorialist, young people have every right to look forward to playing a more challenging role in our society.

[*English*]

Even the Toronto *Globe and Mail*, which has supported the budgetary policies of the Government, reported favourably on the Senate report. It asked where a society begins to address the dilemma, and went on to say—

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, all I need is an indication from the Chair. Are we in the House supposed to comment on the debates and problems of the Senate? I am simply asking that question.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Perhaps I may say a few words here. I am sure the Hon. Member is going to get to the borrowing Bill. I know that he is getting to the point.

Mr. Berger: Mr. Speaker, in general I am addressing the budgetary policy of the Government. I am addressing the lack of any kind of a coherent strategy to deal with the economy, and I am also trying to address the specific point of youth unemployment, which is certainly related to the actions of the Government and to the reason that we should not have any confidence in the Government and should not approve the budgetary policy or the request to borrow further money for the implementation of its misguided policies.

I was saying that *The Globe and Mail*, in an editorial of March 5, spoke approvingly of the report of the Senate and outlined in some detail some of the solutions that had been suggested by the Senate.

The Government seems to be at a total loss as to how to respond to the problem of youth unemployment. The Prime Minister (Mr. Mulroney) said several months ago that the Government has a program and promised to introduce a new program very soon. "Very soon" was the phrase used by the Minister of State for Youth (Mrs. Champagne) last February. Six weeks later, we have yet to see these new programs that the Government was going to announce.

I would like to suggest to Government Members a few items that they might consider. First, they have before them the Senate's plan of action. I would simply remind Hon. Members, as I said yesterday during Question Period, that a number of the Senate's recommendations do not even call for the spending of money. Even the penny-pinching Tories might find it within their imagination to implement some of the recommendations which do not call for the spending of money. If they wish to implement some of the recommendations that do call for the spending of money, they might look at a speech the Prime Minister made at the Montreal Chamber of Commerce in March, 1984. This speech was made even before the election campaign. At that time, the Prime Minister indicated how

money might be found for some of the other initiatives. He said the following:

> We must cast a critical eye on the subsidies and grants going to business.
>
> The Government currently collects $8 billion in taxes from the corporate sector, and hands $8 billion back.
>
> We have to see who is winning and who is losing; whether robbing Peter to pay Paul helps, or hinders, job creation and economic growth.

Ironically, the Nielsen Report which was tabled last week identifies some $16.4 billion in support for business which was described as giving with both hands through an overly rich, overlapping industrial incentives system. All I can say is, what is the Government waiting for?

The Prime Minister said two years ago that it should cut business grants, subsidies and tax incentives. The Nielsen Report repeated that. Rather than cutting them from their friends in the business sector, the Tories cut training programs for youth. They do not even follow the advice the Prime Minister gave two years ago. They do not follow the advice of the Nielsen Report. Why do they not act now? Why do they not cut some of that overly generous and overlapping spending and free up some money for youth training initiatives?

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. He may wish to just finish up.

Mr. Berger: Mr. Speaker, I would finish up by suggesting that members of the Conservative Party might also like to take a look at the youth employment strategy which was announced by the Prime Minister in Sherbrooke on July 26, 1984, during the election campaign. If I am not mistaken, Mr. Speaker, not a single undertaking which the Conservative Party made in Sherbrooke on July 26, 1984, has been immplemented by the Government. If it is looking for some ideas, the Government might have a look at the promises it made during the election campaign and consider implementing some of them. Then, Mr. Speaker, we might consider providing the Government with the borrowing it is asking for.

• (1650)

The Acting Speaker (Mr. Paproski): There are no questions or comments. Debate.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I see my time is constrained, not only by the 10 minute limit but also by the fact that the motion we have before us ought to come to a vote this afternoon before five o'clock.

I saw the Hon. Member for Nickel Belt (Mr. Rodriguez) and his bosom buddy, the Hon. Member for Egmont (Mr. Henderson), scheming away on the other side as to how they could use up the time of the House to prevent a vote from occuring this afternoon. I am sure that within five minutes I will be able to convince them to withdraw that strategy and allow the vote to take place and, indeed, in all probability, to vote against the proposal for the six months' hoist.

There are basically three points I want to make. First, with respect to the fiscal cycle, we have the Budget, the Estimates and the timing of the borrowing authority Bill that came before the House. You will recall, Sir, because you were here in the bad old Liberal days, that all these items were out of sync, so to speak. They did not fit together. We would be presented with a Budget at any time of the year, the Estimates would come down at another time, invariably late, and the borrowing Bills could come at any time. If you looked at the amount of money asked for under the borrowing Bill it would not coincide with the amounts mentioned in either the Estimates or the Budget. We had figures springing up out of thin air.

If there is one area where this Government excels, it is in the financial area. I am very proud to be associated with the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen) who have done so much in this field.

Some Hon. Members: Hear, hear!

Mr. Nickerson: We are now timing the cycle correctly. You will notice that this year, Mr. Speaker, the Budget, the Estimates and the borrowing authority all came down at about the right time. The figures coincide. We asked for $22.6 billion in borrowing authority and it says precisely in the Budget and precisely in the Estimates why that money is needed, how it is arrived at, and the figures balance, Mr. Speaker.

The second related point is that there is no slush in this request. If you recall a few years ago, the borrowing authority Bill used to come down and the Government would ask for $25 billion, for you knew from the Budget that there was a financial requirement of $25 billion, but the Government would ask for $35 billion with no real explanation. The Government wanted some slush in case some things went wrong, and invariably they did go wrong because of Liberal mismanagement.

If you look at this borrowing Bill, it says accurately and precisely what that money is needed for. I might add that a good portion of it is needed to pay the interest on debts incurred as a result of excessive borrowing in the past.

Third, I would like to recommend, to Hon. Members opposite in particular, to read the document because evidently they have never read it. If they peruse the *Fiscal Plan* tabled in February as part of the budget documents it will become quite clear that we are on the right financial track.

It is interesting to note that in this fiscal year, the one we are talking about with respect to this borrowing authority Bill, revenues for the first time in many, many years will exceed program expenditures. That is the expenditure of Government less the amount required to service the existing debt. This is a major turn-around, Mr. Speaker.

If you pursue this trend through the fiscal plan to the year 1990, and that is the kind of date we are looking at, you will see even before that time that revenues will be twice the amount of program expenditures. By doing that, we will be

able to stabilize the amount of debt in percentage terms regarding the GNP. We are on the right track.

It is interesting also to note that this borrowing request of $22.6 billion is 25 per cent less than it was for the previous year when financial requirements were running in the $30 billion range. We have things under control.

Again, if you look at the financial plan, you will see that by fiscal 1990-91 the financial requirement, the amount of money to be borrowed, will be down to $10 billion, something that we, at that time, should be able to handle quite comfortably.

I want to express my congratulations to the Minister of Finance on what he has been able to do in the short time we have been in office. He has been able to get under control what many people thought was a completely unmanageable situation that had been left by the Liberal Government.

I would urge Hon. Members of this House to vote against the nonsensical amendment offered by the New Democratic Party and to get on with the job and pass this necessary borrowing authority Bill.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): We will resume debate. The Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, as I look at this borrowing Bill, I feel like a mosquito in a nudist colony. I do not know where to start.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Do you know that yesterday the swallows returned to Capistrano, Mr. Speaker? That is a sure sign that spring has arrived. I look across and I want to know where the Alberta Tories are in this House at a time when the people of Alberta, the ordinary working men and women of Alberta, need them.

Mr. Towers: Right here.

Mr. Rodriguez: Where?

Mr. Towers: Right here. What about the Speaker?

Mr. Rodriguez: Where is the Hon. Member for Edmonton-Strathcona (Mr. Kilgour)?

Mr. Towers: Mr. Speaker, I rise on a point of order. I want to tell the New Democratic Party that every single Albertan is worth two or three New Democrats any day of the week.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): That is debate, not a point of order.

Mr. Rodgiguez: Mr. Speaker, I see that the Hon. Member for Red Deer (Mr. Towers) has woken up. Members are here but they do not speak for the people of Alberta, the ordinary working men and women of Alberta. Where are they?

This is a time when their voices should be heard in this House. They are going to allow the Sheikh of Araby to make oil prices for Canadians. Is it not about time that we had an oil price made in Canada?

Mr. Waddell: The Energy Minister got going.

Mr. Rodriguez: The Energy Minister did what?

Mr. Waddell: She got going.

Mr. Rodriguez: Here we have 120,000 people working in the oil industry in Alberta. That province is bleeding and suffering, as you well know. I notice you are pointing to yourself, Mr. Speaker. Yes, they are suffering and yet there are 21 Members, all Tories represented here. They cannot claim obstruction in this House anymore. You have got it all. You have your way with us. What are you doing for the people of Alberta?

The Acting Speaker (Mr. Paproski): I think we will stop right there. The Hon. Member for Nickel Belt (Mr. Rodriguez) will have five minutes remaining.

Mr. Rodriguez: That is the shortest speech I ever made, Mr. Speaker.

Mr. Gauthier: We could extend the time.

The Acting Speaker (Mr. Paproski): Order, please. It being 5 o'clock p.m., this House stands adjourned until Monday next at 11 o'clock a.m., pursuant to Standing Order 3(1). Good Night.

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, March 24, 1986

The House met at 11 a.m.

[*English*]

POINT OF ORDER

USE OF UNPARLIAMENTARY LANGUAGE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to raise a point of order at the outset of the proceedings today with respect to the language used by the Hon. Member for York South-Weston (Mr. Nunziata) during the Question Period on Friday, March 21. When I called for a point of order at that time with respect to the language of the Hon. Member, you responded that you had not heard the language to which I had taken exception.

In light of the seriousness of this point of order, I felt obliged to await the publication of the official record of the day so that I could determine whether the words had been captured by *Hansard* during the course of Question Period.

Mr. Speaker, if you will look at page 11745 of *Hansard* of last Friday, you will see that the Hon. Member made an interjection while the Hon. Member for Egmont (Mr. Henderson) was asking a question of the Prime Minister (Mr. Mulroney). His reference to the Prime Minister is on the record. You will no doubt recall, Mr. Speaker, that his interjection led to disorder in the House at the time, which is an appropriate indication that unparliamentary language and disorder in this House should be dealt with in the usual way.

I can draw your Honour's attention to the many precedents set by yourself and your predecessors in office with respect to the unacceptability of the use of the word "liar" in the House of Commons. That is founded in a very fine and honourable tradition in this House, inasmuch as it is a protection of the use of free speech in the House without the interjection of character assassination of any Member of the House. We are all Hon. Members and should regard each other as such.

This is a matter of such importance that it must be dealt with so that it does not occur again and is not condoned. I am sure you will agree, Mr. Speaker, that if the Hon. Member absolutely withdraws this remark when he arrives in the House, that will close this particular incident.

Mr. Guilbault (Saint-Jacques): Page 11745 of *Hansard* was brought to my attention early this morning as well. The Hon. Member for York South-Weston (Mr. Nunziata), to whom the saying is attributed, is neither in the House nor on the Hill today. I would like the Chair to wait until the Member returns, and at that time to ask him whether or not he uttered the words attributed to him, and then to see what the Member would like to do with this. I, personally, would like to have had the point raised when the Member was in the House last Friday when the event allegedly occurred, or at another time when the Member is here. I do not think it is worthwhile for us to speak of a would-be situation when the Member involved in that particular situation is not present. I would like to say no more than to ask the Chair to wait until the Member returns.

Mr. Deans: Mr. Speaker, I did not hear the comment attributed to the Member for York South-Weston (Mr. Nunziata) at the time. I have also had the opportunity to review *Hansard* as a result of comments made over the weekend in the media. I think the request of the Member for Saint-Jacques (Mr. Guilbault) is appropriate. The Member must surely first be asked to affirm whether or not words attributed to him are in fact words which he is prepared to be responsible for, since the action taken at the time by the Government House Leader did not result in the Speaker admonishing the Member at that moment.

I want to say two things. I think that from time to time there is a tendency on the part of Members to say things which ought not to be said, and to use language which would be better not used. I hope that every Member pays attention to that. It is possible to raise difficult questions without resorting to slander or other kinds of character depreciation.

However, in reviewing this matter I find that the Speaker has on a number of occasions made it clear that not only must the offensive word have been used by the Member, but must have resulted in some form of disorder. I am not at all certain that that applies in this case. Nevertheless, it goes without saying that it becomes the responsibility of the Speaker to request that the Member for York South-Weston indicate whether he accepts responsibility for the words appearing in *Hansard*. Having accepted that responsibility, I would hope the Member would accept the further responsibility of withdrawing that allegation in order to avoid any disorder now occurring, which could well be the case if he refused to take that appropriate step.

[*Translation*]

Mr. Gauthier: Mr. Speaker, on the same point of order, but this time on a more technical matter. You did not hear the comment and neither did I, but we all know that the proceedings of the House are now recorded both electronically, which means what is said in the House is taped, and by the stenographers who are here in the House and who also record what are called interjections.

Mr. Speaker, regarding the problems we had in the House when you failed to hear comments made by other Members, if the electronic *Hansard* as reproduced in the proceedings for the day is correct, then that is where the comment was read,

because I did not hear it, and it is quite possible that the microphone picked it up. But are we to conclude, considering the decision you made recently when you said: "The Chair did not hear it", that no such comment was uttered in the House? Someday we will have to decide whether we want an electronic *Hansard*, transcribed from the tapes in the House, or a *Hansard* that is both electronic and also contains the interjections commonly made in the House. The problem is, how do we know which one is the official version? Is it the comments heard by the stenographers or the comments picked up by the recording machine?

Mr. Speaker, another question I think is just as important is what is referred to in English as "body language"—

• (1110)

[*English*]

—body language. Someone could make a gesture to you, and it has been done, which is quite unacceptable in our society today. That will not appear in *Hansard*. Yet you have seen it. How one describes that in *Hansard* is difficult to say. When a group of hon. gentlemen or gentlewomen get together they should avoid these kinds of gesture, but if one uses a gesture which is unacceptable in a society like ours, then there must be some way for you to bring it to the attention of the House and settle the question. The same applies to comments which you or I have not heard but which some electronic media recorded.

We are having a problem with a new development. Electronic recording is new in our system. It used to be that what the *Hansard* reporter heard was reproduced and checked against the tapes. Now I am taking it that it is what the tapes hear that is checked against what the *Hansard* reporters hear and that is the record. I would like you to maybe think about that and give us some instructions or directions, Mr. Speaker.

Mr. Speaker: Whoever said them, there are unparliamentary words recorded in *Hansard*. The House knows that the Chair is no more delighted in seeing those words in *Hansard* than anyone else. In fact, it is quite appalled to find them there. That does not change the Chair's procedural difficulty. The Hon. Parliamentary Secretary knows that when this matter was raised on Friday in the House there was a disorder created. I could see that. Has the question of disorder been met? The answer to the Hon. Member for Hamilton Mountain (Mr. Deans) is, yes, it has. At least at the time. It was precisely for that reason at the time that the Chair in fact invited some comment at the end of Question Period. *Hansard* will show as well the Chair said specifically that Hon. Members may wish to raise something after Question Period, if Hon. Members had heard something.

Mr. Hnatyshyn: I am raising it after Question Period.

Mr. Speaker: The Chair's technical difficulty is clear in the comments that were made in response to the Parliamentary Secretary to the President of the Privy Council the last time this was raised. I must invite the President of the Privy Council (Mr. Hnatyshyn) to look at those. At the same time I sense from the Hon. Member for Saint-Jacques (Mr. Guilbault) that there is a desire to wait to see if this matter can be resolved in precisely the way the Hon. President of the Privy Council indicated that it would be best resolved. I therefore propose to reserve for the moment.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTIONS, PRIVILEGES AND PROCEDURES

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I have the honour of tabling the First Report of the Standing Committee on Elections, Privileges and Procedures.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 529 will be answered today.

[*Text*]

CIDA—CONTRACTS

Question No. 529—**Mr. Manly:**

1. In (*a*) 1980 (*b*) 1981 (*c*) 1982 (*d*) 1983 (*e*) 1984 (*f*) 1985, how many contracts were tendered by the Canadian International Development Agency?

2. For the same years, how many were let to firms either headed by women or where women were full partners?

Hon. Monique Vézina (Minister for External Relations):

1. 1980-81	523
1981-82	529
1982-83	674
1983-84	929
1984-85	907
1985- January, 1986	806

Note: Included are all service agreements (contracts and contribution agreements) signed under grants, contributions and loans with consulting firms, universities, NGO's and federal and provincial Government departments, including all "in-house" contracts (development funds) and all administrative contracts (CIDA Administration Vote) in the Consulting Services and Professional Services categories over $2,000 in value. Excluded are co-operant contracts (Technical Assistance).

2. Our records do not take account of this information.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TREATY TO CUT ACID RAIN-CAUSING EMISSIONS

Mr. Speaker: Before putting the motion standing in the name of the Hon. Member for Davenport (Mr. Caccia), since this is the final allotted day the House will go through the usual procedure to consider and dispose of the Supply Bills. In view of recent practices do Hon. Members agree that the Supply Bills be distributed now?

Some Hon. Members: Agreed.

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government of Canada should, before the next Canada-U.S. summit, negotiate a treaty with the Government of the United States to cut acid rain-causing emissions from sources within the United States, which cause damage to our economy because such emissions are transported across the Canada-United States border.

That this treaty should be in the spirit of international co-operation exhibited by the Helsinki Protocol of July, 1985, already subscribed to by the Government of Canada and should include:

—the reduction by 1994 of transboundary fluxes of sulphur dioxide by at least 50 per cent by 1994, using 1980 as the base year;

—a specific timetable of emission reductions in order to meet the 1994 deadline;

—a specification that such reductions will be applied to sources of sulphur dioxide emissions which will yield the greatest benefits to Canada; and

That failure to enter into urgent negotiations for such a treaty would demonstrate a blindness to the long-term economic interests of both countries, considering the damage caused by acid rain to human health and to forests, lakes, streams, fisheries, agriculture, wildlife, the maple sugar industry and to buildings, monuments and structures.

He said: Mr. Speaker—

Mr. Angus: Point of order, Mr. Speaker. I may have missed it but did you call Petitions?

Mr. Speaker: Yes.

Mr. Angus: I am sorry, I did not hear you.

Mr. Hovdebo: I did not hear it either.

Mr. Speaker: I am in the hands of the House. Is that a request?

An Hon. Member: We all heard you.

Mr. Speaker: Order. The Hon. Member for Davenport (Mr. Caccia).

Mr. Caccia: Mr. Speaker, this motion, as you just read it, is a constructive motion. It protects Canada's interests. It puts forward a policy option which, I submit to you and Members in this House, is far better than the one pursued by the present Government. It is based on two principles. The first is that we have to clean up our act, and we have done so. As you will recall, in March, 1984, we agreed with the provinces that we had to go it alone. When that understanding was brought about, the then Minister of the Environment for the Province of Ontario, Andy Brandt, while being interviewed, made it poignantly clear by saying we have cut our umbilical cord with the Americans and we will have to start to demonstrate our political will.

• (1120)

In cleaning up our act we also started to solicit and elicit the support of the international community. That is why in the same month of March, 1984, we invited nine European nations to Ottawa. We then signed an understanding, a commitment, saying that we would cut emissions, independently from each other, by at least 30 per cent by 1993. In doing so we implicitly said that this is an international issue, that there are global interrelationships in dealing with this issue because of the damage that is caused by one nation to another by the transboundary movement of this type of pollution. There are also continental interrelationships, and it was for that reason that we invited to that conference as an observer in March, 1984 a representative from the Environmental Protection Agency.

We decided to go it alone, we cut the umbilical cord and we started cleaning up our act. We did so assuming an economic cost that eventually we hoped and trusted would also be taken up by our neighbours in this very important form of pollution clean-up, which in the long-term turns out to be an investment for future generations and their ability to operate economically, as they have to, within a clean environment.

Canada as a sovereign country has the right to the protection of our national resources, including the right of not being dumped upon. The same right, of course, applies to our neighbours, namely, their right not to be dumped upon by our pollution when it crosses boundaries and falls on their soil.

To put things into perspective, the United States generates some 26 million tonnes of sulphur annually of which at least 5 million enters Canada. We generate four and a half million tonnes a year. It is against this background that I say to you that we should not be gratified by President Reagan making what would seem to be great concessions in recognizing what turns out to be the necessity to carry out further research. God knows, we have research coming out of our ears.

The damage to our resources, be they water, forest, fisheries, agriculture, the farmers whose income depends on the revenue from the sale of maple syrup, is increasing and is becoming staggering. The issue here is the prevention of

damage in Canada, and the solution is in Canada-U.S. relations in order to remove what is becoming a common environmental threat. To remove that common environmental threat I submit to you we do not need further research. We do not need another five years waiting for something to happen that has not yet been discovered. We know the damage is there every day.

No matter how many times the Prime Minister (Mr. Mulroney) engages in mutual backslapping with President Reagan the U.S. Government will not move. It will not take action, but it will take action the moment it recognizes and understands that there is economic damage. Until they realize and come to grips with the fact that the cost of inaction is greater than the cost of cleaning up, we will be facing this stark reality, the solution of which will have nothing to do with special relationships, Shamrock summits and the like.

What is so distressing to the Canadian public and to us here in the Opposition is to realize that the Prime Minister failed to make, when he was in Washington, the economic case for Canada. He failed also to make the economic case for the United States. He failed because he, like the envoys that he agreed to appoint, does not understand the importance of pointing to the economic loss that is being incurred and will be incurred as a result of the acid rain damage in the forest industry, in agriculture, in tourism, in fishing and to building and structures across the land.

As you know, we in Canada are increasingly looking upon the environment as an element within which the economy functions. We do not see the environment as an option to the economy, but we see the environment and the economy as one unit; an economy that can only grow well and function well in the long term provided that the environment within which it functions is properly cared for.

At the two summits the Prime Minister did not protect the interests of Canada by way of a subservient attitude, by way of being afraid of saying things as they are, by not pointing out that it is unacceptable to continue to have dumped upon us millions of tonnes of sulphur every year, by not pointing out that the decent responsible behaviour in the international family of nations dictates this practice to be stopped, whether it is between Canada and the United States, the United States and Mexico, Scandinavia and the U.K., or Chezkoslovakia and the western Republic of Germany.

The Prime Minister brought the situation upon himself when he suggested or agreed to appoint the special envoys without realizing that they might end up recommending something that is against Canada's interest, namely, more research, as it turned out in the end.

Once the report was published in early January the Prime Minister did not have enough wisdom or sense to distance himself from the envoys' recommendation. Instead, he embraced the recommendations, thus, I submit to you, taking Canada back to the time preceding the Memorandum of Intent of August, 1980, where we find ourselves nowadays.

The Prime Minister has not achieved a victory. In actual fact he has played into the hands of President Reagan. Having left in Ottawa both the Minister of the Environment (Mr. McMillan) and the Secretary of State for External Affairs (Mr. Clark), who could have given him good advice, I submit, he bought the argument in Washington that the solution lies in waiting for the polluting industries to come forward and make the first move as recommended on page 29 of the envoys' report. Even had the Prime Minister mustered enough courage at that time to remind President Reagan of what he said in this Parliament on March 11, 1981, it would have been too late for the Prime Minister. President Reagan said, on March 11, 1981, as reported at page 8155 of *Hansard*:

● (1130)

> We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

How ineffective can one be in handling Canada's public interests in Washington with respect to acid rain? He had no position to put forward to the President based on the staggering economic damage caused to Canada and the United States as a result of inaction. He was left with a consolation prize of five years of commercial demonstration projects, if and when industry is willing to come forward. What a sham.

The Prime Minister did not have the guts to make a strong case for Canada on acid rain. The result is that now Canadians, every day for the next five years, must sit and wait while these commercial demonstration proposals by the polluting industries may or may not see the light of day, depending on whether the polluting industries are prepared to put money on the table. That is the position we are in.

While we wait for the coal-burning electric utilities to decide on whether or not to spend their money—and they have already indicated they have no intention to do so—our forests, lakes, buildings and monuments, our health and the interest of farmers will continue to be subjected to the corroding rain and we will suffer increasing economic damage. That Shamrock Summit was a sham.

Furthermore, along with the extravagant claims that the Prime Minister made in Washington last week, he raised the expectations of Canadians almost to the sky, creating false impressions. Only the years ahead will gradually, but inevitably, reveal the naked truth that in reality, not only with matters concerning acid rain, the emperor has no clothes. We will not benefit by one ounce of sulphur reduction in acid rain coming across the border.

The Prime Minister has pulled the rug from under Senator John Kerry and other American Senators and Congressmen who are presenting acid rain Bills. In the case of Senator Kerry, his Bill aims at reducing sulphur by 12 million tonnes a year, but as a result of the Prime Minister throwing his weight behind the Reagan research plan he is helping to kill any possibility that Congress might have of reducing emissions by way of senatorial or congressional Bills. In doing so, the Prime Minister has regrettably been led down a blind alley.

Therefore, we have the motion before us today. I invite Progressive Conservative Members of Parliament to support this motion because it is supportable by any independent thinking MP who recognizes the necessity to look for a solution which can only result from a process of frank exchanges with the Americans, particularly the Reagan administration.

There are millions of Americans who believe like us that it is intolerable to continue to absorb the damage that is taking place. Therefore, we have an important economic theme to put on the table and an important mission to convince the Reagan administration that the cost of inaction is greater than the cost of action. We must engage them on that economic plane and, in order to be convincing, we must be equipped with the quantitative analyses that are necessary. The latest study which was carried out in 1981 by Tom Crocker, an economist at Wyoming University, indicated even then a yearly cost to the American economy of $5.5 billion. That cost is now greater. It is on this economic plane that we will make our point in Washington, not by engaging in this false hope that launching another round of research, as was launched in 1980, will enable us to achieve the kind of emission control program we need.

Canada has done its share, as have 21 other nations that belong to the EEC. That is why there is a reference to the Helsinki agreement in this motion. It involves a group of industrial nations that decided to address the problem in this manner, by commiting themselves to a 30 per cent cut at least by 1993. Unfortunately, the United States, the United Kingdom, Poland and Turkey are major industrial nations which are not part of the agreement.

We face a situation in North America whereby we are intimately intertwined in finding the solution to the economic damage caused by acid rain. Just as the United States and Canada cause each other damage, the same can be said for the United States and Mexico.

The economic approach is the key to the solution to this issue. The approach followed by the Government of Canada by way of two summits has set us back. It has created false expectations. Canadians are being asked to wait another five years to see whether or not some action will take place. There will be no agreement, no program or deadlines to cut one ounce of sulphur emission until this research binge over the next five years is completed in 1991.

I regret to say that the Government has failed on the acid rain front. The Government may have thought that good public relations could convince President Reagan to agree with its policies, but it has failed. We are wasting valuable time and have lost another year. The second Shamrock Summit provided another opportunity to make a strong economic case to convince the Americans that their damages are equal to, if not greater than ours. The Government did not have the guts to advance our theme. The major player in Cabinet with respect to this subject was even left at home.

I hope that enough Tory MPs will see the merits of our approach we are proposing today, which I submit is the only one that will bring about the solution to the acid rain problem we are facing in North America.

• (1140)

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: Mr. Speaker, when the Hon. Member for Davenport (Mr. Caccia) accuses the Government of being shortsighted about the long term economic interests of our two countries, I think that, if we consider the number of years his party was in power without ever doing anything about the environment, they could be accused of being farsighted.

What did they do during all those years? They were a bunch of amateurs. In fact, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), one of their number, in an article appearing in *The Ottawa Citizen* this morning appears to be just that when he tells us, for instance, about Mirabel, a matter that was decided with a snap of the fingers, or when he tells us that the National Energy Program proposed by Mr. MacEachen was in the Budget and that all the ministers were put before a fait accompli. More amateurism.

The Hon. Member for Davenport was a minister at the time, but if we are to believe Mr. Johnston's statements, he did not have access to Cabinet directly because it was a group in the Prime Minister's Office that was running the country. And they are the ones that engineered the Petrofina purchase.

So why didn't the Hon. Member for Davenport stand up at the time and argue about protecting the environment, when there were plenty of smoke stacks spewing forth pollution and trees that were losing their leaves? Didn't he notice them until now?

It is strange that he should notice all this on the very day that for the first time, our Prime Minister managed to elicit an official position from the President of the United States, who formally admitted the existence of serious acid rain problems and the existence of transboundary pollution.

He is saying all this today. He is making a big discovery, when our own Prime Minister has come back to this country with the assurance that $2.5 billion will be appropriated by the U.S. Congress to fight acid rain. These are the positive aspects the Hon. Member for Davenport conveniently forgot to mention in the House today.

I wish he would talk to us about his own achievements within the previous Liberal Government.

Mr. Caccia: Yes, Mr. Speaker, I will be pleased to do that, particularly considering the fact that the Hon. Member for Lévis (Mr. Fontaine) first came onto the political scene on September 4, 1984. He does not know the history of Canada before that date, and that is a serious handicap.

As I said in my remarks, before he was elected we signed with the Americans an agreement dated August 5, 1980 to promote and increase research on acid rain; it was also aimed at drafting and concluding an international acid rain agreement between our two countries. That agreement dates back to the last year of President Carter's administration in the United States.

In subsequent years, especially from 1983 to early 1984, we tried to expedite negotiations with Mr. Rucklehaus, who was responsible for the United States Environment Protection Agency, so as to set up a reduction program concerning acid rain from the United States. On several occasions Mr. Ruckelhaus approached the White House with various programs, but to no avail. In February 1984 it became obvious that Mr. Ruckelhaus just did not wield enough political clout to obtain President Reagan's approval, so the provinces and the federal Government met here in Ottawa on March 6, 1984 and decided to proceed with an acid rain reduction program in Canada, without American participation.

That was when the Ontario Government Minister of Environment—a Conservative Party member—made this statement familiar to all those who know the history of acid rain in Canada. I will quote him in English:

[*English*]

We have decided to cut our umbilical cord.

[*Translation*]

At the same, in March 1984 here in Ottawa, we hosted an international meeting with nine European countries to establish a common front program, as I indicated in my remarks. In June that year there was a follow-up meeting in Munich where 21 countries joined this world-wide movement to fight against acid rain. Again in June 1984, the two Ministers of Environment of Quebec and Ontario as well as their colleagues from other eastern provinces attended a second federal-provincial meeting here in Ottawa to confirm the decision to combine their efforts in an attempt to reduce acid emissions in Canada between then and 1994.

That, Mr. Speaker, is what our Government achieved before September 4, 1984.

The Acting Speaker (Mr. Charest): Questions or comments. The Parliamentary Secretary to Minister of the Environment (Mr. Gurbin).

[*English*]

Mr. Gurbin: I appreciate the explanation of failure given to us by the Hon. Member for Davenport (Mr. Caccia), the Liberal critic for the environment. I have a simple, short question. We all know the memorandum of intent was signed between Canada and the United States in August of 1980. We have also heard the explanations of the Liberal critic for the environment as to what the second subcommittee on acid rain has described as "time lost". How many millions or billions of dollars was the Hon. Member's Party successful in getting the United States Government to commit to acid rain abatement and pollution control during the period between 1980 and September of 1984? Second, how many times was the subject of acid rain ever the major single item at the summit meetings between Canada and the United States during that period of time?

Mr. Caccia: Mr. Speaker, the Hon. Member's second question on the summit is one which is very important. I recall very clearly that issue was raised by former Prime Minister Trudeau during the 1984 Summit meeting. It was item No. 7 on the agenda and it had a full paragraph.

Mr. Daubney: Item No. 7?

Mr. Caccia: Yes, item No. 7. Canada's initiative was fully developed at that particular Summit meeting and it was subsequently enlarged upon in 1985, both at the London meeting of Ministers of the Environment and at the Summit meeting in the same year, 1985.

With respect to the Hon. Member's first question, we had to proceed alone because it was evident that the efforts of Mr. Ruckelshaus of the Environmental Protection Agency were not successful in obtaining a program of emission reductions in the United States by February of 1984. As of that moment, we pursued the matter with the Americans in informal meetings, including the meeting in Munich in 1984, and we provided them with the economic arguments which would make it necessary for them to agree to the adoption of a program, but evidently the Americans were not ready to do so.

If the Parliamentary Secretary is implying that the Accord which has now been discussed in Washington at the second Summit includes an amount of money which is earmarked for a reduction of emissions program, with a deadline, then I would like him to say so. This question remains, despite all the dancing which has taken place, despite the two summits and despite the promises made by the Prime Minister during the election campaign. I know that right now the Parliamentary Secretary is looking at page 30 of the envoys' report. That is contingent upon the industry coming forward and upon commercial demonstration programs. That is not a cutting program at all. He is confusing apples and oranges.

• (1150)

Therefore, we have not made progress on the side of reduction, of cuts.

The Acting Speaker (Mr. Charest): Resuming debate with the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, thank you very much. I am pleased—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member for Hamilton Mountain. I failed to notice that the Minister was rising to speak. I have already given the floor to the Hon. Member for Hamilton Mountain. I would only ask him if he would consent to yield the floor to the Minister.

Mr. Deans: Mr. Speaker, I would have thought that the Minister would want to hear the comments of both opposition Parties before he responded. If the Minister tells me that he wants to speak now and not pay any attention to what we have to say, then I suppose I would be willing to yield the floor to him on that basis. However, if the Minister cares about what both opposition Parties have to say with respect to the matter, then perhaps he would like to listen and then respond to both at the same time.

The Acting Speaker (Mr. Charest): Debate.

Mr. McMillan: Do I have the floor, Mr. Speaker?

Mr. Deans: You don't want to hear what we have to say?

Mr. McMillan: I will listen.

Mr. Deans: Why don't you respond to both at once?

Mr. McMillan: Mr. Speaker, it is not a question of whether or not I wish to listen to the Hon. Member or his Party. I am entirely in the Chair's hands with respect to who has the floor.

The Acting Speaker (Mr. Charest): Mr. Deans has the floor.

Some Hon. Members: Hear, hear!

Mr. Deans: Mr. Speaker, I would like to think that we are going to deal with this matter in as non-partisan a way as we possibly can. I wish to say to the Minister that I appreciate him giving us the opportunity to put our views on the record in order that he might respond to both the motion put forward by the Official Opposition and our position in this regard.

At the outset I want to say that I note with interest that the motion is written in such a way as to be non-inflammatory, as best as one can be in situations such as this. I think the motion is put forward with the best of intentions in an effort to try to advance the cause of the battle against acid rain, as opposed to taking on some direct and narrow political interest.

In saying that I wish to make it clear that, frankly, we do not care to listen to the ongoing battle of whether the Conservatives or the Liberals have done more or less. That does not seem relevant at this point in time. It makes very little sense to point a finger across the floor at the previous administration and claim that somehow or other the problem was created by it. In essence, the problem is everyone's. It is the problem of every Member of Parliament. Whether the Liberals, the Conservatives or, for that matter, the NDP were in Government, I suggest the same course of action should be followed in trying to come to the satisfactory conclusions which must be reached.

In looking back over the recent history of the whole question of acid rain it brought to mind arguments that we have had going back 20 years about various different kinds of pollution. I was reminded of the problems that confronted Governments at every level in trying to introduce legislation which would adequately deal with the devastation that results from the disposal of noxious, or even obnoxious, wastes. I remember spending a great deal of time on the question of the disposal of liquid industrial waste. I remember arguments taking place over many years with respect to the deep well process which was being advanced and which carried with it significant problems. There were the risks to the water-tables to be considered, particularly in areas surrounding major municipalities. The problems were serious enough to justify not pursuing that particular course of action. It was felt that the highly pressurized deep well operations being recommended were not suitable in many areas, if they were suitable anywhere, because of the faults in the rock structure which allowed the pressure to drive the poisonous liquids into the water supplies of municipalities. While that could not occur overnight it would inevitably happen over time. Therefore, it was felt that that type of solution was not adequate. It was a solution that was embraced to a large extent by industry because it was a simple and cheap solution. It offered a short-term way of dealing with the problem. I said then, and I say now, that it will prove to be disastrous in some areas in the not-too-distant future. The metropolitan Toronto area is one of these areas. The water-table there is somewhat north of metropolitan Toronto and it feeds much of the area, as well as feeding the northern, western and eastern outskirts of the city. The water-table is detrimentally affected by the allowing of liquid industrial waste to saturate the earth in areas north and northeast of Toronto. Having said that, I recall people telling me not to worry about it because the problem would be resolved in time. I was told that a solution was being worked on, and I waited.

There is also the question of nuclear waste, the disposal of it and the inappropriate ongoing manufacture of it in areas where there is no necessity for that to occur. I consider that there are many long-term problems associated with it which will affect not only Canada's disposal of it but which will affect Canada in the way the U.S. determines how it will dispose of its nuclear waste. We are now faced with serious questions on the borders of a number of our provinces, Manitoba being one which comes quickly to mind, where the U.S. administration is looking at disposal of nuclear waste in areas immediately adjacent to, if not right within, certain Canadian jurisdictions.

I say to the Government that that adds up to another serious problem which we have to confront. It is a problem which we have not yet been able to confront because technology is not now available to deal satisfactorily with this particular question. Yet we continue to develop more and more of the waste product while waiting and hoping that someday the technology will be in place to deal with it. There is no evidence to show that will be the case.

With respect to the question of acid rain, it is quite different. To a large extent the technology to deal with it is in place. There are methods available to deal with the spill of acid rain over the environment. There are ways available to cut back on emissions. There are ways to clean up those emissions. In fact, there are ways to bring the matter into conformity with what most of us would agree are limits which could be lived with in

the short run, and which would even reduce emissions in the long run.

In reading over the memorandum of intent of 1980, I thought that was the first step toward the recognition of what was becoming a very serious problem. I thought that, although there was no clear solution put forward, the memorandum set out the process which was to be followed. In fact, that process was followed with the general support of a great number of people from all political persuasions in every part of Canada. In fact, it was even followed by similar like-minded individuals in the United States.

● (1200)

As a result of that Memorandum of Intent, they set up the working groups that did the necessary research, that sought out solutions and that quantified and qualified the acid rain components and made recommendations. The Minister knows what the recommendations were so let me read them to Hon. Members of the House. When the final reports were put in on the Canada-U.S. working groups in February 1983, they concluded on the following six matters:

—acid rain occurs in eastern North America within, and downwind from, major industrial regions

That allows us to isolate to some extent the source of the problem. They went on to say:

—damage in both the short and long term is occurring in areas vulnerable to acid rain as a result of sulphur deposition

—wet sulphate deposits greater than . . . (18 pounds per acre per year), in moderately sensitive areas, cause damage in lakes and rivers; in areas with deposits of below 20 kg/ha/yr no damage has been recorded

That gave us a sense of the important areas that were being affected. It gave us a sense of where we were to put our emphasis and where we could treat the problem with long-term but less immediate actions. They went on:

—the damage is primarily caused by sulphur deposits and the solution is to reduce them

—technology does exist to reduce emissions substantially

—if there are no changes in abatement programs it is forecast that emissions will increase through the remainder of this century.

We in Canada took that seriously. I say to the Liberal critic, the former Minister of the Environment, that while I am not entirely happy with everything he ever did, he at least did take the problem seriously.

Together with the jurisdictions most affected provincially, the Government did in fact move to try to put in place in Canada an adequate or at least an interim response to the problem. However, the problem continued because our friends in the United States refused to accept the findings. The administration of the United States, though it paid lip-service to it at the time, refused to accept that strict measures consistent with what were then being put in place in Canada should also be put in place in those areas of the U.S. that created the acid rain problem.

Since that time, though Canada has tried, I can say truthfully that our friends in the United States administration have done virtually nothing. Notwitstanding substantial expenditures, we continue to suffer. When we put acid rain on the agenda for yet another summit meeting I anticipated not a further statement of concern, because we received a Statement of Concern and a Memorandum of Intent in 1980 and we received a Statement of Concern in 1981 when the President of the United States visited Canada and stood here in the House of Commons to address the House. He himself said at that time, if not in these words, certainly in words very similar to these, that he recognized the serious transboundary environmental problem that exists as a result of acid rain. I admit that those were not his exact words but that was his intent as I understood it at the time, and I still feel that that was his intent in rereading it.

The President of the United States, rather than continue with his somewhat farcical view that somehow acid rain was the result of bird droppings, did acknowledge that there was a serious problem. One might have expected that as a result of that acknowledgement, he would bring forward substantive programs designed to help ease the problem, but no, no such programs came forward.

We then advanced ourselves through to the Drew Lewis-Bill Davis era. I was willing to accept that the appointment of those two fine gentlemen was intended to achieve some solution to the impasse that existed between Canada and the U.S. administration on acid rain. I do not doubt for a moment that the Prime Minister (Mr. Mulroney), in appointing Mr. Davis, whom I have known for years, and Mr. Lewis, whom I did not know but have come to understand was concerned, intended not simply to have them restate the obvious but rather to advance the cause beyond the stage of rhetoric. Unfortunately, that simply does not seem to have happened. The report that was tabled by Messrs. Davis and Lewis in essence reidentified the problem but it did not, as the Minister himself alluded to some time ago, set out how the problem ought to be dealt with. Neither did it demand from the participants that there should be some clear and easily defined course of action followed.

In order to have this understood by those who might be watching, I should quickly point out what acid rain is. It is not something for which one purchases an umbrella, although an umbrella may keep acid rain off one's head. Maybe your hair will not turn the colour of mine if you have an umbrella to keep acid rain away from it, Mr. Speaker. I do not know.

Mr. McMillan: It's too late.

Mr. Deans: It is too late for the Minister and I, but not for everyone else.

What is acid rain? Environment Canada put out an excellent document which sets out in pretty clear and unequivocal terms what acid rain really is. I read from that document as follows:

Acid rain has been called the greatest environmental threat that Canada has ever faced. The rains and snows that were once cleansing and pristine have now become, as a result of human activity, dangerously acid and destructive.

Two common by-products of our modern industrial lifestyle—sulphur oxides and nitrogen oxides—cause acid precipitation. When these pollutants are discharged into the atmosphere, they can be transformed into sulphuric acid and nitric acid respectively.

They can be carried along by winds and fall to earth as acid rain or snow many kilometres from the original source of pollution.

Environment Canada then goes on to ask the question, as many people watching might want to ask, what are the sources of acid rain. The answer is as follows:

The main sources of sulphur oxide emissions in North America are coal-fired power generating stations and non-ferrous oil smelters. The main source of nitrogen-oxide emissions are automobiles and other vehicles.

Environment Canada has identified not only what acid rain is and how it happens but in essence from where it comes.

The next question is what is the impact of acid rain and the answer is as follows:

Acid precipitation can have many harmful effects. It can increase the acidity of lakes and streams to a point where fish and other aquatic creatures such as frogs and salamanders cannot reproduce—

We have seen evidence of this. One need not be an expert to see the clear evidence of the destruction that has taken place in the lakes of eastern Canada. The document goes on:

—ultimately, they become extinct in overly acidified bodies of water. Acid rain can also increase the acidity of soil and, particularly in combination with other atmospheric pollutants such as ozone, is suspected of slowing the growth of trees or making them more vulnerable to disease.

It is quite clear that acid rain also erodes buildings and destroys monuments. It has a tremendous effect not only on the quality of life and the cost of maintaining buildings, but it has a tremendous effect on our food production and a tremendous negative effect on forest production. It affects our lakes and waters. Quite clearly this is a serious matter. Of over two million lakes in Quebec and Ontario, 43 per cent are vulnerable to acidification, and 10 per cent of the salmon rivers in Nova Scotia can no longer support salmon and another 10 per cent are becoming acidified. They go on at some greater length and go into the details of it.

● (1210)

However, the interesting point, which is obvious to anyone who looks at it, is that acid rain is the result of industrial activity and that that industrial activity is ruining the rivers, the lakes, the forests and even the soil upon which it falls. There are ways readily available to us to stop it. That last point is the crucial point. It is not some phenomenon which no one understands; it is not some phenomenon for which there is no solution. This is clearly understood by the scientific community and probably clearly understood by the overwhelming majority of Members of Parliament.

We now face the crucial and crisis period. We have lakes and rivers which are no longer capable of sustaining wildlife. We have forests which are being destroyed by the continuous raining down upon them of sulphuric acid. We know how to stop it and, therefore, it is not sufficient to have from the President of the United States yet another statement which clearly takes only one tiny step toward the ultimate solution. In endorsing the Lewis-Davis report, the President of the United States does not—and I say it categorically—commit himself to a course of action. All we ask of him, at least in the first instance, is that he go forward today with a course of action, if not identical, at least similar to that which we in Canada have already adopted, not only in our best interest but in his best interest.

I know my time is up, but I ask the Government to acknowledge that another motherhood statement, albeit acknowledging acid rain as a serious problem, does not do anything for future generations or even for the generations which are now here. We need some clear course of action. We need a timetable. We need a commitment, and we do not have it in what came out of Washington. Although there is intention to do something, I should like to think that we in the House could speak as one voice in saying to the United States administration: "You do not have the time for another study; what we need now is action".

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Charest): Question or comment. The Hon. Member for Témiscamingue (Mr. Desjardins).

Mr. Desjardins: Mr. Speaker, I paid close attention to the remarks of my colleague from Hamilton Mountain (Mr. Deans), but I must tell him that perhaps it would have been more appropriate if he or his Party had introduced the motion now under consideration. To me anyway, it might have been more credible than a motion sponsored by the environment critic of the Liberal Party. I would suggest that he has introduced this motion and expects us to take action simply because he and his Party were unable to do anything when they were on the Government benches, beginning in the early seventies when the acid rain issue was growing ever more significant. What he is advocating in this proposed bilateral treaty is precisely what he himself was unable to achieve.

The Hon. Member for Hamilton Mountain is right in saying that there has been a lot of rhetoric on the question of acid rain. However, that is not our fault. We have been in power only 18 months and we have already taken practical action. We have affected funds and developed programs during this 18 month period. It is not our fault if some people believe that the problem of acid rain has existed for too long without any solution being found. We came to power only in 1984, but since 1968 or 1970, when the acid rain problem was already important, they have done nothing except make speeches.

The Hon. Member for Hamilton Mountain says that we are still at a rhetorical stage, but does he not believe that the whole issue of relations with a friendly foreign country is very sensitive? Indeed, what Canada has done as a country and what the Prime Minister has done to show some leadership was the most that we could do, namely clean up our act. You yourself have recognized that the Canadian Government took important action; you had the honesty to say that we took important action in our own country to improve the environment. Will the Hon. Member not have the honesty to recognize that we have cleaned our act and that the Prime Minister went to Washington to meet calmly with President Reagan

and to tell him: "We have done our duty in Canada and we are now asking you to do the same." President Reagan gave his answer the day after the second summit, as evidenced by the newspaper, *La Presse* which published an article with the headline "Reagan endorses fight against acid rain". Maybe this is still rhetoric, but the Americans at least recognize in fact or implicitly that the problem concerns them.

The Hon. Member said that there has only been rhetoric on the side of the United States and that nothing was happening. He was afraid that it would remain the same for quite some time. I would like to ask him whether he knows, as he probably does, that the American Congress is now considering Bill S-54 sponsored by senators from New England among others. This Bill, now before the American Congress, is being examined by the Committee on the Environment and Public Works. We have been informed that this is the most important Bill to have been debated by the United States Congress in the last 10 years. We have been told:

> The Senate Bill goes further than the recommendations of this report and is in many respects different from many bills tabled in Congress in the last 10 years to fight against acid rain. In addition to the negotiation of a North American treaty on pollution—

This is what the motion debated today proposes.

> In addition to the negotiation of a North American treaty on pollution, it proposes the adoption of an import tax on foreign products whose manufacturers are not subject to anti-pollution standards as stringent as those in the United States.

I would also add for the Hon. Member's information that Mr. Victor Maerki, assistant to Senator Stafford, who is sponsoring this Bill, says that this legislation has a better chance than the previous bills because of the Mulroney-Reagan meeting.

For the first time, the American President has recognized that acid rain is a real problem. This should remove one of the major obstacles to passage of this Bill by Congress.

This is what I would like to hear my colleague say, namely that major progress has been accomplished since we have been in power and practical action is now being taken in the United States. This was supposed to be a non-partisan debate and I therefore hope that the Hon. Member will have the honesty to make this admission.

[*English*]

Mr. Deans: Mr. Speaker, when my colleague was asking me all these questions, I thought that he would not leave me any time to answer them. Quite frankly, I said I felt it was a desire, at least on our part and I suspect on the part of most people, to find a common voice. Therefore, I was a little disillusioned when the Prime Minister appeared to be delighted with President Reagan's response, because in truth the response of the U.S. administration has not advanced much in the last five years or six years. However, if the President of the United States had approached the acid rain problem with the same degree of resolve with which he approached the Nicaraguan problem, then I might be impressed. If the President of the United States were prepared to put his reputation on the line in the battle against acid rain, then I might be impressed. My worry is that I do not know if the President really cares. From reading the reports—I was not there and I am only going from hearsay, quite frankly, and I admit that—I know that our advisors, our embassy people in Washington, had some difficulty in getting the President to do even what he did with regard to acid rain. He did not even want to endorse the Lewis-Davis report in actual fact. He had no interest in pursuing the acid rain question. It was only because we, the Canadian side, insisted that something be said about it that he even went as far as to endorse the report, albeit without setting out any clear way of dealing with that endorsation.

I do not know if the President of the United States understands it, but out of the 16,000 fishing camps and lodges in Ontario, 600 will be closed because of acid rain by the year 2000, and that will cost us $28 million and 600 jobs. One hundred and seventy-five million acres, which is almost half of Canada's productive forests, generate $14 million worth of product per year. These forests are affected detrimentally by the high levels of acid rain that is falling on them. Fifty per cent of the soil in Ontario and Atlantic Canada, and 87 per cent of the soil in Quebec is sensitive to acid rain. The value of the crops that grow in eastern Canada is $3 billion. I am concerned that over 86 per cent of Canada's population lives in areas of high acid rain. Given that similar statistics can be worked out for the geographic areas affected in the United States, I would have thought the President would have recognized, as we have, that immediate action is needed. We need a program now.

• (1220)

This is a nonpartisan issue. We do not differ on this. I am sure that the Minister agrees we should clean it up. I am sure the Minister agrees that the action taken by the Liberal administration was useful in the pursuit of that clean-up. I am sure we all agree that the major problem is the U.S. administration's inability, first, to understand the problem, and second, to move forward. I think we all agree on that.

Therefore, I do not know why we are arguing among ourselves about who did what to whom. Why are we not arguing about how we can get the best possible result from the administration of the United States? Why can we not send them a message that we are not satisfied with further discussion, investigation, and research? Let us do it by all means, but let us put minimum standards in place and let us enforce them so that we will not constantly have acid rain falling on everything that is important to us while they sit around waiting for the next presidential election.

Mr. Gurbin: Has the New Democratic Party House Leader read the Drew-Lewis report?

Mr. Deans: Yes.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, this motion, coming as it does from a Party that did virtually nothing to advance Canada-U.S. progress on acid

rain when it was in power, is as credible as a sermon on sexual morality by Fanny Hill. When the Hon. Member for Davenport (Mr. Caccia) moved his motion he ignored history, refused to give the new Government due credit for a solid achievement in the environmental area, and demonstrated yet again a truism, namely, the Liberal Party never looks sillier than when it is attacking the present Government in a policy area where its own record in office was so appalling.

Some Hon. Members: Hear, hear!

Mr. McMillan: Despite the Cassandra opposite, the hon. gentleman who moved the motion, the course undertaken by the present Government on acid rain is bearing fruit and will bear even more results in the future, results which the previous Government was unwilling to seek and, therefore, unable to achieve. Their attitude to the issue is evident in everything the Hon. Member's Party did or failed to do when it was in power.

On November 18, 1980, the then Minister of the Environment assured this House that: "We are acting within our own jurisdiction to the fullest extent and exploring every possible avenue to press the United States to co-operate with us in this very important venture". I urge the Hon. Member who sponsored the motion, and all Members on all sides of the House, to use that statement as a measure against which to judge what the previous Government did or, to be precise, what it did not do on acid rain.

One thing it did not do was place acid rain on the agenda of any summit between the Prime Minister of Canada and the President of the United States, CBC's Terry Milewski notwithstanding. There have been claims, the CBC's among them, that acid rain was first put on a bilateral summit agenda in 1981. However, Sir, by every reliable account, acid rain was not in fact on the agenda as a separate and major issue. It was only mentioned in passing, virtually after the fact.

The Hon. Member for Davenport takes issue with me, but according to a description of the 1981 summit contained in *The Canadian Annual Review of Politics and Public Affairs* published by the University of Toronto press:

> Mr. Reagan said that the United States favoured a prompt completion of the Alaska Gas Pipeline (and) said the United States wished to co-operate in studying and controlling transboundary pollution. His conclusion was positive and up-beat focusing, not on the differences between the two countries, but on their shared likenesses—

Geoffrey Stevens, now managing editor of *The Globe and Mail*, and then its Ottawa columnist, dismissed the entire meeting as a "triumph of style over substance".

On June 17, 1982, I had occasion in this House to quote the words of a distinguished former American chairman of the International Joint Commission who blamed Mr. Trudeau for Canada's failure to achieve a bilateral accord on acid rain. These are the words of Mr. Robert Sugarman to a Canadian audience:

> There has never been a statement in the United States by the highest official in your Government—
>
> —in other words, the Government of Canada—
>
> —to the American people that has reflected the seriousness with which Canadians take the problem.

A week later Canada's Minister of the Environment, John Roberts, instructed Canadian officials, his scientists, to break off negotiations with the United States on the grounds that the Americans were not willing to work out bilateral emission standards with us. That, Mr. Speaker, was the former Government's idea of "exploring every avenue to co-operate".

Almost a year later, shortly after the Williamsburg summit between the then Canadian Prime Minister and the President of the United States, I asked Mr. Roberts, the Minister of the Environment, in the House of Commons during Question Period whether acid rain had been on the agenda of the Williamsburg summit, or whether the Prime Minister had raised the issue even informally with the President of the United States on that occasion. All I, the Parliament of Canada, and the people of Canada received was a statement that Mr. Roberts did not "know whether the acid rain issue was touched on in an informal way". The Minister of the Environment for Canada did not even know whether the Prime Minister of Canada had raised the issue, much less as a major agenda item at a bilateral summit between the Prime Minister of Canada and the President of the United States.

I pressed him on that occasion by asking, first, whether Williamsburg might not have been an ideal occasion for raising the matter and, second, whether he thought that putting the issue forward might not assist in the acid rain campaign. I asked the then Minister of the Environment for Canada whether he, as Minister of the Environment, did not think it would have been a good idea for the Prime Minister of Canada to have raised the issue of acid rain at Williamsburg on the occasion of the summit.

Mr. Roberts' reply was astonishing for its insensitivity, even from a member of a Government which was giving insensitivity and arrogance a bad name. He dismissed my call as "an absurdity". He said it was an absurdity for me in Opposition to even suggest that it would be appropriate for the Prime Minister of Canada to raise the issue of acid rain with his counterpart, the President of the United States, at the summit meeting.

On April 13, 1983, I asked a question of the then Deputy Prime Minister and Secretary of State for External Affairs, now a member of the Senate, Allan MacEachen. I asked whether he had made progress on the acid rain issue under the 1980 Memorandum of Intent at a meeting he had just had with U.S. Secretary of State Shultz. He said:

> • (1230)
>
> —that idea was tossed around at our meeting and it was abandoned because we finally concluded it would not lead to any further progress.

Some Hon. Members: Shame.

Mr. McMillan: That is the vigour, Sir, with which the then Deputy Prime Minister of Canada viewed the urgency of the acid rain question in connection with meetings he was having

with his U.S. counterpart. On that occasion I was astonished, as were other Members of Parliament, to learn that the then Deputy Prime Minister of Canada had no concrete idea of how to proceed. All he would say was that he hoped the next time he and his counterpart met they would be joined by scientists and officials from both countries:

—to try to move this very difficult problem forward.

Seven months later the Hon. Member for Davenport, then Minister of the Environment, gave Parliament a genuinely frightening insight into the weakness and aimlessness of his Government's attitude to the vital issue of acid rain. When my colleague, the Hon. Member for Vancouver South (Mr. Fraser), asked about the possibility of U.S. acid rain legislation, as recorded at page 28983 of *Hansard*, November 18, 1983, he was told by that Hon. Member that the issue was one that:

—the President of the United States must resolve himself in order to come to a decision.

Some Hon. Members: Oh, oh!

Mr. McMillan: In January, 1984, immediately following President Reagan's State of the Union address in which he said that he would study the problem, my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling), asked the Member who moved this motion today whether he could respond as to what the Government intended to do in view of the stalemate with the Americans on acid rain. The answer was that our approach is "to continue to make representations."

Clearly the real environmental problem was that the Party opposite was in a fog, had no idea what to do, and lacked the desire to find out. The Hon. Member's inability to deal with the issue may simply have reflected, with all due respect to him, his former leader's insensitivity to the importance Canadians placed and still place on the environment in general. Let me quote from *Hansard* of June 11, 1984, page 4528, when Mr. Trudeau rose in this House and tried to defend the recession his policies had brought to Canadians:

Now we are seeing Governments everywhere, provincial, federal, and in other countries, trying to balance this with the need to keep jobs going and the workers at work. High unemployment figures would be affected adversely if we were to close down some plants because they had not moved as quickly as we would like in reducing their levels of emissions.

Set aside for the moment the aspersions that those words cast on provincial Governments which have shown themselves ready to co-operate on environmental policies, at least as far as acid rain is concerned. Apart from that, the statement also slanders Canadians who have shown consistently that they care about the environment and are prepared to make reasonable sacrifices to protect it.

The present Government, working co-operatively with the provinces and industry, has already proven how miserably Mr. Trudeau underestimated what could be done by Canadians. Over the past 18 months the new Government has put in place the most comprehensive environmental protection program in Canadian history. At the same time it has created almost 600,000 new jobs and pulled Canada through the most grim economic times since the 1930s. All this it has done while whittling the massive deficit the Liberals bequeathed to Canadians.

In other words, the Government has demonstrated that it can pursue economic and environmental objectives in tandem without a trade off between the two objectives.

It is pitifully easy to list what the Liberal Government of the day did not do. It had no domestic acid rain control strategy in place. There were no specific goals by which each province would cut emissions, and no attempt to identify which specific sources in each province would be expected to reduce emissions. There were no plans to finance reduction programs.

Mr. Caccia: There were.

Mr. McMillan: There were studies of vehicle emission standards, and some go back as far as 1975, but there was no program for actually doing anything about them. Furthermore, acid rain had never been a top priority in bilateral discussions between the U.S. President and the then Prime Minister. Indeed, negotiations on the issue had been broken off altogether by Canada in 1982. The whole abysmal story of the previous Government's ineptitude and lack of concern was contained in the two reports of the parliamentary subcommittee on acid rain. I remind you that a majority of that committee's members were from the Government party. The second report of that committee was aptly titled *Time Lost*, symbolizing the time which had been lost in getting progress with the Americans on acid rain in the years the Liberals were in office between 1980 and late 1984.

The first step taken by this Government, after it was elected in September of 1984, was to categorically reject practised indecision, Yankee bashing and woolly commitments. We promised action, and we have been delivering, on the acid rain question as on others in the environmental field. We have in fact made more progress on the acid rain issue in 18 months than the Liberal Party was able to achieve in 18 years in office.

Some Hon. Members: Hear, hear!

Mr. McMillan: We obtained specific commitments from the seven eastern provinces to reduce emissions by 50 per cent, or more than 2 million metric tonnes, by 1994, based on emission figures prevailing in 1980. Ontario and Quebec have already announced specific regulations to achieve the reductions necessary in those provinces. Other provinces will follow suit in a very few weeks. Negotiations have begun which will provide co-operative federal-provincial funding to implement these programs. As much, Sir, as $150 million will be provided for direct acid rain abatement from the federal treasury alone. Tighter light-duty vehicle emission standards will take effect for the 1988 model year beginning in September, 1987. Allowable levels of NOx emissions will be slashed by 45 per cent, equalling the American standards which were three times more stringent than those prevailing in Canada when the Liberals were in office. Specific technology projects designed

to demonstrate promising new technologies at non-ferrous smelters have already begun. The Government is spending more than $50 million researching new, cleaner methods of burning coal in Atlantic Canada. The lessons learned from the projects will help industry across Canada meet emission reduction targets.

Sir, last year, before the Quebec Summit, the Prime Minister (Mr. Mulroney) told Canadians that we would have to put our own House in order before we could expect the Americans to move themselves on the acid rain question. That is precisely what happened. In the process the moral authority that we Canadians bring to the table when we negotiate the issue with our American friends has been greatly strengthened. Less than a week ago the Prime Minister secured President Reagan's powerful and unequivocal endorsement of the findings and conclusions of the special envoys' report. If Members opposite devoted a little less time trying to tell themselves that the report will have little effect, perhaps they would have a little more time to grasp its importance.

• (1240)

Let me summarize, since I have about two minutes left, what that agreement means. It means that the President of the United States has acknowledged that acid rain is a transboundary problem with serious implications for both countries. He has acknowledged the underlying scientific arguments. He has committed the United States to developing a bilateral accord—read it, it's on page 4 of the Envoy's report. He has committed the United States to establishing the bilateral machinery necessary to achieve such an accord. He committed the United States to implementing a technology demonstration program in the United States which is expected to result in near-term reductions in U.S. emissions affecting Canada. He committed himself and the American people to placing acid rain on the agenda of future summits.

In other words, he has committed himself to a process which will ensure that the acid rain question will not be removed from the bilateral agenda until the question itself is resolved.

I stress that these are solid accomplishments. They are not the whole solution, but a major part of the solution. These are solid specific gains in the fight against acid rain. I would urge the Hon. Member and his colleagues to read what the Prime Minister of Canada said to the U.S. people through the media immediately after the conclusion of his meeting with Mr. Reagan. He told them that "the acid rain issue has been kicked around, debated to death in Canada and elsewhere. We think that we have a reasonable plan in place to solve it, not perfect, but well on the way to an effective resolution. And that is what we're going to do."

Sir, I conclude on this note: Yesterday *The New York Times* described the Prime Minister's success on acid rain with the United States President in Washington as "the turning point on acid rain".

Some Hon. Members: Hear, hear!

Mr. McMillan: It is a turning point not because the problem has been resolved, but because both countries now finally have placed themselves firmly on a course to resolving the issue. In that sense it is not the end of the road; it is the beginning of the road, but it is an important beginning. I urge all Members of the House on all sides, in the words of the President of the United Stated himself in a different context, "to stay the course".

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

Mr. Althouse: Having listened quite carefully to the Minister's excellent speech I wonder with reference to the motion that is before the House today, which essentially calls for recognition that it is something that we would all agree to, that in the opinion of the House Canada should negotiate a treaty with the Government of the United States to cut acid rain-causing emissions from sources within the United States. It goes on to spell out the amounts of these reductions that we should aim for. Is the Minister prepared to support this particular motion and this particular outline of intention which is put before the House today?

Mr. McMillan: I think it would be premature for any Member of this House to make a decision on the relevant motion before he or she has heard all the points of view expressed on all sides of the House on the substantive question. For me to stand on my feet and say that I am going to take a hard and fast position on a motion in connection with which the debate has only begun would be the height of arrogance.

Mr. Althouse: Perhaps I could rephrase the question then. Does he, as a Member of this House, believe that we should be negotiating a treaty with the United States to reduce acid rain emissions as this motion says?

Mr. McMillan: Yes, we are in fact negotiating with the Americans towards the achievement of an accord. I draw to his attention the relevant sentence on page 4 of the Drew Lewis, William Davis envoys' report, which both the Government of Canada and the Government of the United States have endorsed. It that says what remains is to borrow from the precedent of bilateral progress over the years on various environmental questions and "build upon those foundations a bilateral accord which will jointly address a common problem in the best tradition of the U.S.-Canadian environmental relations."

In accepting the envoys' report we implicitly accept the principle upon which the Hon. Member has based his questions.

Mr. Caccia: May I ask the Minister of the Environment (Mr. McMillan) whether he has ever seen a copy of the May, 1984 report that deals with the modernization of non-ferrous smelters, which is available to him and which will provide him with an important component on Canada's plan of action in reducing our own emissions, considering his statement earlier that there was no planning before September, 1984? Would

the Minister like to confirm whether it is incorrect to say that the process of consultation with industry on car emissions was launched in the spring of 1984.

Finally on the question of summits, there is terminology that is causing some confusion. Regarding the question briefly touched upon earlier by the Parliamentary Secretary on the summit, I realize now that he was referring to a bilateral summit. To correct the record, I have to inform you that my reply to him dealt with the seven industrial nations summit of 1984. I realize now from the speech of the Minister that he was in his question referring to a summit in 1984 between Canada and the U.S. That was not the subject of my reply. In my reply I was referring to what was in 1984 I believe the Bonn summit between the seven industrial nations where acid rain was, and quite properly so, on the agenda, because these are the major industrial polluters in the world.

Mr. McMillan: I certainly did not wish to imply, nor did I, I think, that no planning has preceded the decision by the Government of which I am a part to make much more stringent the allowable emission levels for light duty motor vehicles. Clearly a lot of scientific work and some considerable thought by Government, including previous Governments, had been devoted to the issue, but no progress had been made beyond the actual preliminary work. It took this Government to bring that preparatory work together and give effect to the controls to which I addressed myself in my speech.

The emission controls on light duty vehicles take effect in September of 1984 for the 1988 motor vehicle year. They will be 45 per cent more stringent than those that prevailed before, bringing out standards to the level of the Americans, which until now have been three times more stringent than ours.

On the second question, I think it is significant that—I don't mean to be partisan here—the Official Opposition comes into this House and brings with it a laudable motion. But implicit in the motion is a criticism of the Government of Canada for the way in which it handled the acid rain question in Washington through the bilateral summit between the Prime Minister and the President of the United States. When that Party was in office it absolutely refused to put the issue on the agenda, much less deal with it effectively once it was on the agenda.

● (1250)

When my Party was in opposition we asked repeated questions in the House during Question Period, following a meeting between the then Prime Minister and the President. The Hon. Member for Vancouver South, the Hon. Member for Parry Sound-Muskoka, the Hon. Member for Bruce-Grey (Mr. Gurbin), myself and others would ask the Prime Minister and other Ministers if they had raised the acid rain issue and if so, what agreement was reached. We asked if an understanding had been reached, and every time, without exception, we were told, to our shock and disappointment, and that of the Canadian people, that the issue had not even been raised. Not only had it not been put on the agenda, it had not been discussed even informally. We would say: "Surely you took the occasion of meeting with the President of the United States in Williamsburg to express the concern Canadians have about the effects of acid rain on our environment and on the environment of the United States?" If this issue was not on the agenda formally, we thought that the then Prime Minister would at least have put it on a hidden agenda, raise it at a cocktail party or while walking the President to his car. The only response was that it had not been deemed appropriate.

No one occasion I was attacked by the then Prime Minister for even suggesting that it would have been appropriate for him to raise the acid rain question when meeting with the President of the United States in Europe for multilateral discussions. The Prime Minister said: "We cannot raise everything. When I see the President of the United States at a summit meeting of different countries, I cannot raise everything".

Acid rain is more than just another issue. It is the most important environmental issue ever faced by the United States or Canada. It is not just another bilateral issue, much less just another environmental issue. Acid rain is destroying our lakes, our streams and rivers. It is killing our fish and undermining our agriculture. It is devastating our forests and has even been demonstrated by science to have an effect on human health.

Members of the Liberal Party did not think it was important enough to raise the issue with the President of the United States even informally, much less formally. Now that Party has the gall and unmitigated temerity to come to the House and attack the present Prime Minister for the way he raised it in Washington. I do not know what you call it in your riding, Mr. Speaker, but in my riding and, I suspect, in Davenport, the attitude is called hypocrisy.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to begin by commending the Hon. Member for Davenport (Mr. Caccia) for giving the House and all Members of Parliament the opportunity to direct our thoughts toward this urgent issue. I am sure every Member of Parliament recognizes that there is an urgent need for joint U.S.-Canadian action on the problem of acid rain.

I do not see any reason why the motion being debated today cannot be accepted by all Hon. Members in the House, particularly under the new rules by which the House now operates. There is no condemnation or question of confidence expressed in this motion. It is an outstanding way for the House to send a strong message to our counterparts in the United States Congress and the United States administration that while we have begun serious and concerted action in our country we know that the problem of acid rain will not be solved until they take some action themselves.

Canadians have known for a very long time that the acid rain problem is serious and is getting worse. As far back as 1981, our reputable, distinguished and accomplished National Research Council concluded in a very credible scientific report that acidic depositions, or acid rain, was a major environmental concern in many regions of North America and that it was a transboundary problem.

It was during the first session of the Parliament of Canada previous to this one that a subcommittee of the House tabled its well-known report, copies of which are still in great demand. That report is called "Still Waters: The Chilling Reality of Acid Rain".

One of its recommendations called for Canada and the United States to reach an agreement on the necessary legislation and mechanisms to substantially reduce transboundary air pollution as it relates to acid rain. It recommended that something be done by the end of 1982.

In this respect I want to take my stand, not for or against a Government, but with an all-party parliamentary group that understood the problem well enough to make a recommendation as forthright and vigorous as that. It reminds me once again that Parliament does have a role to play in leading Government rather than following it, cheering or jeering, as the case may be. If more parliamentary reports were adhered to and taken seriously, the kind of acton taken by governments would not be so open to criticism or challenge by the people of Canada.

I am delighted that the new rules we recently adopted will finally give Members of Parliament the opportunity not simply to follow, but to take the lead on certain crucial issues such as the issue of acid rain that we are debating today. It enables us to debate how we may encourage the people in the United States to convince their Government, their Congress and their administration to do a great deal more than they have in the past.

We know that the result of the recent meeting between our Prime Minister (Mr. Mulroney) and the President of the United States was no big deal. That is not just my opinion, because the Prime Minister himself said in the House that the agreement on acid rain was not a triumph, but represented progress. That is what we are debating today.

How much progress was made? I am not interested in the historical debate about whether it is more progress than was made in the past. I am more interested in the problems we face today and the damage that acid rain is causing in my region of the country. I suggest that an agreement which simply calls for more research but no real cuts in the level of sulphuric and nitric oxide emissions is not enough. It is certainly no triumph. It is certainly no big deal to recognize that acid rain is a problem and perhaps some money will be spent on it. That money will be spent if Congress agrees, and it is no easier to get money from Congress than it is to get money for new programs from our Government when we are facing a serious fiscal situation. May I call it one o'clock?

The Acting Speaker (Mr. Charest): Order. I am sorry to interrupt the Hon. Member.

[*Translation*]

Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

CALL FOR STABILIZATION PAYMENTS TO PRINCE EDWARD ISLAND FARMERS

Mr. George Henderson (Egmont): Mr. Speaker, the Minister of Agriculture (Mr. Wise) is not acting wisely regarding stabilization payments for Prince Edward Island potato farmers. Island farmers fear the auctioneer will be long gone by the time the Government gets around to helping them out. Far too many farmers are on the brink of bankruptcy.

Farmers asked for help last fall. Here it is very close to spring planting season and there is still no word. Island potato farmers need cash in their pockets to pay last year's bills before they can start planning for the coming season. They need an assurance that help is on the way.

I call upon the Government to exercise wise judgment and approve funds for stabilization payments immediately. That is not all. The market price for potatoes must be restored to reasonable levels. To do that, the Government must also approve a diversion program to remove potatoes from the market. Our primary producers must be guaranteed a healthy return for their crops, and stabilization payments to cover their losses.

* * *

INDUSTRY

FLEET INDUSTRIES—QUALITY OF PRODUCTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, early in January I was contacted by an individual who had been a quality assurance supervisor at Fleet Industries, a company which makes aircraft and other military components. He told me many horror stories about unqualified personnel and improper inspection procedures at its plant, so I pressed both the Department of Transport and the Department of National Defence to investigate.

These investigations have now been completed and it is apparent that their findings, as far as they went, have substantiated the allegations which were made by this individual. It is to be hoped that the company and these two Departments will now move quickly to correct the problems and guarantee the quality and safety of their products.

If these matters had not been raised by this individual, how much longer would they have gone unnoticed by the DND on-site inspectors, and the Department of Transport audits which had failed to notice them in the past? There is some-

thing seriously wrong and grossly unfair when an individual has to lose his job, jeopardize his entire career, suffer death threats and other harrassment, and be sued by the company, all to bring some serious problems to the attention of those who should have been dealing with them all along.

* * *

THE SENATE

MOVEMENT FOR REFORM

Mr. Gordon Taylor (Bow River): Mr. Speaker, while we are reforming the House of Commons let us not forget about the reform of the Senate. Ontario and Quebec have, and will have for many years, a majority of Members in the House of Commons as representation is based on population. Senators, on the other hand, should represent their province or region. With a majority in the House of Commons, the central provinces do not need a second advantage by having a majority in the Senate.

The Triple E movement, which stands for an elected Senate with equal representation from each province bringing about an efficient "other place", is growing right across our nation. Triple E carries with it the judgment of the most critical, as it is fair to every part of Canada. Triple E promotes a Senate which is answerable to the people and which assures every region that our laws will be fair. A Triple E Senate could be a powerful force in holding together the Canada we have and love today.

* * *

AGRICULTURE

TASK FORCE ON PROGRAM REVIEW

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the Task Force on Program Review recently made public its assessment of the many agricultural programs and tax benefits in force at this time. Now that we know that there is a bottom to the taxpayer's pocket, even agriculture must take up the challenge to spend wisely. The task force encourages this by exposing all programs for scrutiny and justification.

If continued funding is indeed inappropriate for some specific programs, we should perceive this as an opportunity to liberate these wasted dollars for more necesssary work such as research and market development. Evidently this challenge is too difficult for the NDP. In Saskatchewan their leader has responded with pathetic and hysterical bleatings about specific options from the report. True to form, that Party is trying desperately to manipulate the fears of western farmers rather than co-operate with this magnificent opportunity to create an effective, forward-looking agriculture for the 21st century.

• (1405)

ENERGY

COAL TECHNOLOGY—FUNDING REDUCTION

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise today to urge the Government to reconsider a move that it made in the recent federal Budget to reduce the amount of moneys for the Department of Energy, Mines and Resources for coal technology.

Under the previous Government, the Department of Energy, Mines and Resources had budgeted approximately $30 million in this regard. However, as a result of the Budget this amount has been slashed by $20 million. This will have devastating effects on those provinces in the country which utilize coal as their primary source of energy. I am thinking primarily of the Province of Nova Scotia, which utilizes coal as its first and foremost resource with regard to electrical generation.

The fact that the Government has now destroyed the coal technology program will have devastating effects on our economy. As we look for additional uses for coal, not only for electrical generation but for coal liquefaction plants, we see, the carbogel project which was to take place in Cape Breton has been cancelled as a result of this cut-back. I hope the Government will reconsider this decision and reinstitute the coal technology program.

* * *

[*Translation*]

EXTERNAL AFFAIRS

HONDURAS—TRAGIC DEATH OF FATHER WILLIE ARSENAULT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, thousands of Hondurans and Canadians mourn last Thursday's tragic death of Father Willie Arsenault near Tegucigalpa in Honduras.

Father Arsenault was a humble and dedicated missionary who built homes for handicapped and abandoned Honduran children to whom he devoted his life.

Children, Quebecers, his relatives and friends in the Gaspé Peninsula will all feel the void left by the death of this man of peace.

Unfortunately, Mr. Speaker, the murder of Father Arsenault is not an isolated incident. The people of Honduras have lived through years of terrorism and abuse of human rights. They are the victims of the violence and armed aggression inherent in Central America's ongoing militarization. They are the victims of their country's destabilization which has been abetted and encouraged by the policies of the Reagan administration—

Mr. Speaker: Order, please. Sixty seconds.

[*English*]

FINANCIAL INSTITUTIONS

TAKEOVER PROPOSAL AFFECTING CANADA TRUST

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, this morning at 9 a.m., Imasco, the old Imperial Tobacco, offered to buy 100 per cent of the shares of Genstar at $54 a share. Genstar controls Canada Trust, one of Canada's largest financial institutions following its merger with Canada Permanent.

In the Finance Committee's report on financial institutions released last November members of the committee recommended stringent ownership restrictions on large financial institutions controlled by non-financial institutions. At that time the committee singled out Genstar for special restrictions because of its relatively small non-financial holdings. It now appears a single company with massive non-financial holdings could gain control of Canada Trust.

The Minister of State for Finance (Mrs. McDougall) should make it clear that she will block any attempt by any non-financial institution to gain majority control of Genstar. She should quickly indicate to the House her response to the ownership representations of the Finance Committee.

* * *

NUCLEAR ARMAMENTS

DISCONTINUANCE OF UNDERGROUND TESTS ADVOCATED

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, like any other kind of explosive, nuclear explosives can be used for good or evil. Civil uses of subterranean nuclear explosives might include large-scale excavations, permeability enhancement of gas reservoirs, and fracturing in preparation for *in situ* leaching of mineral deposits. However, continued, primarily military underground testing by powers such as the U.S.A. and the U.S.S.R. are interpreted as hostile acts and lead to increased instability in an already unstable world.

Therefore might I suggest that further unilateral tests be discontinued and that the nuclear powers, together with other interested countries such as Canada, co-operate under the auspices of the United Nations to develop nuclear explosives for peaceful purposes which can be used—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

• (1410)

[*Translation*]

THE ADMINISTRATION

POSITION OF OPPOSITION MEMBERS OF PARLIAMENT

Mr. Guy Ricard (Laval): For over a year now, Mr. Speaker, we have been facing a decimated Liberal contingent which has no policy, no vision into the future and no hope.

Members of the Opposition systematically refuse to endorse any constructive proposition made during the debates in this House, preferring instead to belittle the programs advocated by our Government. Nothing meets with their approval, be it job creation for young people, increases in veterans' allowances, or agricultural assistance programs.

Worse still, Mr. Speaker, they will go to any length to put off the adoption of measures from which the most destitute of our fellow citizens would benefit.

The Globe and Mail's Jeffrey Simpson was quite right when he wrote recently, and I quote:

> The Liberals' response to the Wilson Budget offers further depressing evidence that intellectual inconsistency, hypocrisy and political opportunism are thriving on the Opposition benches.

* * *

FISHERIES

ESTABLISHMENT OF HERRING QUOTA IN ST. LAWRENCE GULF REGION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the fishermen of New Brunswick are impatiently awaiting a decision by the Minister of Fisheries and Oceans (Mr. Siddon) on herring quotas in the Gulf region. Several weeks ago, Government representative, fishermen and processors met in Montreal to discuss and suggest changes. It will soon be April, when the fishermen start getting their boats and fishing gear ready. As you can imagine, these fishermen must know now what their fishing quotas will be, so they can plan accordingly.

Mr. Speaker, the Minister has all the facts before him and there is no reason for him to delay his decision. Furthermore, the crab fishing industry is also impatiently awaiting a decision by the Minister. I wonder why the Minister is so reluctant. Why is he making the fishermen wait so long?

* * *

THE ECONOMY

PERFORMANCE OF PREVIOUS GOVERNMENT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, in today's Ottawa *Citizen*, an article about the book "Up the Hill" by a former minister of the federal Government, the present

Member for Saint-Henri-Westmount (Mr. Johnston) gives an entirely non-partisan impression of the lack of attention given by the Liberal government to major economic decisions.

According to the author, the Petrofina purchase was never approved by the entire Cabinet.

The National Energy Policy, whose disastrous effects we are still feeling today, was forced on Cabinet by a very small group, of which the present Member for Winnipeg-Fort Garry (Mr. Axworthy) was a member.

The decision to build Mirabel was made in a most cavalier fashion, without any consideration for present and future needs.

It was this team of irresponsible megalomaniacs, Mr. Speaker, that plunged this country into the worst economic mess we have seen in this century.

* * *

[*English*]

SOCIAL AFFAIRS

CRITICISM OF GOVERNMENT POLICIES

Mr. Rod Murphy (Churchill): Mr. Speaker, the Government uses any occasion, however unjustified, to indicate any possible good statistics. That is part of its news-management scheme. However, the Government has ignored the plight of homeless Canadians about whom the Ottawa *Citizen* wrote this week. It has refused to deal with the problems of unemployed youth. It has refused to recognize that churches and other centres have overflowing soup kitchen facilities; in other words, there are too many people for the facilities that exist.

The Government, through the Nielsen task force report, talks about modern suburbs in the bush but is blind to the real conditions of native Canadians. It ignores the deplorable housing situation of Indian people and it ignores the fact that there are no water and sewage systems for them. It refuses to acknowledge the fact that there is a higher rate of disease occurrences among native Canadians. The Government is not a good-news Government, it is a bad-news Government.

* * *

YOUTH

GOVERNMENT EXPENDITURES ON JOB-CREATION PROGRAMS

Mr. Alan Redway (York East): Mr. Speaker, all Canadians are concerned about the problems of young people. That is why the present Government is spending $734.6 million during the current fiscal year to provide training and job-creation programs for youth. This year 222,600 young Canadians will participate in these programs.

Between 1980 and 1984, under the former Liberal Government, 142,000 young people lost their jobs. Since September, 1984, 75,000 new jobs have been created for young people, and youth unemployment has fallen, not enough as yet, but it has fallen.

Katimavik was established to provide young people with employment, training and life experiences. The present Government's youth programs are doing exactly the same thing in a different way but are helping more people with the same amount of money.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ANNA FRASER, WORLD CUP FREESTYLE SKI AERIAL CHAMPION

Mr. Speaker: I wonder if I might break with tradition a little and advise Hon. Members of the presence in our gallery of Miss Anna Fraser, winner of the World Cup Freestyle Ski Aerial Championships, who, among other things—

Some Hon. Members: Hear, hear!

Mr. Speaker: She is, of course, among other things, the daughter of the Hon. Member for Vancouver South (Mr. Fraser).

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

YOUTH

ANNOUNCEMENT OF NEW PROGRAM—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Secretary of State. He is probably aware that last Friday, the Prime Minister promised the House he would check with his ministers and senior officials in order to accelerate the process or do everything he could to announce a new youth program. Could the Secretary of State inform the House whether the Prime Minister consulted him or whether they intend to take action today?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I can inform the Hon. Member for Shefford that the Government of Canada is going to define policies on public administration and will announce them at the appropriate time, and obviously, without being influenced by the kind of question he is asking me today.

REQUEST THAT GOVERNMENT INTRODUCE MEASURES BEFORE END OF SESSION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. I think the Secretary of State should show some respect for this institution and answer the questions that are put to him. On Friday, his leader promised he would read officially, as he said, the letter from Senator Hébert. He promised to consult with his ministers in order to announce a program and thus try and put an end to the situation that exists in the other place, in the Senate. Could the Secretary of State inform the House whether or not they intend to take action before the end of this session?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I am surprised to hear the Hon. Member for Shefford say that the Prime Minister announced he would make a decision in terms of what is happening across the corridor. The Prime Minister of Canada has never established any connection between a decision on youth policy and what is happening on the other side. A decision on Katimavik or any other program will never be made in terms of what is happening across the corridor.

INQUIRY WHEN GOVERNMENT WILL ACT

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Secretary of State can put his head in the sand as much as he likes, but the fact is that today, there is one senator who is into his fifteenth day of fasting. What I am asking the Secretary of State is this: Do they intend to let him die or are they going to act as they are supposed to act, which is as soon as possible?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, Senator Hébert, to whom the Hon. Member is referring, made a decision that I respect, but it is his decision, it is not a decision by the Government of Canada. I am very sorry, but this Government will not respond to this kind of gesture by changing fundamental policies on which the administration of this country depends. That is true today, and will continue to be a week from now.

* * *

[*English*]

EXTERNAL AFFAIRS

HONDURAS—MURDER OF CANADIAN MISSIONARY PRIEST

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Deputy Prime Minister. All Canadians have been saddened and shocked by the reports of the tragic death of a Canadian missionary priest in Central America in the past week. Would the Deputy Prime Minister tell us what action the Government is taking in response to this terrible incident? Are External Affairs officers presently in Honduras involved in an inquiry? Have we asked the Honduran Government for an official report on the circumstances surrounding this tragedy?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Of course, Mr. Speaker, we deeply regret the death of Father Arsenault in Honduras. We have taken the necessary measures this morning and asked our embassy in Guatemala to find out exactly what happened and why the murder took place. Naturally our embassy provides the required support in such painful human situations, and we have assured the family that immediate action will be taken to bring back the remains of Father Arsenault.

[*English*]

SAFETY OF CANADIAN CITIZENS IN CENTRAL AMERICA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in view of this incident and of the wide variety of turbulence which is taking place in that region, is the Government prepared to re-evaluate or reassess the risk to the security and safety of many Canadians who are now working in that area as missionaries of as volunteers? In fact, is the Government looking at the necessity to increase substantially its diplomatic presence and have more embassies in that region, in view of this increased activity and the risk which Canadians will be facing?

• (1420)

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, we already have programs in Central America. As we said on several occasions, very specific and special measures are being implemented to meet the standards of that country.

As to our embassies, we have increased our presence in Costa Rica and Guatemala. We can say that the two embassies that represent us are doing outstanding work and, of course, we keep a very close watch on the situation.

* * *

[*English*]

INCOME TAX

IMPACT OF BUDGET ON INDIVIDUALS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of State for Finance. Is it her Government's view of fairness that a person who had a taxable income in 1984 of $2,040 and who, as a result of that, paid no tax, should, as a result of the changes introduced by the Minister of Finance, now be required to pay $190.30 tax on that selfsame taxable income in 1985?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have spoken about fairness in this House

many times. There is no question that the Budget and the budgetary implications of what we have done with regard to the deficit through taxes and expenditures have been well received by the country, and that Canadians do believe that the Budget is fair.

LEVEL OF TAX PAYMENTS

Mr. Ian Deans (Hamilton Mountain): Would the Minister care to answer the question? Is it reasonable that persons with a $2,040 taxable income should be required, in 1985, to pay $190.30 in tax when in the previous year they were required to pay no tax because we believed that they could not afford to pay tax?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have done more for the lower-income people than other Governments have done, and we intend to continue doing that. However, we are not doing Canadians any favours if we do not get rid of the deficit. The country knows that, and I wish the Hon. Member would admit it.

Mr. Deans: Where does the Minister propose that people with taxable income of $2,040 should find an additional nearly—

Mr. Speaker: Order. I ask the Hon. Member to ensure he does not simply repeat the question.

Mr. Deans: Perhaps if you listened, you would find out.

Some Hon. Members: Oh, oh!

Mr. Deans: Where does the Minister propose that a person with a taxable income of $2,040 should be able to find $200 more in a year to pay tax, when she knows full well that at that level of income they do not have that kind of money?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order! That is exactly the same question.

* * *

YOUTH

ANNOUNCEMENT OF GOVERNMENT PROGRAMS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the Deputy Prime Minister. It seems that the Government is going to shut this House down on Wednesday for a 10-day holiday without announcing a youth program—

Some Hon. Members: Order. Order.

Mr. Hnatyshyn: He doesn't even know the Standing Orders.

An Hon. Member: He doesn't understand the rule of the House.

Mr. Speaker: Order, order! Question, please.

Mr. de Corneille: —ignoring the fact that Canadians of every age are focusing on Senator Hébert, who is still on a hunger strike on behalf of Katimavik and the youth of the country. Why does the Government not have a youth program ready for us now, or is it playing a political cat-and-mouse game with Senator Hébert and the young people of the country?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I responded earlier, and again I repeat our position: the Government of Canada will not hastily create a program, notwithstanding the famous reports which you have released and which you want us to take into consideration. We will not create a program because somebody is on a hunger strike.

[*English*]

REQUEST FOR ANNOUNCEMENT BEFORE EASTER RECESS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. If the Government has a program which is at all worth-while, why does it not bring it before Parliament before the holiday, instead of ducking and stalling until the House shuts down?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously the hon. gentleman has been living with his head stuck in the sand. In the short time that the Government has been in office it has focused $700 million on direct youth employment related programs. It has created 50,000 more jobs for young people. There was a net loss of jobs for the entire time during which that hon. gentleman sat as a member of the Government on this side. There has been more action since the change of Government with respect to youth employment than there was in the combined history of the Government when the Member was sitting on this side of the House.

* * *

● (1425)

NATIONAL REVENUE

REPORTED SEIZURE OF CONVALESCENT'S BED

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. As he might know, last Thursday officials from his Department forced their way into the family home of Bill and Anna Rijswijch of Delta, British Columbia. Mrs. Rijswijch, recovering from major surgery, was forcibly removed from her bed and his officials then seized the bed. Can the Minister inform us the section of the Taxpayers' Bill of Rights this action comes under?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I want to inform Members of the House that I

am naturally very upset at the newspaper reports of this incident. We are looking into the matter to see whether the circumstances are as described. If they are and, if appropriate, I will personally see that the bed is returned with appropriate apologies from Revenue Canada Taxation.

APPLICATION OF REGULATIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, will the Minister change the regulations which allow his officials to carry on these storm-trooper tactics and make those changes public? We understood this was supposed to have changed with the change of Government.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I would caution my friend opposite not to jump to too many conclusions on this matter. As he knows, the Department is in a bit of a dilemma because we are charged by law with making every effort to protect the taxpayers' interests, particularly when it comes to SRTC investigations, of which this was a part. The actual seizure was effected by sheriff's deputies. I am trying to find out for certain what part Revenue Canada officials played and whether they failed to exercise proper judgment. If they did, and if it is appropriate that there be redress and apologies, I repeat that this will be done.

* * *

AGRICULTURE

PROPOSED UNITED STATES FARM BILL—PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the Prime Minister's meeting with President Reagan last week. Can the Minister tell us what agreements were reached with the President of the U.S. concerning the U.S. Farm Bill which will have a devastating impact on Canadian farmers by reducing net farm income by some 20 per cent? What actual agreements were reached between the President and the Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Right Hon. Prime Minister, as is obvious, is not in the House today. He is in Oshawa. I was in Europe attending a NATO meeting and our paths have not crossed since. If the hon. gentleman wants an inventory of agreements that have been reached, if reached, he will have to await the return to the House of the Right Hon. Prime Minister, or when the Right Hon. Secretary of State for External Affairs is in his seat.

GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, this is a matter of great national concern, especially in western Canada. Is the Minister saying that the Government is satisfied that it did not get a commitment from the President of the U.S. that their bonus program for grain would not be used against Canada and its traditional trading partners?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): One thing I am satisfied of, Sir, is the vigour with which our agricultural interests are being put forward in the U.S. by the Minister of Agriculture, the Prime Minister, and the Secretary of State for External Affairs. This is a very refreshing increase in activity over what we saw in the two decades prior to our taking office in 1984.

* * *

• (1430)

FINANCE

CLOSURE OF GRIFFITH IRON ORE MINE—TAX TREATMENT OF LAID-OFF WORKERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in the absence of the Minister of Finance I direct my question to the Minister of State for Finance. The Minister of Finance announced in Hamilton last week that he does not intend to extend to the people of Ear Falls area, caught in the closure of the Griffith Iron Ore Mine, any of the tax relief which he promised to these workers in his 1985 Budget Speech as well as his 1984 economic statement. Will the Minister of State for Finance tell the house if the statement in Hamilton represents the Minister of Finance's final decision and, if it does, what justification could he offer for reneging on these promises to provide tax relief on severance pay and other closure benefits paid to laid-off workers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Minister of Finance has reached his decision on this. I think it is important to point out that these cases are considered on a case-by-case basis. They are treated equally in that the same criteria are brought to bear, but since there are frequently different facts it can lead to different results on a case by case basis.

PLIGHT OF WORKERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I would like to ask the Minister if then it is the Ministry of Finance's position that the Ear Falls area is not isolated and that there are other jobs in the area, and if that is the position it takes will the Minister of Finance go up to the area and tell the people where the jobs are, because they sure cannot find them?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I should point out that it is a mine that is being closed, it is not a town that is being closed. The same criteria were brought to bear on this as have been brought to bear on other cases of this nature. There are a number of programs, federal and provincial, that have been specifically designed to help in such a situation.

Oral Questions

INDIAN AFFAIRS

TRANSFER PAYMENT TO QUEBEC CREE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the President of the Treasury Board. Could the Minister explain to the House and to the Cree people of Quebec why he unilaterally reduced an Indian self-government transfert payment by 50 per cent, a payment that flowed out of an agreement signed between the Cree people and Canada, an agreement that was part of the Cree-Naskapi Act and signed in conjunction with that Act passed by this Parliament?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps I can assist the Hon. Member. I think one fact would be useful to note: there was an increase in the original payment of over $800,000, which is only half the request. The Treasury Board note also indicates that the Minister of Indian Affairs and Northern Development will be approaching the Treasury Board with respect to further opportunities.

AGREEMENTS WITH ABORIGINAL PEOPLES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I wish the Minister well in his representations. I want to ask him when we are going to stop breaking agreements that we sign with the aboriginal peoples of Canada.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I say this with all the compassion I can muster. It would have been most useful if the previous Government had made opportunities available to the northern Cree which would have allowed us to proceed with the agreement. In fact, what we have had to do is pick up where the agreement left off, provide the funds that are available to us now, and come back later. I can assure the Hon. Member that this Government intends to maintain agreements, and indeed make agreements which are maintainable.

* * *

YOUTH

ANNOUNCEMENT OF GOVERNMENT PROGRAMS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, a lot of urgency has been attached to the fact that one man is on a hunger strike, but not enough to the fact that 700,000 young people are in serious difficulty. My question is directed to the Secretary of State. Can we get a straight answer? Is it that we are going to have a program by the Easter recess, by the end of March as the Prime Minister says, or mañana like the Secretary of State said?

Hon. Benoît Bouchard (Secretary of State): I can repeat in the other official language repeat what I said in French. I said that when we will be ready to propose to young Canadians any other policy we will do so, but not necessarily at the time when you want. The Prime Minister never said that we will propose a policy before such and such a date. We will propose something when we are ready.

Mr. McCurdy: Speaker, is it not amazing that the Prime Minister was so prompt in retrospect about the dismissal of a Minister, but there is so much delay in dealing with the problems of young people? Can we not trust the Prime Minister?

Mr. Speaker: Order, please. Order, please. This is the same question again. The Hon. Member for Cape Breton-The Sydneys.

* * *

ENERGY

WORLD OIL PRICES

Mr. Russell MacLellan (Cape Breton-The Sydneys): My question is directed to the Deputy Prime Minister. Today the OPEC meetings broke off without reaching an agreement on how to stop the decline in world oil prices. Is the Government still prepared to play the waiting game while even more jobs are lost in our energy industry?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, we are in constant contact with the producing provinces, we are in constant contact with the producers themselves in discussing this particular issue. When a decision is made as to what action, if any, the provincial and federal Governments will take, that announcement will be made jointly in complete co-operation, like we have seen over the last 18 months, with our provincial counterparts.

REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Russell MacLellan (Cape Breton-The Sydneys): My supplementary question is directed to the Deputy Prime Minister. A large number of Canadian companies have laid off employees and the Independent Petroleum Association of Canada has said the time for waiting is over. Will the Government admit that the time for waiting is over and take some action now?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Well, the Hon. Member has been standing up asking for action, but he fails to mention what kind of action should be taken by the Government. If he has some ideas we would be more than happy to listen to him, but to stand up there and just say take action is completely irresponsible.

CANADIAN JOBS STRATEGY

EMPLOYMENT OF WELFARE RECIPIENTS IN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): My question is directed to the Minister of National Health and Welfare, Mr. Speaker. On September 19 the Minister of National Health and Welfare spoke of a joint agreement with the Minister of Employment and Immigration to set aside 30 per cent of the jobs in the major component of the Canada Jobs Strategy Program for welfare recipients. Can the Minister explain then why, according to this memo that I have here, that is marked confidential, from Mr. John Edwards, the Assistant Deputy Minister of Employment and Immigration, why he, the Minister of National Health and Welfare, allowed the employment officials to undercut his target of 30 per cent by one-half in negotiations with the lead Province of Saskatchewan? Why did he allow himself to be undercut like that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there was no undercutting. There have been discussions by the Minister of Employment and Immigration as recently as last week when she was in Saskatchewan. This program with the provinces to have people who have been on welfare, who have been in that difficulty where they want to get out of welfare, where they needed some training or flexibility in the program—that has been put together with the federal Government and those provinces that have wanted to enter into those types of agreements. That was further enhanced by the Minister of Finance's Budget. I want to say to the Member that that program is going well and we continue not only to proceed with it but to enhance it.

EMPLOYMENT TARGET

Mr. Lorne Nystrom (Yorkton-Melville): On September 19 in the House of Commons why did the Minister of National Health and Welfare talk of a target of 30 per cent when in these negotiations, according to Mr. Edwards, in the Province of Saskatchewan the target now is set at between 14 and 18 per cent? Why did he tell the House it was 30 per cent when, indeed, the negotiations are about half of that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if he takes a look a little further in terms of those negotiations the target will be as high as possible. If you take a look at Nova Scotia other targets have been met there because of negotiations that have taken place. If he takes a look, for example, at the Throne Speech of the Saskatchewan Legislature just a few days ago, there was a reference to that issue. What we are saying is yes, we want to get people off welfare, but we will do it on the basis of where it is meaningful work rather than "workfare".

FINANCIAL INSTITUTIONS

PROPOSED TAKEOVER OF CANADA TRUST

Mr. W. Paul McCrossan (York-Scarborough): My question is directed to the Minister of State for Finance. In Section 48 of the draft amendment of the Trust Companies Act the Minister proposed measures to prohibit transfers of ownership of financial institutions which the Minister considers to be against the public interest, effective November 29, 1985. Will the Minister state categorically, in view of the proposed takeover of Canada Trust by Imasco this morning, that she will block any attempt by a non-financial institution to gain majority control of Genstar, or is she prepared to see Canadian ownership policy for financial institutions decided by default?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I certainly am not prepared to see financial institution policy decided by default. This particular proposal came to us only very recently. There are many ramifications to it, and I am certainly taking a very close look at it, or I will when the documentation is prepared.

Mr. McCrossan: Supplementary—

Mr. Speaker: Supplementary question.

Some Hon. Members: Hear, hear!

Mr. McCrossan: Thank you, Mr. Speaker.

• (1440)

REQUEST FOR STATEMENT BY MINISTER

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, since the Minister is not ready to announce an ownership policy now, will she give an undertaking to the House that on our return from the Easter break she will make a statement to the House on government policy for financial institution ownerships before this takeover can be completed?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the draft Bill suggests that any potential takeovers after November 29, 1985, must meet with my approval. As soon as those decisions are ready, I will certainly make them public.

* * *

[*Translation*]

YOUTH

HUNGER STRIKE BY SENATOR JACQUES HÉBERT—
GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): I would like to raise an issue with the Deputy Prime Minister, Mr. Speaker, following the extremely harsh attitude which the Secretary of State demonstrated a while ago concerning the events which are taking place at the other end of the corridor where a

senator is continuing his hunger strike on behalf of young Canadians.

Considering that there appears to be no link whatsoever between the announcement of new programs and the hunger strike, could the Deputy Prime Minister indicate whether the Government has at least a contingency plan to prevent the worst from happening on the Senate side?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I suggest it is extremely sad that a man like Senator Hébert should take such an extreme measure to try to influence the Government into changing its direction as to essentially political choices in the area of job creation for young Canadians. From the political and humane point of view, it is absolutely unacceptable that a person should use such a method on which I will not comment as harshly as most Canadians. I cannot object too strongly to this attempt at making political gains at the expense of young Canadians.

INQUIRY IF PROGRAM REPLACEMENT PLAN EXISTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I fully understand that the Government is entirely "divorcing" the announcement of programs from the hunger strike. Therefore, I ask the following question: Has the Government a plan, irrespective of the programs, to put an end to what is going on at the Senate before it is too late?

Hon. Benoît Bouchard (Secretary of State of Canada): On many occasions this afternoon, Mr. Speaker, I indicated that the policies of this Government are not decided according to the decision of this or that Canadian to go on strike. Such a method has never been a basis for governing a country, and we are going to start using it today.

Senator Hébert has made his own decision. He has never asked anybody for the permission to go on a hunger strike. He does not have to ask anybody for the permission to stop. And it is certainly not by changing the Government policy that we could cause Senator Hébert to change his mind.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PHARMACEUTICAL INDUSTRY—JOB-CREATION OFFER

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. As the Minister is aware, the Pharmaceutical Manufacturers Association circulated a letter to MPs claiming that it will quadruple R and D jobs if the Minister curtails generic drug manufacturing. Does the Minister agree with that claim by the manufacturers and, if so, will be explain to the House how that can possibly happen simply by doubling R and D expenditures?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we have said many times that we intend to revise the legislation on the pharmaceutical industry. We have launched a major consultation process across the country, and we intend to announce a policy whose aims will be along the same lines as previous policies announced by the Government, namely to create jobs and promote investment in this country.

[*English*]

COST OF LEGISLATIVE CHANGES

Mr. Neil Young (Beaches): Mr. Speaker, does the Minister not agree that those false claims will cost Canadian consumers and elderly persons some $211 million a year if he goes ahead with those legislative changes? Will he ask the drug companies to table in the House letters substantiating those claims?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we have repeated many times that when the decision is announced, it will not be at the expense of the consumer, and furthermore, and I repeat, it will have the advantage of creating jobs in Canada and generally promoting investment in the industry.

* * *

[*English*]

PUBLIC WORKS

PROPOSED SALE OF OTTAWA PARKLAND AS SITE FOR UNITED STATES EMBASSY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the absence of the Minister of Public Works, which we can understand, and in the absence of the Parliamentary Secretary who, in this case, is AWOL in South Korea—

Mr. Speaker: Order.

Mr. Gauthier: My question is directed to the Deputy Prime Minister.

Mr. Speaker: Order. The question is in order, but I am sure the Hon. Member knows that commenting on the presence or absence of others is not.

Mr. Gauthier: I said my question is directed to the Deputy Prime Minister. Will he tell the House if it is federal policy to sell federally owned parklands? NCC Chairman, Jean Pigott, recently said that she wants to sell part of an Ottawa riverfront park known as Mile Circle, to the United States of America for an embassy compound. Is the Government in favour of selling our natural parklands?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe this question has

been answered several times before and I simply refer the hon. gentleman to the records of the House.

[*Translation*]

Mr. Gauthier: Mr. Speaker, the question was put before, but we never got an answer.

REQUEST FOR GOVERNMENT DIRECTIVE PROHIBITING SALE OF NATIONAL PARKLAND

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, could the Deputy Prime Minister inform the House whether he intends to act responsibly and give clear and precise instructions to all those who are responsible for our national parks, indicating clearly that none of our national parks are for sale?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, usually the view of the Opposition is that they get no responses to their questions simply because they choose not to accept the responses. On our part, however, we believe that they are responses to the questions and should be accepted from the Government. Again I invite the Hon. Member to refer to the records of the House.

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VISIBLE MINORITIES

RIGHTS OF JAPANESE-CANADIAN WARTIME INTERNEES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last Friday the Minister of State for Multiculturalism tabled a progress report on *Equality Now* which recommends at point 33 that the Government of Canada undertake negotiations to redress "these wrongs" namely, the mistreatment accorded the Japanese in Canada during and after the Second World War.

Will the Deputy Prime Minister confirm my information that the Cabinet has instructed the present Minister of State for Multiculturalism and his predecessor not to negotiate such a redress with the National Association of Japanese Canadians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman should know better than to expect an answer to a question which is directly motivated by a desire to obtain knowledge of discussions from within Cabinet. He knows very well that that is simply not the practice and tradition of this House. Cabinet discussions are not disclosed on the floor of the House of Commons.

Mr. Deans: Neither is anything else.

Mr. Epp (Thunder Bay-Nipigon): The evidence certainly confirms the question which I put.

REDRESS AGREEMENT INQUIRY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my supplementary question is directed to the same Minister. Does the Government intend to betray the expectations which the Prime Minister, then Leader of the Opposition, aroused in the summer of 1984 about a redress agreement with the National Association of Japanese Canadians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the short answer to the question is: Not at all.

* * *

[*Translation*]

FINANCE

REDUCTION IN INTEREST RATES—SMALL AND MEDIUM SIZED ENTERPRISES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of State (Finance). Everybody knows that in the last two weeks, interest rates dropped nearly 10 per cent as a result of our good Government. Could the Minister of State (Finance) inform the House what effect this substantial drop will have on small and medium-sized businesses?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, for a business with a debt of $500,000, this means a savings of $5,000 per year. The drop in interest rates should provide a stimulus for this very important sector of our economy.

* * *

[*English*]

ENERGY

WESTERN ACCORD—REPRESENTATIONS MADE BY SMALL OIL COMPANIES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. He knows that the provisions of the Western Accord allow the Government of Canada to take appropriate measures, particularly in these times of fluctuating international oil prices.

In keeping with the Prime Minister's commitment of openness and civility, is the Parliamentary Secretary prepared to table in the House copies of representations which have been made to him by numerous small Canadian oil and gas companies, particularly the memorandum which has been submitted to the Government by Petro-Canada, outlining the various options open to the Government?

● (1450)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): I am unaware of a memo

forwarded by Petro-Canada to the Government. Perhaps the Minister has received it I do not know. I have not seen it. As far as the other representations which have been made to the Government are concerned, the energy critic for the Liberal Party had the representations made to him, as they were made to us, and I suggest the Hon. Member get them from his colleague.

GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton-East Richmond): Other than just listening, which is very commendable, I would like to ask the Parliamentary Secretary how many jobs have to be lost and how much economic havoc do western Canadians have to sustain before the Government will provide to Parliament the options it is considering with the producing provinces, with respect to a very difficult issue affecting western Canada?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, we are as concerned as anyone about the falling oil prices and what is happening in Alberta. We are in constant contact with our partners in the Western Accord, the producing provinces. They have not requested a renegotiation of the Western Accord. They do not want another fiasco like the National Energy Program which was a knee-jerk reaction by the former Government to pricing in the oil industry.

We are working very closely with the provinces and when we have something to announce, or if there are any amendments to the Western Accord, they will be made jointly. However, to date there have been no requests for amendments to that wonderful Accord about which westerners are cheering.

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NORTH ATLANTIC TREATY ORGANIZATION

CHEMICAL WARFARE INQUIRY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. Would he tell us whether or not he was asked at the NATO Council Meeting last week in the Federal Republic of Germany to commit Canadian troops in any way to chemical warfare preparedness or participation within the NATO command?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, without setting the precedent of commenting on discussions which go on within the four walls of NATO meetings, I can tell the hon. gentleman: Of course not. The question is right off the wall and is intended to establish something in an area where the Government is simply not involved.

I do not know how many times I have to repeat that the Canadian Government is not involved in any form of chemical warfare.

Mr. Blackburn (Brant): Mr. Speaker, I find that answer rather strange in view of the fact that it was on the agenda of the North Atlantic Assembly and it is presently on the agenda of the Conference on Disarmament in Geneva.

CANADIAN POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, will the Minister give a categorical statement, a clear statement, that under no circumstances—and I am not talking about the production of chemical weapons—will Canadian troops anywhere be involved in the use of chemical weapons or chemical warfare?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I appeal to the reason of everyone in focusing on that question. How on earth can any reasonable and sane individual predict that our troops will under no circumstances be involved in whatever kind of warfare which might break out? I can give no such assurance. We are certainly not planning to get involved. We are planning on peace in this country and our every effort is directed toward the achievement of a lasting, stable world peace.

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PENITENTIARIES

RECOMMENDED ABOLITION OF MANDATORY SUPERVISION RELEASE

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. On Friday a coroner's jury investigating the death of an alleged murderer who was free on mandatory supervision, recommended very strongly, again, that mandatory release be abolished. Will the Solicitor General advise the House how long it will be and how many Canadians are going to die before we pass the legislation abolishing mandatory release which was reported back to this House almost two months ago?

Hon. Perrin Beatty (Solicitor General): Mr. Speaker, I have not had a chance to see the report of the coroner's jury myself as yet. However, I have seen press reports. According to the press reports I have seen, it is not calling for the abolition of mandatory supervision but rather for passage of Bill C-67.

As the Hon. Member will know, that Bill is currently in prestudy before the Senate and is at report stage here in the House with the New Democratic Party having filed, I believe, over 30 amendments to the Bill. I believe this Bill is important for public safety and I call upon Members of Parliament to pass the Bill without further delay.

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER—TOXIC CHEMICAL DUMP SITES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. As the Minister will recall, last October his American counterpart came to Ottawa to submit a proposal for a plan to clean up the toxic chemical dump sites along the Niagara River. We have asked the Minister to indicate to us his decision. Now that six months have gone by, the people in the Niagara Peninsula would like to know what is the position of the Minister?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the head of the U.S. Environmental Protection Agency, Lee Thomas, met with me here in Ottawa on October 17 at which time, among other things, he gave to me, and through me to the Government, an action plan for the cleaning-up of the Niagara River.

It was to be a four-party action plan involving the U.S. Government, the Canadian Government, the Government of Ontario, and the Government of the State of New York. Our respective officials have been working on it non-stop since then, but I must confess to the Hon. Member and to the House that there is much less progress than I had hoped, simply because the Canadian and U.S. Governments do not see eye to eye on the ultimate solution for the disposal sites on the American side of the Niagara River. We think it should be excavation and incineration. The U.S. Government thinks it should be containment.

REQUEST FOR MINISTERIAL STATEMENT

Hon. Chas. L. Caccia (Davenport): Will the Minister tell the House when he will make a public statement to let the people in the Niagara Peninsula and those who draw their water from Lake Ontario know what their future is going to be?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I thought I just did. I did state categorically on behalf of the Canadian Government that we think the only solution for the disposal sites on the American side along the Niagara River is excavation and incineration or, at the very least, the removal of those toxic chemicals to somewhere else that would be less vulnerable. In the meantime we are doing our best through our different officials to get agreement from the Americans on their own action plan, which will not do the job which needs to be done until there is increased accommodation by the Americans to our position.

[*Translation*]

YOUTH

INQUIRY IF GOVERNMENT IS PREPARED TO PARTICIPATE IN FINANCING RE-ESTABLISHED KATIMAVIK PROGRAM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Secretary of State. Would the Government be prepared to participate in the funding of Katimavik if the program were to be maintained through financial support shared by the Government and the private sector, and donations from Canadian individuals, as is the case with Youth Canada-World?

Hon. Benoît Bouchard (Secretary of State of Canada): On several occasions, Mr. Speaker, I explained the Government's position concerning Katimavik. Whatever the program, the Government of Canada has reviewed its priorities, particularly with respect to job creation. I would fail to understand if the Hon. Member were to raise objections, because day in and day out his Party keeps saying that we must create jobs for young people. That is what we are trying to do, and I would think the Hon. Member will not attempt to convince me that Katimavik is a job-creation program.

Mr. Cassidy: Mr. Spaker, is the Government prepared to participate in the re-establishment of Katimavik? Is there any way Katimavik might be maintained with the Government's full or partial support, or is the Government bent on eliminating Katimavik because it is not a Conservative program?

[*English*]

Mr. Speaker: Order. That is simply the same question repeated.

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FERRIES

BORDEN-CAPE TORMENTINE SERVICE

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of Transport. It has to do with the Nielsen task force report which stated the Borden-Cape Tormentine ferry service was recognized as being constitutional. However, the report also recommended that the Government of Canada ask the courts to decide whether or not the Government of Canada is obligated to subsidize that service. Will the Minister of Transport tell us today if he will once and for all say, no, we are obligated, and not allow that to go to the courts?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is fully aware that the proposals contained in the Nielsen task force are options for consideration. The Transport document will be referred to the Standing Committee on Transport and at that time individual Members who want to express a point of view on all of the options outlined therein will have an opportunity to do so.

● (1500)

GOVERNMENT OBLIGATION

Mr. George Henderson (Egmont): Mr. Speaker, that is exactly the point. I do not want that to go any further. Will the Minister put a stop to it right now and admit once and for all that, yes, the Government of Canada is not only obligated to providing the service but obligated to subsidizing it?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the process is in place. I certainly would not want to interfere with the work of the standing committee.

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Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wish to apologize to the Chair for my intemperate comment during the Question Period.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TREATY TO CUT ACID RAIN-CAUSING EMISSIONS

The House resumed consideration of the motion of Mr. Caccia:

That, in the opinion of this House, the Government of Canada should, before the next Canada-U.S., summit, negotiate a treaty with the Government of the United States to cut acid rain-causing emissions from sources within the United States, which cause damage to our economy because such emissions are transported across the Canada-United States border.

That this treaty should be in the spirit of international co-operation exhibited by the Helsinki Protocol of July, 1985, already subscribed to by the Government of Canada and should include:

—the reduction by 1994 of transboundary fluxes of sulphur dioxide by at least 50 per cent by 1994, using 1980 as the base year;

—a specific timetable of emission reductions in order to meet the 1994 deadline;

—a specification that such reductions will be applied to sources of sulphur dioxide emissions which will yield the greatest benefits to Canada; and

That failure to enter into urgent negotiations for such a treaty would demonstrate a blindness to the long-term economic interests of both countries, considering the damage caused by acid rain to human health and to forests, lakes, streams, fisheries, agriculture, wildlife, the maple sugar industry and to buildings, monuments and structures.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, when we reached one o'clock I was referring to the agreement signed by Canada and the United States with respect to the acid rain problem. Using the Prime Minister's (Mr. Mulroney) own words I was pointing out that the agreement was certainly no triumph, although it was progress of sorts. Because it was not a triumph, and although it represented a certain amount of progress, that is what makes the motion before us today in the name of my friend, the Hon. Member for Davenport (Mr. Caccia), so meaningful and relevant, and appropriate that it should be absorbing the time of the House.

We will have more research. We will see the expenditure of some money. If Congress will agree and if industry will lead the way by spending its $2.5 billion first. But there is no guarantee that that will be the case. We are receiving an endorsation of the Lewis-Davis Report. However, I have to point out, using the words of a well-known conservative columnist: "The Lewis-Davis Report is not as cogent as the Canadian Government would have liked. While it stirs the waters it creates no waves. It is of modest recommendations".

It is true that the U.S. President signed an agreement. But later on, in talking to the United States press corps, the President made this comment: "Serious scientific and economic problems remain to be solved". When I heard and saw that comment I could not help feeling that this rather smacks of hedging, backing or fudging on the agreement. A columnist in the United States of the conservative persuasion has made the statement that the "greening" of President Reagan on the issue of acid rain should not be begrudged by those who understandably want more sooner. He says that the President has come a long way. In his speech this morning, the Minister made the same comment. But then this columnist goes on to say:

Down the road somewhere between Shamrock II and IV, we may yet have a treaty establishing emission reduction targets. What we need to do meanwhile is to keep on trucking.

I do not even know what that means, to keep on trucking. To those who are advocating and suggesting that what we have is a giant step forward in terms of a serious problem and to "keep on trucking" while acid rain keeps on falling means that we will continue to kill our lakes and streams, continue to destroy our fish life, ruin our forests, decay our buildings, harm our economy and endanger our health.

The recent agreement with the President of the United States made a contribution to his education. That is fine. I am all in favour of enlightenment. That is wonderful. It is wonderful to know a little more about anything. We can now say in the House that the President of the United States sees, in a mirror dimly, and now he knows in part. Our concern is, when shall he understand fully, even as we in Canada have understood fully? That is the message that this motion is trying to carry forward. It is that we have understood, and we have acted, but it is a transboundary problem. We cannot solve it on our own. We need action from the United States of America.

Surely a motion such as this can be supported by every Member in the House. We in Canada have understood. Why should we not have understood when one-half of our forests are receiving high levels of acid rain? We cannot afford to see our forest industry in any way undermined. We must have a vigorous industry in order to protect our national economy. Canada's lakes, rivers and streams constitute almost 8 per cent of the country's total surface area. What a resource we have, one of the world's greatest sources of fresh, clean drinking water. We have a fishing industry, both commercial and sport, which is vital to our economy. Yet 43 per cent of the lakes in Ontario and Quebec—a total of two million lakes—are suffering today from pollution as a direct cause of acid rain.

Four-fifths of all Canadians live in areas of high acid rain. And there is the possibility that 90,000 jobs could be lost in the very near future as a direct result of acid rain. In the region of the country which I represent, where the tourist industry is so important, we could see 600 lodges and fishing camps close down between now and the end of this century in a period of only 14 years.

We have talked about forests and we have talked about our streams. We have talked about human health. We also know that damage to our buildings is costing us almost hundreds of millions of dollars every year. Over the weekend I read with great interest an article written by Martin Weaver entitled "The Rain that Eats our Cities". The article was published in the *Canadian Heritage* magazine in the February-March, 1985, issue. Along with the article there appeared an illustration of a knife passing through the once tough granite walls of the *Palais de justice* in Quebec City. The caption underneath read: "Acid rain, by triggering chemical reactions is reducing this stone to the consistency of cheese".

The Hon. Member for Davenport has quite correctly described the agreement which the Prime Minister brought back from Washington as a hollow victory. We did not get very much. We got a little more research, but we did not get what we wanted. We want what the parliamentary report in the last Parliament wanted. We want a timetable for implementing reductions of sulphuric and nitrogen emissions.

The Globe of Boston made the comment that President Reagan, the consummate manager when he wants to be, knows that the way to stifle an unwanted program is to call for a fresh study. There is nothing wrong with research, but that is not the approach we need at this time. Research will have to go on, of course, but something much more is needed. The same editorial pointed out that in the face of mounting evidence that waterways, lakes, forests, fields, buildings and people are increasingly the victims of human abuse of the environment, we need targets and we need goals for the reduction of sulphuric dioxide and nitrogen oxide emissions. There is in fact a Bill before the U.S. Senate that would do just that. It is a Bill put forward by a leading senator from one of the New England states which proposes that sulphur emissions be reduced by 12 million tons per year and that nitrogen emissions be reduced by 3 million tons per year. That senator wants this to be achieved by federally mandated standards paid for by electric utility fees. That is encouraging. However, one commentator from Canada, knowledgeable about Canada-U.S. relations and about how the U.S. Congress functions, made the comment that by throwing its weight behind the tepid Reagan research plan, Canada may actually be helping to kill any possibility that Congress will bring in a Bill reducing emissions. The columnist went on to say that the Prime Minister has allowed the President to lead him down a blind alley.

● (1510)

The Boston *Globe* expressed puzzlement that Canada's Prime Minister could be jubilant at the President's endorsement of the Lewis-Davis report on acid rain. The editorial called it no more than a minimal effort and said that it was no call for jubilation at all. It said that what the President fails to appreciate is that loss of life in lakes, ponds and streams and damage to valuable forests must be reduced quickly. In other words, we do not have time for more research and for nothing but research. That is the bottom line of the motion that was put before us by the Hon. Member for Davenport. Any effort at all to cut down on emissions of sulphur and nitrogen oxides is worth while, but what we got from the President was a bit of motion.

The *Globe* article went on to say that the Canadian Prime Minister will have to prod the President often to get him to take the next small step of implementation. I ask you, Sir, can you or any of us in the House imagine the Prime Minister prodding the U.S. President? I doubt that very much. I think he stands too much in awe of the President to do that at all.

One very prominent U.S. Senator from a border state expressed surprise, when the agreement was announced, that the President had given so little and had offered to Canada such a minimal amount. He went on to say that he was surprised that the Canadian Prime Minister let him get away with it.

The provincial coordinator of the Fish and Wildlife Services for the Ontario Federation of Anglers and Hunters—

Mr. Speaker: Order. Order, please. I am sorry to interrupt the Hon. Member for Cochrane-Superior (Mr. Penner) but the 20-minute period has now expired.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Laval (Mr. Ricard).

Mr. Ricard: This morning, Mr. Speaker, I listened very carefully to the remarks of the Hon. Member for Davenport (Mr. Caccia) concerning the meeting of the Prime Minister with President Reagan on acid rain.

Mr. Speaker, I also heard the Hon. Member for Davenport say that in 1980, under Mr. Carter, an agreement had been signed, but that subsequently it had been quite impossible to discuss the matter with the Reagan administration.

I have just been listening to my colleague who made a similar statement.

Mr. Speaker, one can readily understand why there were no negotiations with Mr. Reagan: Mr. Reagan and Mr. Trudeau simply did not get along. When Mr. Mulroney came on the scene recently, Mr. Reagan himself said: "At long last the Trudeau era is over, we shall be able to discuss with the Canadians."

Mr. Speaker, I would suggest that the Opposition cannot teach us anything new with respect to negotiations on acid rain. I also believe we must be very careful not to adopt such a

motion, because our hands would be tied and we would not have any elbow room to negotiate with the Americans.

[*English*]

Mr. Caccia: Mr. Speaker, I would like to ask my hon. colleague who just completed his speech if he would elaborate for a moment on the position taken and views expressed by the Ontario Association of Anglers and Hunters. It might be very important for us to learn about them and he was not able to elaborate on them in his speech.

Mr. Penner: Mr. Speaker, on the day the Prime Minister returned I asked him about the agreement and reminded the House that the Ontario Federation of Anglers and Hunters, an association which monitors this situation very carefully and has for a long time, concluded that the agreement brought back from Washington is a good public relations campaign. It described it as being another stall tactic and the federation said that we are no further ahead.

The great pity about so much of the debate today is that we are concentrating on the record of four or five years ago and are saying that nothing happened then. The point is that this motion indicates that time is moving on and the problem is getting more and more serious. We did have an opportunity to bring our case to Washington and to get something more than what we got, but we came back with something that was described by the Ontario Federation of Anglers and Hunters as being very little more than public relations or windown dressing.

Mr. Fraser: Mr. Speaker, I was very interested in what the Hon. Member for Cochrane-Superior (Mr. Penner) said because I know that he is sincere in his concern for this issue and has been for a number of years, as have members of all Parties. I know that he will not be surprised when I indicate to him that I would be astonished if there were anyone in the House of Commons who did not want to have an agreement with the Americans to eliminate the emissions of acid rain, at least to the point where we would be effectively diminishing the damage that is being done to our waterways and possibly our forests.

I tend to agree with the Hon. Member that we should all be able to express the same objectives. What I do find astonishing, listening to not only the Hon. Member for Davenport (Mr. Caccia) but the Hon. Member for Cochrane-Superior, is that one would think that we were debating today in the American House of Representatives or Senate. I think Hon. Members had better realize that what we have to debate today is what we can do to influence an administration that up until now has been extremely intransigent on this issue. I would leave that comment for now because I will enlarge upon it later.

I would like to indicate to the Hon. Member and to the Hon. Member for Davenport, who is honourably known to me, that I would hope that for the rest of this debate Hon. Members would try to zero in a little bit on what it is we can do in this Chamber, and would not concern themselves too extensively with what was done or what was not done in the past.

Mr. Penner: Mr. Speaker, I would like to say to my good friend that the point he made is a relevant one. At the beginning of my speech I did make reference to that point. What I want the House to do is to join together in sending a collective message to the United States Congress and the United States administration telling of our strong united feeling regarding the need for a timetable for the reduction of emissions. Of course we cannot debate on behalf of the Americans a problem that we have recognized as being serious, but we can send a message to them.

When I read the motion of the Hon. Member for Davenport and decided to enter the debate, I thought that the motion was relatively fair. It did not condemn the Government but it did say that this is how we in Canada feel and we believe that these steps ought to be taken. I believe that a motion, either this one or one similar to it, really ought to be passed unanimously by the House of Commons, and that our friends in Washington ought to know that it is the feeling of all Members of Parliament. That is what we did when we wrote the report on acid rain, and my hon. friend was a very important and valuable member of that subcommittee.

• (1520)

Mr. Hovdebo: Mr. Speaker, the Hon. Member indicated that fishermen, forestry workers and so on were greatly concerned about this matter. How is the timeline affecting these industries or particular areas? Is there a basic understanding of the maximum effect or how greatly these industries will be affected in the future? Is there some kind of timeline to which the Hon. Member could refer?

Mr. Penner: Mr. Speaker, the only one I have readily available is a careful analysis which was done for the tourist industry. It indicated that within the next 14 years, by the end of this century, we can expect that some 600 tourist lodges and hunting and fishing camps will have to close down, directly because of the effects of acid rain. If we take that as a clue, it seems to me that we have a good guideline. What we really have is just a decade and a half to solve the problem. However, a decade and a half is much too long because by then much of the damage will be irreversible and we will have paid an extraordinary price for our negligence.

Mr. Hovdebo: Mr. Speaker, the other day maple syrup producers visited Ottawa and suggested that there was already a 20 per cent reduction in the amount of syrup produced. Does the Hon. Member have any idea of how much the production of timber is being reduced and how long it will take before the next 20 per cent disappears, for instance?

Mr. Penner: Mr. Speaker, Hon. Members need to realize that we are dealing with an accelerating problem. In other words, over a period of 10 years there has been a 20 per cent reduction in the production of maple syrup. We can be sure that in the next decade it will not be just another 20 per cent, it will accelerate. Probably in another decade, or certainly in a decade and a half, there will be no production at all. What is applicable to maple syrup certainly applies to other aspects of

the forest industry—the production of lumber and the production of pulp and paper. In fact we are very quickly destroying our forests because of neglect in dealing with acid rain.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I am pleased to participate in the debate on this opposition motion dealing with the problem of acid rain, particularly transboundary crossing of acid rain and, as was mentioned by the Hon. Member for Vancouver South (Mr. Fraser), what the House can do about the problem and its effects on Canada's environment and economy. I echo the words of the Hon. Member for Cochrane-Superior (Mr. Penner) when he talked about this motion being couched in reasonable terms and one which could and probably should be passed unanimously by Hon. Members of the House.

I congratulate the Hon. Member for Davenport (Mr. Caccia), who has had a continuing and enduring interest in this and other environmental problems, on the way in which the motion is framed. As was mentioned, it is not a motion which wildly or even mildly condemns the Government. It is not framed in terms of criticism or disgust for a record, but rather it is a motion which looks toward the future.

As the previous speaker mentioned, the timeline is getting short. We talk now of 1994, in terms of geological time and the way in which damage accumulates in the environment because of the absorption of acid rain and the build-up of levels of chemicals in our lakes, rivers, trees and even buildings. Maybe the problem has been going on for over 100 years now, but if action is not taken soon, indeed the damage will be irreversible and will affect the economy and environment of Canada.

Shortly after I became a Member of Parliament in 1984 I received letters from numerous communities in my riding dealing with the acid rain problem. I received letters from people in Dryden, Longbow Lake, Fort Frances, Ignace and Sioux Lookout, all telling of their concern about the problem of acid rain and the long-term environmental deterioration acid rain has the capacity to initiate in the country and across the continent.

The people in my riding are in a way somewhat more fortunate than those who lie to the east of them, because of prevailing winds and the lack of pulluting industry in the western United States, at least at any sort of distance which allows for heavy deposition. My riding is not as badly affected as some of those in northern Ontario, in Quebec and in the far northeastern United States. Even so, there are problems. Research is going on in my riding at the moment regarding acidification of lakes. There are pockets where acidification is believed to be quite advanced. There is never a cause for complacency, simply because a problem has not yet fully visited itself upon a particular area. We can always look at the areas where the problem is fully evident and draw our conclusions.

I should like to refer to a letter sent on July 31, 1984 by the then Leader of the Opposition to the executive co-ordinator of the Canadian Coalition on Acid Rain. In that letter the Prime Minister (Mr. Mulroney) said: "It is our intention to proceed with constructive action as a priority following the September 4 federal election. We believe that with an effective plan of action which could be produced within six months, we can at least meet and should be able to surpass the objective of a 50 per cent reduction in Canadian acidic emissions by 1994". I should like to ask Government Members, with this commitment framed in very clear terms and in a way that is absolutely inequivocal, how they could come out and vote against this opposition day motion. How can they say that the matter has changed, that needs are different or that necessarily the Government has a different perspective? Obviously the Prime Minister, in his days as Leader of the Opposition, specifically and very firmly endorsed the very goal which is included in the motion we are discussing today.

As my Party's spokesperson on tourism I should like to talk about the effect acid rain is having on hunting and fishing tourist lodges, particularly as I know them in northern Ontario, but I am quite sure throughout the Province of Quebec and in those parts of the Maritimes where such industries are carried on.

The rate at which lakes are dying in Canada is believed to parallel that of Scandinavia where the sources of pollution are as intense, and I believe even closer. The Northern Ontario Tourists Outfitters Association represents several hundred tourist operators engaged in sports fishing and hunting across northern Ontario. They are very conscious of the problem of acid rain. In fact, that association was a major driving force behind the formation of the Canadian Coalition on Acid Rain. We are not talking now about a major industrial grouping. We are talking predominantly of small operators, many of them employing only family members and most of them, if not all, being of a seasonal nature. We are not talking about a force which can contend on an equal basis in the economy with the interests that are creating the pollution.

• (1530)

This organization, which runs largely on voluntary energy, enthusiasm and commitment, contributed $35,000 to the initial formation of the Canadian Coalition on Acid Rain. It has added to that contribution because it has a commitment to the industry and a real concern about what acid rain is doing.

There have been experiments with dropping lime into lakes which have suffered very high levels by virtue of acidity. It is good that those experiments are taking place, but rather than neutralizing acidic damage, it is much better to prevent the problem in the first place.

The tourist outfitters of northern Ontario know that the accord which has been reached between our Government and that of the United States will not clean up Ontario lakes and rivers. That is a major point of concern. We are really only talking about a holding action. This action will allow pollution to continue and will allow acidic levels to continue building up in bodies of still and flowing water.

This agreement is only the first line, even if fully implemented, in the struggle to rehabilitate the Canadian environment

from the depredations of acid rain. Preservation lies in the reduction and elimination of acid rain, rather than in further research. Further research is, after all, only an interim measure. It is a proxy goal. It is not something we can speak of in terms of a solution. Those who say, as does the President of the United States, that they would like to have this problem taken off the bilateral agenda, perhaps believe that longevity will continue to break all previous records. I do not think that this topic could, should, or even can be removed from the bilateral agenda until well in the next century.

On December 16, before the Special Committee on Acid Rain, the Minister of the Environment (Mr. McMillan) stated: "The report will have to be judged by the standard of how it addresses the main source of acid rain-causing emissions in the United States. If it talks about research, modernization, and technology, it will be transparently superficial".

There stands the condemnation from the mouth of a Government Minister. I do not want to interpret that in too harsh a fashion, or be too critical. I simply say that in view of those words everyone in the House and in the Government must be very conscious of the degree to which progress must still be made, and very conscious of the degree to which that which has been reached is no milestone in this struggle, but a mere hiccough in the progress of the anti-acid rain fight.

On March 11, 1981, the President of the United States said: "We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders". Those are the words to which the Government must attempt to hold the President of the United States and his administration.

In rising to address this topic I do not seek to speak out against the United States because I am well aware of the commitments and sincere and determined efforts which are being made at several levels in the United States in the cause of preservation of the environment against the depredations of acid rain.

Congressman Henry Waxman, head of a House of Representatives committee responsible for considering that sort of legislation, has some very real criticisms of the Prime Minister's (Mr. Mulroney) celebration of this agreement. He feels that it may undercut the efforts which Congress has been making over the last five years to get real measures, real research, and real cut-backs in the pollution levels as they presently stand.

We note that there are interests in the United States which are against any measures to control acid rain, or would only support those measures which are so obvious and so economical as to be virtually derisory in their effect, both on the debate and on the problem itself. Apparently the head of the United States National Coal Association likened environmental activists to terrorists from the Middle East and said that a deal will be good because it gives the Prime Minister a pay-off for his friendliness toward the United States.

That sort of attitude cannot be allowed to continue. It is the sort of attitude which will continue to create problems in bilateral relationships. If the Prime Minister cannot overcome the patronizing and paternalistic attitude of people, even those who have no place in the United States Government, obviously Canada will continue to have problems with acid rain in the future.

Before he was elected President, the President of the United States dismissed environmental concerns by saying that trees pollute more than cars. He may have been talking about the nocturnal emissions of carbon dioxide, but even so, that is the sort of statement which, very unfortunately, sticks in the public mind and was likely to convince people that all is well when in fact we have an incipient environmental disaster affecting, not only eastern and northeastern Canada, but the New England states where, in addition to American-based environmental pollution, Canadian-based pollution crosses the border and affects their environment.

Canadians owe it to themselves and to the Americans whom we are seeking to influence, to acknowledge that Canada is a major contributor to its own acid rain problem. We owe it to ourselves to ensure that we not only take action on the bilateral front, but also on those problems which are entirely within our own jurisdiction and which we are entirely capable of handling on our own.

I will conclude by saying that to celebrate what was agreed on last week is, at worst, totally unrealistic and, at best, highly premature. We stand on the road of a problem which will stretch a great distance into the future before a real solution can be reached. I believe that we owe it to all Canadians to recognize the little progress which we have made on that road to date, and to bend the efforts of everyone in the country to further progress toward solutions of these very serious environmental problems.

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I hope my remarks today will not have to be overly lengthy, but I do want to make some comments. Along with others in this House, I have been engaged in the battle to end acid rain for a good many years. Some of my friends on the other side will remember that I had the responsibility, as Minister of the Environment under the Government of the Right Hon. Joe Clark, to enter into the first high level discussions with the Government of the United States and the administration of then President Carter. Those discussions led to the presentation of the memorandum of intent which was eventually entered into between President Carter, in the last weeks of his administration, and the then Prime Minister of Canada, Mr. Trudeau.

Remarks have been made today about what happened after that. All Hon. Members know what happened after that. Certain advisers to the President and his Cabinet took the position that there was no acid rain problem, or, if there was one, it came from natural causes, or, if there was some problem from other than natural causes, it was not doing any damage, or, even if it was doing damage, we did not know enough to do anything about it.

● (1540)

Remarks have been made today that would indicate that the leadership of the present Prime Minister (Mr. Mulroney) has accomplished nothing. Some of those Hon. Members were not here, and some have very properly learned about this issue since they came here, so let me just read something to you to show you how much the attitude has changed among our friends in the U.S. The Edison Electric Institute issued what was called a perspective on acid rain in 1981. This was part of the campaign to stop the campaign, to put it bluntly. I quote:

It is not surprising to find tomatoes are acidic but most people are surprised to learn that a delicious pear can be more acidic than a tomato or that bananas and carrots are nearly as acidic. All of these have pH values well in the range of the rain that is the subject of scare headlines in the popular media.

I do not quote that to try to persuade anyone that there is any truth to it. I am reminding us all that that was common propaganda in the U.S., its Senate, Congress and administration only a few years ago. A similar statement was made by Consolidation Coal Company in 1980. It reads:

There are a host of natural as well as man-made sources of these compounds (sulphates and nitrates) including lightning, volcanoes, sea spray and the organic decay of vegetation.

I do not quote that just to have some shallow amusement with the hacks and flacks who were paid hundreds of thousands if not millions of dollars to grind out that kind of unintellectual, specious and wretchedly foolish nonsense. I have said all those things where it was appropriate, to audiences in the U.S. What I am saying to my hon. friends opposite is that for anyone in this House to pretend that something has not been accomplished is to admit to everyone how little those who criticize in that manner know about how far we had to come.

I went to the U.S. and met with Douglas Costle, the head of the Environmental Protection Agency under President Carter. I was at what was probably the first press conference held by a Canadian in Washington on this issue. I can tell you they knew nothing about it. They barely knew where the Adirondacks were, let alone that there were lakes in the Adirondacks dying as a consequence of their emissions and ours.

We said at that time to our American friends that we were not saying we were perfect. Fifty per cent of the emissions landing in Canada are from our own sources, but 50 per cent are from theirs. We went on to point out that 15 per cent of the emissions in the New England states were from Canada, and it was 25 per cent in the Adirondacks. With the information we have now we suspect it is perhaps higher than that, especially down the coast through to Florida. I said then on behalf of the Government of Canada, and the Right Hon. Prime Minister has repeated it over and over again during the last 18 months, that we did not go down there with clean hands.

To make a long story short, what happened? After 1980, with the best will of the then Minister of the Environment, the Hon. John Roberts, and then later the Hon. Member for Davenport (Mr. Caccia), it was impossible to move certain people in the U.S. administration. However, it was not impossible to move people in both the Congress and the Senate from both the great and historic Parties. A great deal of movement took place. Hon. Members have properly referred to the fact that there are a number of Bills in both the Senate and the Congress, and there will be more. However, it did not just happen overnight. It happened because Canadians in this House from all Parties were able to get together and go down and talk to Americans as friends, not as enemies. We were able to meet privately with both Republicans and Democrats and speak with dignity and friendship about a North American problem. That is why we made the progress we made.

The Hon. Member for Davenport will remember that in this House from 1980 on, after the defeat of the Government in which I served, there was a bipartisan approach in this Chamber on acid rain. He knows full well, and I am looking right at him and watching him smile, that there were plenty of times when we were in opposition that we went pretty easy because we did not want to put him, as the Minister responsible, in a position that would make it difficult to deal with those people we knew we had to deal with in the U.S. I do not want to turn on some of my friends in this Chamber who, I know, are as concerned about acid rain as I am, such as the Hon. Member for Parry Sound-Muskoka (Mr. Darling). No one can put out more words in one minute, minute after minute, 10 minutes after 10 minutes, hour after hour, about the scourge of acid rain than he can.

Some Hon. Members: Hear, hear!

Mr. Fraser: He has the honour presently to head the Subcommittee on Acid Rain. Neither do I want to say of my opposition friends that they do not care, because I know they do. However, someone has to say this. It does not do any good, as an Hon. Member did the other day, to go after our Prime Minister in this House and say that he should have the guts to tell his phoney friend in the White House, mumble, mumble, mumble. It does not help. They may think it makes them feel better, but I have gone down there and debated with U.S. Congressmen and Senators and I have been doing it for a number or years. I have spoken in front of some of the most prestigious environmental and conservation groups in the U.S. I can tell you this: Attack the President of the U.S. in the U.S. and most of the time you are not going to win friends. We have to remember that we are dealing with the Government of the United States.

It is one thing for us to say, and everybody has said the same thing today, that we need an accord or agreement between Canada and the U.S. to end this dreadful business. Goodness' gracious, look at what the Prime Minister said, and I quote Carol Goar from *The Toronto Star*:

Mulroney stressed he would not give up his acid rain crusade until the United States did agree to emission controls, but he gave no indication how soon or how he would press his case. "This is a front-burner issue," was all he would say. "It is not going to go away until it's solved."

In the name of heaven, what more do you want our Prime Minister to do? We have now an admission by the President of the U.S. and his Cabinet that we have a problem. It is a transboundary problem caused by emissions. We have a com-

mitment to meet and a structure set up in which to carry on discussions. That is not perfect. The Prime Minister said, and I quote from *The Globe and Mail*:

"I never said our position and results on acid rain were a triumph," . . . "They just appear to be a triumph given the lack of progress . . ."

We have the subcommittee on which a number of Members have served over the years. There are the titles of the reports, *Still Waters* and *Time Lost*. There is no question about what this House believes. It believes we have to have an accord. However, I ask Hon. Members to recognize, as I said a few minutes ago, that this is not the floor of the U.S. Senate or the floor of the House of Representatives. This is a Canadian Parliament trying to determine how we influence most effectively a country which happens to be our best friend, and which we know has in its Senate, in the Congress and in the White House Republicans and Democrats who support our view. Let us also remember there are some Democrats as well as some Republicans who do not support our view. That is the task that is before us, and that is what I ask Hon. Members to take into account when we discuss this matter here.

● (1550)

There comes a point where our own people will not take us seriously if all we want to do is to nitpick and to ask, "Who did the most when and why didn't you?" That does not do us any good. I do not expect perfection around here, and I will never make the mistake of one Hon. Member who said, "The trouble with this place is it's getting too political". One of the groups in this country that has done the most magnificent work for us all is the Canadian Coalition Against Acid Rain. Adele Hurley and Michael Perley and those who have worked with them, including some of the associations that have been mentioned here today, deserve our praise and our support.

The Canadian Coalition Against Acid Rain has not said, "Well, because we have this understanding now with the administration of the United States there is nothing further for us to do". We are not saying that, neither are the outfitters and the guides, or the provinces that have entered into the arrangements.

My hon. friend, the Hon. Member for Kenora-Rainy River (Mr. Parry) read out a letter that the Right Hon. Prime Minister sent out during the 1984 campaign. It will surprise nobody in this Chamber to know that I know something about that letter. What the Prime Minister said was that in six months we will have a domestic plan, under which we will act unilaterally along the same lines that the Hon. Member for Davenport when he was the Minister finally said in 1984 we would have to do. He had the support of all the members of the Acid Rain Subcommittee and many members who were not part of that committee.

What I am getting at, my hon. friends, is that there is much we can do here together, and when the Prime Minister said in the campaign, "We will put our domestic house in order in six months", that is exactly what the then Minister of the Environment of this Government, the Hon. Member for Rosemont (Mrs. Blais-Grenier) did. Within, I think it was, two days of the six-month promise, she had in place the agreements necessary with the provinces. Now that is progress.

The effect of taking the unilateral action on our part had a great deal to do with giving the Prime Minister the moral impetus that he needed to go to the President and say, "Look, I understand how far apart we are. We are not coming to you with clean hands, but we believe it is so bad economically for both our countries that this is the money that we are prepared to spend, these are the steps that we are going to take. We are giving that leadership as a federal Government and we have persuaded the provinces, all of those affected, and all Parties in this country, to support us."

Until we did that we were topped by our opponents in the United States who said, "This is all a conspiracy theory, the Canadians want to get your mind off energy problems or they want to sell us electricity. It is all phoney". I have argued with the lawyers who advance those causes in the United States. I have shown them for the fraudulent efforts they were. Until we can get our hands a lot cleaner and until we can say we are making this effort, those arguments will be used continually against us.

It is the same thing with automobile emissions. The Hon. Member for Davenport knows perfectly well that several years ago when the Acid Rain Subcommittee was sitting in Toronto he could not even get the Department of Transport to send a witness to us on automobile emissions.

Now it is not my purpose to go into all that. It is my purpose to say that if ever there was a cause in this country, short of having a fight for our very existence in which all Hon. Members should be able to come together it is this. We should send a message, but do it in such a way that we remember that the object of the exercise is to send a message effectively. We should remember that we are in this Chamber, we are talking with another sovereign country who is our ally and our friend. We do not have to agree with them on all things, we may disagree with them on many, but we have to live together and we have to have our discussions in such a way that we recognize their dignity and their self-respect. And that I think is what the Prime Minister tried to do. So I hope Hon. Members will give credit where I believe credit is very much due.

The Acting Speaker (Mr. Turner (Ottawa-Carleton)): Questions and comments.

Mr. Penner: Well, I have no question except that I want to say this to the Hon. Member, that the quality of his speech, I think, exemplifies the best in debate in this House of Commons. It is exactly the kind of speech that we expected to hear from the Minister of the Environment (Mr. McMillan) in his response to the motion from the Hon. Member for Davenport (Mr. Caccia). We have heard quite a different kind of speech. I am not going to go into detail describing for Members how they should make the contrast, but I just ask all Hon. Members in the House when they have time, to go back over *Hansard* and make their own comparison and they will see the contrast.

I think the Hon. Member for Vancouver South (Mr. Fraser) has made a tremendous contribution today to the problem of acid rain, a problem that we want to see solved and I believe is going to be solved. There are some instructions, some advice and some wisdom that he has transmitted in this House, and if it fails to find fertile ground and grow, I think it is going to be a great loss indeed. I end by commending the Member for the quality of his speech.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I want to congratulate my hon. friend from Vancouver South (Mr. Fraser) on the eloquence and relevance of his comments. Personally, I think that in his speech he gave a good description of the fundamental aspects and the complexities of the acid rain issue.

Perhaps I may ask him a question. Of course the subject of a country's external relations with another sovereign country is a delicate one, and I think we should be delighted with the excellent ambassadorial role played by our Prime Minister (Mr. Mulroney) in discussing the acid rain problem with our neighbours the Americans. Does the Hon. Member agree that he succeeded in making them understand and assume their responsibility in the matter and act accordingly? That is my question, because I think that in the person of our Prime Minister, we have the best ambassador this country has ever had to promote discussions on the acid rain problem with our U.S. neighbours.

Mr. Fraser: Mr. Speaker, it will be a pleasure to answer my hon. colleague's question. I think we may not be able to reach full agreement with the President of the United States on the position of Canadians on the acid rain issue. There may still be a problem with certain members of his administration regarding their understanding of scientific problems, including the causes of acid rain, but I think the Prime Minister of Canada has clearly obtained an understanding for the causes of acid rain as seen by Canadians and especially, the seriousness of the problem for this country.

Consequently, today I think the President of the United States has a better understanding of the fact that acid rain is a very serious problem between Canada and the United States. And I think this is a position that did not exist before the Prime Minister's visit.

• (1600)

[*English*]

Mr. Caccia: Mr. Speaker, there is never enough praise for a statesmanlike intervention in the House of the kind just given by the Hon. Member for Vancouver South (Mr. Fraser). I certainly want to join the Member for Cochrane-Superior (Mr. Penner) in thanking him for that intervention. It is the expression of a sentiment that is based on sound political judgment and a profound experience on the subject matter that has led him to make a speech that we have applauded on this side of the House. As you know, Mr. Speaker, that is quite a rare occasion.

I want to tap the knowledge and experience of the Hon. Member for Vancouver South and ask him to map out the stategy that ought to be followed in Washington in the months and years ahead, particularly in relation to Bills presented by Senators and Congressmen that are waiting to be debated. How should we pursue them, as parliamentarians, in order to heighten the likelihood of their being approved by Congress, when such legislation converges with the Canadian public interest?

Mr. Fraser: Mr. Speaker, when I was in the Opposition I was always prepared to give advice to Ministers. I am not quite prepared to give as much advice or give it so lightly now that I sit on this side of the Chamber.

However, I appreciate the comments of my hon. friend, the Hon. Member for Davenport (Mr. Caccia) and my hon. friend, the Member for Cochrane-Superior (Mr. Penner). Let me say for the benefit of new Members that those of us who have been here a long time and have fought hard for the same issues establish a rapport and friendship that is not always fully appreciated by the public or even that estate which reports our deliberations to the public.

I can make some comments, and I am sure that is all the Hon. Member would expect me to do. First, I do not think that the arrangements which have received the endorsation of the President are the only arrangements that can exist either between ourselves and the administration or between ourselves and the Congress and the Senate.

While I believe the accord that has been endorsed should be used intelligently and sensitively to advance the cause, we must keep in mind that it is quite clear in the document itself that the object of the exercise is to achieve an accord within which our two countries can solve the problem.

Again, I refer to page 4 of the joint report of the special envoys on acid rain. I would argue strenuously with our American friends that this paragraph forms part of what was endorsed. It reads:

> The new initiative resulting from the appointment of the Special Envoys significantly further the development of a bilateral response to the North American transboundary air pollution problem. The foundations of that response—the Joint Statement and the Memorandum of Intent—are already in place. A precedent for that response already exists—

I know my hon. friend is fully aware of this. It goes on:

> —in the Great Lakes Water Quality Agreements. What remains is to borrow from that precedent and build upon those foundations a bilateral accord which will jointly address a common problem in the best tradition of U.S.-Canadian environmental relations.

I believe that the Subcommittee on Acid Rain is now in a position and has an excellent opportunity to pursue what I believe is the substantive intent of the paragraph that I just read because that committee sometimes has almost more diplomatic freedom than the Government in its dealings with Senators and Congressmen.

I believe that we may have a two or three track approach to this problem and I believe it can be dealt with in a number of ways simultaneously. While we are grateful for what is in the envoys' report, it would be most emphatically in the interest of this country if appropriate steps were taken to ensure that we point out to the House of Representatives and the Senate that this is a means to solve the problem finally but it is not an end in itself.

The Acting Speaker (Mr. Turner (Ottawa-Carleton)): The period for questions and comments is now over. Resuming debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to congratulate the Hon. Member for Davenport (Mr. Caccia) for his excellent motion. I also want to commend the members of the Acid Rain Subcommittee of the House of Commons for the excellent work it has done on the acid rain question over the past couple of years.

As was pointed out by the Hon. Member who just spoke, the debate on acid rain is certainly non-partisan because it is a subject about which all Canadians are concerned. Acid rain is perhaps the most difficult of all the environmental contaminants that the Government of Canada must try to tackle under its mandate.

This is an issue that involves industries on both sides of the border. Perhaps that is where the major problem lies. Progress has been made over the years, beginning with the Helsinki Agreement in November, 1979 when some 32 countries, Including the United States and Canada, agreed that there was a problem and that each nation must make a commitment to solve it over a period of time.

I believe that the Hon. Member for Davenport, the former Minister of the Environment, deserves some credit in this Chamber because he called together some 10 nations to sign an agreement. They became known as the "30 per cent Club". Unfortunately, the United States did not sign that agreement, but I think we can look back in a non-partisan fashion and say that progress was made in this particular area. I believe that this progress was demanded not only by the people in most provinces of Canada but by the provincial Governments as well.

It is interesting to note that no matter what study one reads, one can see that approximately half of the acid rain problem in Canada originates in the United States. According to scientific research, 65 per cent to 75 per cent of the acid rain problem in the Toronto to Quebec City corridor is due to fall-out from industrial interprises in the United States. Some 15 per cent to 25 per cent of the acid rain problem in the north-eastern United States is due to acid rain originating from Canada.

● (1610)

There are incredible figures with respect to problems which have been created over the years. For example, the Environmental Protection Agency of the federal Government takes samplings from approximately 500 lakes a year. It has discovered that 40 per cent to 45 per cent of those lakes have what it calls an "acid problem". In Ontario and Quebec there are approximately 14,000 lakes which are said to have a problem with acidity. Most scientists would say that no self-respecting fish would swim in these 14,000 lakes. That is a very serious problem. There are, as you know, Mr. Speaker, some two million lakes and ponds in that same area.

Scientists are now telling us that 14 rivers in Nova Scotia which normally had a salmon run do not have a salmon run any longer. It is claimed that one third of all the salmon rivers in Nova Scotia have been affected by acid rain to such an extent that there is no longer any salmon swimming up those particular rivers. So we do indeed have a problem.

It is actually a problem of chemicals entering our environment at different points, at different times, at different levels, having different effects. For example, I am told that in the southern part of Ontario there is prevalence of limestone in the soil, which has a neutralizing effect on the acid rain. But the entire Appalachian region is made up of granite, which does not have that neutralizing effect and there is a serious problem there.

I think it should be recognized during this debate that acid rain is one of several environmental problems caused by chemicals coming into the environment. We have the Clean Air Act, the Clean Water Act, the Environmental Contaminants Act and the Fisheries Act. Each one of these acts has been used over the years to try to solve a particular problem. We went through the struggle with polychlorinated biphenyls when the present Governor General, who was then the Minister of the Environment, outlawed the use of polychlorinated biphenyls with electrical conductors. But once that chemical was outlawed, there was no way of disposing of it. If we disposed of it in the normal way, it would simply go up into the atmosphere and then fall to earth again. Polychlorinated biphenyls are not destroyed once they enter the environment. I do not believe it is a very good reflection on ourselves as a federal Parliament that we have not yet devised a way of getting rid of polychlorinated biphenyls.

I suppose one could say that it is a provincial responsibility. One could interpret the Constitution as saying that under the provincial administration come all of the various aspects of controlling that particular problem. There are varying degrees of pollution caused by chemicals and various solutions are sought. I think it should be kept in mind that although acid rain itself is a very serious problem, there are other serious problems with respect to chemicals in our environment. Sometimes we allow pollution to continue for economic reasons even to the point of encouraging pollution in our environment. One need only look at what is happening to our forests to discover why I made that statement. Our forests and wilderness areas are affected by acid rain and by chemicals which were intentionally deposited in the forestry area to get rid of insects, and because of the recent direction in forest management, there is another chemical used to encourage the development of softwoods and discourage the development of hardwoods. This is a problem which must be addressed.

Perhaps I could be a little political and say that in addressing these problems, the Government of Canada should not do what it did in 1984 and 1985. I am sure the Hon. Member for Davenport would have to agree. We cannot, on the one hand, profess to be trying to cure an environmental problem caused by chemicals no matter what those chemicals are and, at the same time, decrease expenditures going to the scientific community which is trying to get to the root of the problem. The Government of Canada should not be permitted to do that. Yet that is what happened in the fall of 1984. We had a reduction in the numbers of scientists and biologists who were working with various problems having to do with acid rain and the use of chemicals in our environment. It did not make much of a news story in western Canada, I am sure, that certain biologists who were examining the effects of herbicides on the birth of ducklings were laid off or that in the Province of New Brunswick there was a reduction in the amount of moneys set aside for the examination of the effects on wild life of the use of insecticides sprayed from the air. I must say, however, that the cut-backs which were made to the study of herring-gull eggs in the Great Lakes did make the news.

When we examine the total effect of Government action or inaction as it relates to the presence of chemicals in our environment, we should realize that it is not just a problem of acid rain or the presence of chemicals in our lakes, streams and waterways, accidentally or intentionally dumped there by industries, and not just a problem of trying to rationalize the future of the forest industry versus the concerns of environmentalists. I think the Department of the Environment and the Minister of the Environment (Mr. McMillan) should take the attitude of the former Minister of the Environment, as I have observed him over the years. He provided a buffer for the Government of Canada in its limited jurisdiction in the area of controlling chemicals in the environment. He also placed a check on other Government Departments.

• (1620)

For example, the proposition could be made that the provincial authorities should not embark on a program of chemical use as a forest management tool as is presently the case in several provinces. I am referring to the aerial use of chemicals to decrease the undergrowth in hardwood forests. I believe that matter bears some observation by the Chamber. I know that it falls under provincial government jurisdiction, as does acid rain in the real sense. However, let us not forget what has happened over the last year-and-a-half. The federal Government signed an agreement with other foreign Governments, but it is the provincial legislatures which must put legislation forward and have it approved, as did the Legislatures of Ontario and Quebec recently. The federal Government certainly has some direct jurisdiction in this area. We cannot have the federal Minister of the Environment forever in agreement with the provincial Governments, which perhaps have other ideas about what affects the environment and what does not. I do not think that the Department of Agriculture's Pest Control Division should just give simple approval with respect to the use of certain herbicides for aerial spraying without some investigation or check having been conducted by the Department of National Health and Welfare or the Department of the Environment.

In summing up I wish to congratulate the mover of the motion. I thought the Minister of the Environment was rather political in his remarks. I do not think the previous Liberal Minister of the Environment really deserved some of the comments which were thrown his way during the debate. If there is one great environmentalist in the Chamber, it is the Hon. Member for Davenport. In proof of that statement all one need do is to look back and consider the record of the Hon. Member and the actions he took when he was Minister of the Environment. Let us hope that the Government will carry through on the groundwork which was established between 1979 and 1981 by the previous Government.

[*Translation*]

Mr. Fontaine: Mr. Speaker, although it is a bit late, the plan proposed by the Liberals is basically worth considering, and contains many positive aspects. However, as far as its structure is concerned, I wonder whether it is the right time, and whether it would not be dangerous to establish a legislative framework for continuing our negotiations with our U.S. colleagues.

We could expect the Americans to parry new arguments and ideas on our side with: "But you already have a framework, and besides, you are not going to negotiate since you have already made up your minds about one area."

It may have been a favorite ploy of the previous government, to use negotations as window dressing for decisions that had already been made but I think this Government is far too open to work within a previously established formal framework. In fact, we must be very open and very flexible in conducting our negotiations. That is the way we were able to re-establish national unity: by being very open and by having discussions before we made our decisions. I think this is why the motion presented by our Liberal colleagues is hard to accept, would also raise some doubts among the Americans as to our credibility.

[*English*]

Mr. Baker: Mr. Speaker, I suppose the hon. gentleman's remarks would have some credibility were it not for the fact that the European Community signed an agreement regarding transborder air pollution in November of 1979, as did the United States and Canada. A period of five years passed and nothing concrete happened, except that the former Minister of the Environment called together representatives of 10 countries here in Ottawa and had them sign an agreement which is now referred to as the "30 per cent Club". Another five years has passed. Without putting them in that historical context the Hon. Member's remarks have no justification. But when one looks back at what happened with respect to this particular issue then I am sure anyone would conclude that the motion before the House is perfectly acceptable.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I was listening very closely to the remarks of my colleague opposite and I thought he was making sense—until he took a partisan approach.

The acid rain issue did not crop up overnight, it dates back to the seventies when it became a serious problem here in Canada. So here is my question to the Hon. Member: beginning in the early seventies, what concrete measures, what concrete policies did the previous Liberal administration—your Government or your Ministers of Environment—put forward to find real solutions aside from its empty rhetoric which has never solved anything?

[*English*]

Mr. Baker: Mr. Speaker, I suppose one would have to take into account the Clean Air Act and the Environmental Contaminants Act. One would also have to take into account a whole host of legislative measures taken by the previous Government.

Considering where the Hon. Member is from, I believe he would agree that some of the work carried out by the previous Liberal administration should be encouraged and continued, including some of the work in the Hon. Member's riding with respect to getting rid of the use of chemicals as a forest management tool. This is something which is going on in the Quebec region of the Forest Protection Service. If one went back over the years one would find that there were efforts made by the previous Government. All of the initial efforts were made by the previous Government. If it appears that at that time the previous Government was not in agreement with the United States and said that on certain issues the United States was not acting fast enough, then one would discover that the previous administration was absolutely correct.

When I consider now the reports with respect to cancerous tumours in fish, and when I look at our laws as compared to U.S. laws and examine where these incidents occurred, then I have to say that perhaps the previous Government did not grant enough. However, it certainly granted its fair share—certainly more than the United States of America did in its legislation.

● (1630)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I was very interested in the discourse of the Hon. Member for Gander-Twillingate (Mr. Baker). He pointed out that acid rain is certainly not the only environmental problem with which this nation is faced and it is not the only problem which shapes the prospects for today's youth. He called attention to the numerous jurisdictional problems that exist with respect to creating policies that would allow us to address a whole host of environmental issues.

We need not dwell too long on the contamination that goes into our shared lake at the Niagara Peninsula from the American side. That contamination has produced the horrendous state of those waters. Conversely, in our neck of the woods, Canadian industry is dumping significant quantities of toxic chemicals into transboundary waters. When we attempt to deal with these problems, the federal and provincial Governments have considerable difficulties dealing with them in a coherent, deliberate and productive fashion. It can be no wonder that we are faced with serious problems when it comes to transboundary pollution, whether it be acid rain or anything else, though acid rain is a little more ethereal.

In initiating my intervention, I want to do what others have quite justifiably done, and that is, to recognize not only the merit of the motion we have before us but the deep concern demonstrated now and in the past by the Hon. Member for Davenport (Mr. Caccia). I should like to make reference to the fact that the Hon. Member for Gander-Twillingate was accused of being political in his speech. I thought I heard him say that some of the efforts of the previous Minister of the Environment were to some degree impeded by the failure of the previous Liberal Government to act for financial and fiscal reasons. I thought it was a rather even-handed treatment of concerns that we must all share.

I would also have to share in the recognition of the quality of the intervention made by the Hon. Member for Vancouver South (Mr. Fraser). As described by others, it was a constructive intervention that asked us, as I understood it, to give some recognition to the fact that at least some progress has been achieved. The Prime Minister (Mr. Mulroney) has obtained an agreement from the President of the United States.

One must consider the fact that the previous attitude of the President toward the acid rain problem was that he had all kinds of rather peculiar notions about how acid rain might have originated and felt that we should engage in much more research to demonstrate that acid rain even exists and that it exists by virtue of sources that can be controlled. With that in mind, I think I would have to say that indeed there has been some measure of achievement, perhaps almost akin to the legendary achievement of having 20,000 monkeys succeed in writing a poem.

It should also be noted that we dare not have the notion that very much in any objective sense has been achieved apart from a pedagogical lesson. We have what seems to be an agreement on the part of the President to accept the report that was issued by the special envoys on acid rain. This report sought to provide for the expenditure of $5 billion, shared between the federal Government of the United States and industry, on research and development of techniques and mechanisms by which acid rain pollution would be cut down.

Others have made reference to the fact that the Subcommittee on Acid Rain made its report and issued its judgment in most complete agreement on the special envoys' report. The committee pointed out that the report did not address the costs of inaction. It did not set down targets and dates. It did not set out a program of action that matches the deadlines and targets adopted in Canada of 50 per cent by 1994, using the year 1980 as a base. It did not even mention or address the levels which were considered to be a reasonable goal in the 1980 agreement, the so-called Helsinki Protocol. It did not see acid rain as being primarily an environmental transboundary issue, con-

sidering it to be more of an irritant in Canada-U.S. relations. Of course, it must be a very fundamental issue in the Canadian-U.S. relations.

Perhaps I might highlight the consequences of transboundary acid rain. Fishery, tourism, agriculture and forestry resources are at risk due to acid rain, and these resources sustain about 8 per cent of Canada's Gross National Product. Forty-three per cent of the two million lakes in Quebec and Ontario are vulnerable to acidification as they are poorly buffered and have no way of controlling or reversing excess inorganic acids poured in from the sky.

We have already taken notice of the nearly 15 per cent of salmon rivers in Nova Scotia which can no longer support salmon and another 10 per cent which are rapidly becoming acidified. We are talking here about $8 million and 90,000 jobs at risk. Some 600 fishing camps and lodges are fated to close by the year 2000, resulting in a cost of $28 million to the Ontario economy and 600 jobs.

About 175 million acres of Canada's productive forests are in areas receiving high levels of acid rain and $14-billion worth of forest products are at risk. About 50 per cent of the soils in Ontario and 87 per cent of those in Quebec are at risk due to acid rain at a prospective cost of $3 billion. Eighty-six per cent of the population lives in areas which are subject to acid precipitation, and there is a prospective danger of respiratory problems. If one looks around, one finds that many of the buildings which are made of carbonate rocks are themselves dissolving rather rapidly in some areas, subjecting us to a loss of heritage and mementoes from our past which ought to be of significance.

What are the dangers involved, even though we recognize that there has been some slight progress made and that the President has seen a slight glimmer of light with respect to the issue? He has begun, to some slight degree, to recognize that there is an issue of importance between our two countries. It is one of deep concern not only in Canada but in many of the states of the United States. I suppose the Canadian Coalition on Acid Rain in Canada put it in a perspective which may be offensive to the Government. However, in the absence of additional action, it is a perspective which would have to be regarded as meritorious. "We have a triumph of public relations over environmental protection", says Michael Perley of the Canadian Coalition on Acid Rain. From the American side, we have a Democratic Congressman saying: "Those who are struggling to achieve some decent standards for emissions have been betrayed". Mr. Waxman went on to say: "The Prime Minister's grasp of empty rhetoric as a victory will make our efforts harder". On the other hand, in order to obtain an additional perspective, we should listen to the laudatory statements of those whose profit depends upon a continuation of the present situation. The U.S. National Coal Association thinks that the agreement is great. The Vice-President of the Edison Electric Institute says that it is a sensible way to build on the U.S. record of pollution control.

• (1640)

In response to an earlier question, the Hon. Member for Vancouver South said that we should not abandon other efforts. If we were to adopt the position taken by the Minister of the Environment (Mr. McMillan), the position which would have us believe that the agreement was almost revolutionary in its accomplishment, and then wait quietly to see what will be the results, we would be very much like the dog who saw the mirror image of his bone in the water and dropped the bone to chase the reflection in the water.

The other side of the coin is the necessity to give every possible support to those in the United States Congress and Senate who are trying to protect their own environment, who are trying to protect the inheritance of their people, and who are seeing that they cannot continue to profit by the killing of the environment whether slowly or quickly. We should not hesitate or mince our words in providing that kind of support.

The resolution which is before us today for adoption is significantly non-controversial and studiously non-partisan. In recognition of the new Standing Orders, it is attempting to achieve some degree of serious consideration from all sides, with perhaps all sides agreeing. It does not say that the present situation is bad or that nothing has been accomplished. It only says that something more must be accomplished. Surely there must be some sequel even if the agreement is lived up to in detail, and there is some considerable doubt in that regard. We have no evidence that the President of the United States is fighting or will fight as hard for the $5 billion necessary here as he has fought for the $100 million he is attempting to obtain to kill people in Nicaragua. Let us assume that he accomplishes what we hope he will accomplish by virtue of the agreement. Then, surely, by the time of the next summit we should be prepared to go the next step and insist upon a recognition of the real need as delineated in the resolution. It is nice to have research. It is nice to have the thought that maybe $5 billion will be spent to do something. However it would be far nicer and far better to have a secure understanding between two sovereign nations that one will not do something at the expense of the other, and that we will not be subservient to a nation which might refuse in the future to meet our standards for our own protection. If we do not tell the Americans clearly what we want, expect and is necessary, then I can tell the House, having lived close to that nation, that we will never get anything. It is a nation, a country or a people that understands when it is told unambiguously and with certainty what is wanted. In that event it will respond clearly. If we concede to lukewarm, vague agreements on a continuous basis, we will make no progress. Progress therefore demands specificity. This resolution provides specificity, a course of action and the basis for a reasonable agreement to address the issues in a way which will accomplish an end that is satisfactory to all, not only Canadians but indeed those in the United States who share our view, our allies in the Senate and the Congress, whom we should not and must not desert by virtue of this agreement.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I left the House on Friday afternoon and drove back to my constituency. I did not reach there until fairly late, and I did not go into my office until nine o'clock on Saturday morning. At that time I learned that my office had been notified that there would be a debate on the agreement of the President of the United States and the Prime Minister (Mr. Mulroney). I was absolutely flabbergasted, when I could have thought of so many other topics, economic and otherwise, to which the Opposition could give a much higher priority.

Mr. Caccia: Mr. Speaker, I rise on a point of order. In light of what the Hon. Member for Parry Sound-Muskoka (Mr. Darling) just said, I should like to ask him whether he read the motion.

The Acting Speaker (Mr. Charest): I think the Hon. Member for Davenport (Mr. Caccia) knows full well that that is not a point of order.

Mr. Darling: Mr. Speaker, I will admit that I had not read the motion on Saturday morning. I was just told that there would be an Opposition Day on it. Certainly I read it when I returned to my office in Ottawa last night. I appreciate the concern of all Canadians. I appreciate the concern of the Opposition. I have been a Member of Parliament for close to 14 years and, sadly I must say, most of it was spent in opposition. I am aware that we are in an adversarial system. I am well aware that the Hon. Member for Davenport states that this is a non-controversial motion. I certainly agree 100 per cent with some of the items contained in it. The agreement has been torn apart by members of the Opposition since it was made public last week.

I have been involved in the acid rain problem. I represent a riding which is probably the most seriously injured by acid rain. It is a riding where the great majority of acid rain comes from the United States. If anyone has a vested interest and a great interest in trying to get something done, I can assure the Hon. Member that it is the Hon. Member for Parry Sound-Muskoka, in that 70 per cent of all the acid rain falling in my riding comes from the United States.

When the envoys' report came out on January 8, or whenever it was, as a Member representing an injured area, I did not jump for joy; I wanted much more. As a member of the Subcommittee on Acid Rain I wanted more, along with the six other members of that committee. However, in this world one does not get everything one wants. Are some members of the Opposition saying that in order to get what we want we should declare war on the United States? Would the Prime Minister have been further ahead to go down there and raise hell like a gun-slinging westerner? Would he have been further ahead to tell the President of the United States that he did not want anything to do with it and walk off in a huff? He certainly would not have obtained too much by discussing a very, very serious environmental problem in that way. There is a lot more to the old story that an ounce of honey is better than a gallon of gall.

• (1650)

The Opposition will be aware that until the President of the United States made that statement, he did not even agree that there was an acid rain problem. He was absolutely mum on the issue. All Members in this House have friends in the American House of Representatives and Senate who are just as involved with and worried about acid rain as Canadians are. I have contacted some of those people, and they are all saying: "Amen, at least he has admitted there is a problem". I contacted the office of Senator Robert Stafford early this morning. The Senator was not there, but I spoke to his chief of staff, Neal Houston, who stated that the Senator was very happy that something had been accomplished, even though it was not what they wanted.

As the Hon. Member for Davenport will know, Bill S-52, sponsored by Senator Stafford, was presented in the House last Monday. That Bill requests that there shall be achieved a reduction in annual emissions of sulphur dioxide in the acid deposition impact region established under Section 181 of this Act of 10 million tons from the total actual annual level of such emissions between January 1, 1980 and December 31, 1980. Such reductions shall be achieved pursuant to a phased reduction and be completed no later than January 1, 1994.

That Bill will be up for discussion, having been introduced in the Senate last Monday. Senator Stafford has been a great exponent of more reductions of acid rain. I believe he is the senior Senator representing the State of Vermont.

Another very important member of the Congress is Congressman Gerry Sikorski. Congressman Sikorski has been working with Congressman Henry Waxman in an attempt to produce a Bill which will be endorsed by a great many members of Congress.

We must admit that we were dealing with a pretty tough nut in the President of the United States. Despite that, we can say that he is a convert now. The Prime Minister of Canada can take a great deal of credit for that.

Some Hon. Members: Hear, hear!

Mr. Darling: I also spoke this morning with Professor Thomas Barnes of the University of Southern California who spends most of his summers in Nova Scotia. He is a great environmentalist, a professor of history, and an expert on Canadian history. I assumed that everyone in California thought that President Reagan was wonderful. Professor Barnes says that is far from the truth. The poor people in California think he is wonderful, but academics and many other people are very unhappy with him and some of his environmental vies. They all said "amen" when this agreement between the two Government leaders was announced publicly. This demonstrates that there is a great groundswell throughout the United States and that something is finally going to be done. This is all-important.

It is also interesting to recall that California is the spawning ground of some of the great environmental organizations. The Friends of the Earth and the Sierra Club have their head

offices in San Francisco. There are many dedicated environmentalists there. Despite this anti-Reagan movement in California, of which I was informed, the results of the meeting were very positive.

Last Friday morning Lee Thomas, the Director of the Environmental Protection Agency, was interviewed on Canada AM with regard to his reaction. Lee Thomas is the approximate counterpart of our Minister of the Environment (Mr. McMillan). He was also very positive on this issue. He said it was a positive step for the President to have recognized this, having never done so before. Members of the Opposition have pointed out that $5 billion is nothing unless industry contributes. I will concede that it is on a contributing basis and that the Government will match the money which industry puts up to try to reduce emissions. Mr. Thomas said that industry is very much on side and will move forward on this.

Another important consideration is that over the past 10 years the United States has spent $75 billion on environmental improvement and control. That is a lot of money. Of course, we in Canada want them to start spending money to reduce acid rain and other pollutants coming across the border, because pollution knows no boundaries.

As a member of the Subcommittee on Acid Rain I have had the privilege of visiting the United States and talking to people. On January 22, the Minister of the Environment addressed the New York Board of Trade during a symposium on acid rain control and the environment. I was amazed at the positive attitude of people in the United States and at how hard they are working to try to reduce these emissions. One organization in attendance was Americans Against Acid Rain. This group has 10,000 members in the New York area and is a branch of the Sierra Club. They issued a special letter which began: "We know where it starts. Where will it end?" They list the following problems which must be faced:

Thousands of lakes and streams in North America are already dead and scores of thousands more are threatened. There is a 6 to 7% agricultural productivity loss annually due to ozone, which is composed of many of the same components as acid rain;

Forest dieback and retardation is a scientifically documented fact from Georgia to Quebec and the leading cause is acid rain;

$5 to $7 billion worth of building and materials damage occurs each year in just 110 Eastern cities in the U.S.; As many as 50,000 increased mortalities may occur each year in the U.S. and Canada because of dry sulphate depositions; Acid rain leaches toxic metals into drinking water supplies.

With people in the United States working hard to do the same things we are, I think we can be optimistic with regard to what will happen. It is all very well for members of the Opposition to say that nothing will be done for five years. I am much more of an optimist than that.

I wish to commend my colleague, the Member for Vancouver South (Mr. Fraser), for his outstanding address. He is one of the most knowledgable people in the entire country, if not in North America, and acid rain. He was an outstanding Minister of the Environment, and I certainly appreciated his comments.

● (1700)

Some Hon. Members: Hear, hear!

Mr. Darling: The current Subcommittee on Acid Rain is the Third such committee. I want to pay tribute to the two previous committees under the chairmanship of a former Member of this House, Ron Irwin. These committees have worked very hard and procuded reports outlining 39 regulations which should be adopted. Then when the first committee had fulfilled its mandate it ceased to exist. Members asked why this should be. The problem still exists and is growing. As a result, a new committee was formed and produced a second report which went into detail on many aspects of this issue which the first report did not cover. I believe that report made 16 recommendations. Again, members of that committee are to be commended, one of whom is our present Minister of the Environment.

When this Government came into power in September, 1984, I was one of many Members who said that acid rain is a serious problem. I said to the Prime Minister that there may be a lot of other things on his plate which he thinks are very serious, but acid rain is a real gut issue. I pleaded with him and the Minister of Transport (Mr. Mazankowski) from January to February, 1985. I said they were inviting the President here but what do we have to show him when we mention acid rain? I said we have done nothing and something has to be done. I will tell you that I was sweating blood because it was getting on into March, and then the Minister of Transport said, "Don't worry, Stan, you will be delighted". I said, "If I am going to be delighted, I want to be delighted in a hurry. It is certainly no good the way it is now.

As the House is well aware, on March 6, the then Minister of the Environment came up with some very strong recommendations, for which we give him full marks, to reduce SO_2 emissions by 50 per cent by 1994, along with new automobile emission standards for the 1988 model year. I will admit that I was not too happy, I wanted those standards for the 1987 models; but you do not get everything you want in this world, even in this Parliament, and the Opposition should know that. We also provided $150 million for smelter emission controls, and $25 million for technology development. There is $70 million in connection with the use of cleaner coal. There is an additional $18 million for research and monitoring. So we can see that something positive has been accomplished. Certainly I and other members of the committee have not got all that we want. However, we can be sure that this committee will continue to work hard. We do not have to sell just the President of the U.S. on this issue. We have to go and talk to those in power, the 100 Senators and 435 or so Congressmen. Those are the people whom we have to sell in this issue.

The great majority of people in the U.S. are well aware of the acid rain problem. They are on our side 100 per cent. There are literally millions of people involved in environmental organizations, hunters and fishermen, and other sportsmen. I have told the people I have talked to to put the pressure on their Senator or representative. If they can get the message across, we are going to accomplish something. However, if we are belligerent and obnoxious, they are going to tell us where to get off. Even the most rabid member of the Opposition

would hardly suggest that we should declare war on the U.S. and invade the U.S. Senate and House of Representatives and rant and rave, telling them they must do this by such and such a date. While I am not happy that we have been unable to get much farther than we have, I am very optimistic that eventually we will and within a reasonable time.

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

Mr. McCurdy: Mr. Speaker, I do not recall anyone having suggested that Canada invade the U.S. over the issue of acid rain or anything else. That kind of characterization of the differences of opinion regarding how firm or otherwise we should be in presenting our case on this issue is certainly not something that would elicit very much understanding. It is quite contrary to the spirit of the resolution we are considering.

We do not deny that there has been some progress with a President who seemed to have only the slightest understanding of the issue. He has now declared that he recognizes that there is an issue and certainly that is a step forward. However, one of the things that concerns us is the characterization of this agreement as being virtually revolutionary in its content and ultimate result. If the Hon. Member is not familiar with the United States, let me tell him that where I come from we read American newspapers and hear American news broadcasts daily. We are submerged in them. No one over there is talking about this agreement. Not a soul.

Mr. Turner (Ottawa-Carleton): Why not?

Mr. McCurdy: Because they do not care.

Mr. Turner (Ottawa-Carleton): Are you kidding?

Mr. McCurdy: This is not offered as criticism, it is simply reality. It may be true that there are those who communicated to you their pleasure that some measure of achievement was reached in these conversations. However, let us not go too far in expecting too much from it. There is still concern over there that we are knocking the Senate and the Congress, at least those members of those two bodies who need as much help as they can get, that we are disarming them to some degree if we make too much out of what in essence may turn out to be awfully little.

● (1710)

Mr. Darling: I appreciate the Member's comments and I am well aware of the riding the represents and its proximity to the United States. I would also point out to him that there is more to the United States than the City of Detroit. Despite the fact that he says there was absolutely no comment in the Detroit papers, and I am somewhat surprised at that because it certainly has made the headlines, here in Sunday's *New York Times*, in a lead editorial, it states as follows:

> With the President's acknowledgement of the acid rain problem, procrastination is no longer so justifiable. A wider constituency now favours control because the first signs of acid rain damage are beginning to appear in the west and southeast.
>
> Congress at last has the chance of finding a way to reconcile opposing factions and protect lakes and forests across the country.

I would also point out to the Hon. Member that I also spoke to people in Florida on the weekend, and again there were positive reactions there. The members of the United States Congress have at least got something to go on now with the admission and the endorsement of the President of the United States. He said in a communique, "I am pleased to say that I fully endorse the report and will shortly issue a press statement to this effect". So at least it has been acknowledged, and again it is the first step, or maybe the first couple of steps, on the road to recovery and on the road to helping our acid rain problem and also the American acid rain problem.

Five years ago, when our committee first went down to Washington and mentioned acid rain, they looked at us in a strange way. They wondered what the devil it was. It was the best kept secret in the United States. But it is certainly not that any more. It is getting tremendous publicity from various organizations. I attended a special event on March 13 in New York. I was invited down with the Minister of the Environment for Ontario, the Hon. Jim Bradley. They had various people with high profile names who were going out on this invitation list. Among them was the Attorney General of the State of New York, the Hon. Robert Abrams, our own Minister of the Environment, as I said, Dick Cavett of TV fame, Tony Randall, a movie star, some Congressmen and so on. They expected 70 or 80 at that event, but there were 200. I was absolutely amazed. Every one of them were enthusiastic and working for acid rain abatement. That is just one area. Right across the country in the United States you are going to find the same thing. The steady rain soaks in and the power of the people is going to be felt because they are going to get the message to the United States Congress, and, I can assure you, something is going to be done on it.

I was disappointed that in the last presidential election the acid rain problem was not considered to be a really serious problem and that it was not used by the Democrats against the incumbent Government. I am quite sure that it is certainly going to be high on the list in the 1988 election, of that I am very sure. That will certainly add impetus and also pressure the powers that be to find the money for it. I know that this is difficult because the United States of America has a staggering deficit, as do we. Nevertheless, we are certainly both going to have to find the money. As was mentioned here at the present time, it is estimated that doing nothing is costing the United States $5.5 billion in damage to buildings and various other things as well as to the health of the people. It is about time that we all got on side and did something. We might as well spend the money in a positive way to reduce acid rain.

The Acting Speaker (Mr. Charest): A very short question, please.

Mr. Kilgour: Mr. Speaker, could the Member tell us what the subcommittee on Acid Rain is doing just at the moment?

Mr. Darling: Well, the Subcommittee has been holding hearings. At our last hearing we listened to people from the

Department of National Health and Welfare pointing out what acid rain is doing to the health of people. We are hoping to have another individual come before the committee on the same basis. The committee has issued a statement on the shortcomings, shall we say, of the report of the envoys. We were asked to have a brief prepared for a special symposium on acid rain, which is going to be taking place, I believe, in May of this year, and we are working on that. The subcommittee has also been in touch with Congressmen in the United States, individuals in the United States and officers in our embassy, to try to arrange a meeting in Washington at the most advantageous time.

We do no want to go down there and just be brushed aside. We want to go down there when we can be heard. We want to meet with members of the Congress. We want to meet with the guys on the other side of the street, members of the coal lobby, members of the utilities, to try to promote our suggestion to reduce acid rain. We are hoping, in the course of the next couple of months, to be able to go to Washington and have some meaningful contacts and meetings there with the very influential people in Washington. Of course, high among those will be members of the House of Representatives and members of the Senate. I just received a letter from Senator Stafford last week who said that he looks forward to seeing us when we come down.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to participate in this debate on the motion submitted by the Hon. Member for Davenport (Mr. Caccia). I too do not want to be argumentative. I too would like to be constructive, if I am allowed in this particular debate, Mr. Speaker, because I believe the subject matter to be of great importance. I hope that the Government will respond in a favourable way.

The motion, as put forward by my colleague from Davenport, does not in any way, as I believe was suggested by Members who have spoken previous to me, put blame on any one individual or group of individuals, but rather suggest a very reasonable course of action that the Government of Canada ought to be pursuing on behalf of all Canadians. In reading through the motion as set forth by my colleague from Davenport, I believe that a treaty in the spirit of the international co-operation exhibited by the Helsinki Protocol of July of 1985, with the three conditions as listed in the motion I think, is indeed appropriate for such a subject matter as acid rain. For in this particular suggestion that is being put forward he is calling for the reduction by 1994 of transboundary fluxes of sulphur dioxide by at least 50 per cent by 1994, using 1980 as the base year, a specific timetable of emission reductions in order to meet that deadline, and a specification that such reductions will be applied to sources of sulphur dioxide emissions which will yield the greatest benefits to Canada.

I do not think Members on either side of the House can disagree that such a suggestion and a framework for a treaty would not be in the best interests of Canada or indeed the various provinces.

In going back and reviewing some of the history associated with this whole subject matter I was interested and somewhat hopeful, if you will, that when the Prime Minister (Mr. Mulroney) appointed a special envoy in the person of the former Premier of Ontario, Mr. Davis, and likewise the President of the United States appointed Mr. Drew Lewis, perhaps something very specific, something very concrete, would result from their deliberations. I do not think Members would disagree if I suggested that there were many platitudes exchanged on both sides of the border about this subject. However, as my colleague, the Member for Davenport has said, unfortunately the joint report of the special envoys on acid rain contains no control program, target dates, percentage cuts in emissions or where to apply them in a manner most favourable to Canada. There is no $5 billion program if industry shows no interest, and there is no reference to the cost of inaction. There is no effort to build on the memorandum of intent signed in 1980.

• (1720)

Recently, the Prime Minister travelled to Washington for talks with the President of the United States. Again, there was no written agreement with regard to emission cuts or timetables. It is somewhat disappointing when one considers that acid rain has a devastating impact throughout this country.

With regard to my Province of Nova Scotia, the Government of Nova Scotia, to be fair, has taken upon itself to rebut some of the conclusions reached by other environmentalists in this country. In fact, some reports indicate that Nova Scotia rivers are the most acid in North America. The provincial Government has responded that these environmentalists are alarmists. However, the fact is that there is a very serious problem in my province.

It may not meet all the requirements of the groups at the National Water Research Institute which released its study as to what has taken place in Nova Scotia, but I suggest that there are many rivers in Nova Scotia that are seriously affected. The waters in the southern and eastern parts of Nova Scotia have been labelled as being perhaps the most acid in North America. Commercial salmon fishermen and sports fishermen tell me that the acid rain situation in our rivers is appalling.

It may be fine to suggest that there is understanding, co-operation and a meeting of the minds, but when there is no real action or money being spent to curb or attempt to improve the problem, it makes it difficult to applaud the efforts of the Government. I say very sincerely that the rivers in my Province of Nova Scotia, particularly as it relates to salmon, are in terrible condition and there appears to be no program in place to rectify the situation in the short, medium or long term.

I would have hoped that money being spent under an agreement with the United States, as suggested by my colleague from Davenport, would have been a way to get at the root of the problem.

Dean Jeffries of the National Water Research Institute released a report in Ontario in September saying that Nova Scotia has the worst acid water problem in North America. The provincial Government stated that this was not the case, and the provincial Minister went on to state that a provincial report found that only 27 lakes that were studied had dangerously high levels of acid. I suggest that 27 is a very large number. I would have hoped that the Government would have had somewhat more tenacity in trying to arrange concrete proposals with the United States in regard to the whole issue of acid rain.

Acid rain in my province is eroding monuments in the City of Halifax. Dr. J. Ogden, an ecology professor at Dalhousie University, said that the problem is terrible and the situation will get much worse. Again, no specific action has been taken by the federal Government and indeed very little action has been taken by the provincial Government.

The situation in my province is serious and we hope that the Governments of Canada and the United States—Canada in particular—will give serious consideration to the proposal being made by my hon. friend from Davenport. It is the obvious route to follow in order to alleviate the fears we have about Nova Scotia and other parts of Canada. We ought to pursue a proposal that provides for reductions by 1994, with a specific timetable regarding those reductions.

The Hon. Member for Vancouver South (Mr. Fraser), who is a former Minister of the Environment and former Minister of Fisheries, stated that we should be united in our fight against acid rain. I agree with him. I believe that this motion can draw Members from both sides of the House together in a fight against acid rain. However, I would debate with him very vigorously the notion that the fact that there may be differences of opinion as to the best route to pursue gives us an opportunity to place our individual suggestions or indeed our Party's suggestions before Parliament.

Our nation has a beautiful frontier. We have rich forests and numerous lakes. In our nation of some 25 million people, Canadians can fish in the east or the west, can participate in mountain climbing or hike through the woods. All of us must be concerned about the magnitude of the acid rain problem.

I do not believe that mere acknowledgement of a report made in early 1986 will be sufficient to address the problems of acid rain in this country and indeed in the United States.

My colleague's motion does not in any way attribute blame to the Government of the day, but it provides an alternative. Hon. Members who have spoken previously have congratulated the Hon. Member for Davenport for providing an alternative solution to this problem. However, as a Nova Scotian and one who is particularly concerned about my province and its fight against acid rain, I am a little disappointed in the progress we have made with the United States.

There are others who are disappointed. For example, Bernard Duval of the Province of Quebec outlined his position in a submission he made to our caucus and members of our Party. He stated his disappointment with the lack of action that is taking place.

I would only hope that in the few minutes remaining, indeed in the subsequent deliberations that will be taking place in our respective caucuses and with members of the Subcommittee on Acid Rain, Members will give serious consideration to this motion. The Parliamentary Secretary would perhaps agree with me that the Prime Minister made the commitment with regard to openness and civility. The suggestion put forward by my colleague, the Hon. Member for Davenport, in this particular motion would seem to meet the spirit, if not the letter, if you will, of the Prime Minister's assertion, and it ought to be reflected upon. I cannot find any rationale for the Government to dispute the motion. I would hope that the Parliamentary Secretary would avail himself of the opportunity in the time which remains to ask a question or, indeed, to make any comments he would like to share with my Party and I as to why we should not proceed on that basis.

• (1730)

I have heard all the platitudes of Government Members as to what a historical moment it was for Canada and the United States, but I believe the Parliamentary Secretary has to be candid enough to admit that it does fall very short of a comprehensive treaty or agreement, as has been suggested by my colleague, the Hon. Member for Davenport. I hope the Parliamentary Secretary will give us his comments on this subject because I know he believes, as I do, that the problem of acid rain is of particular importance to my province and it ought to be of importance to the Government of Canada, particularly so early in its mandate.

Mr. Gurbin: Mr. Speaker, I appreciate the comments and some of the tone of the remarks of the Hon. Member who just contributed to this debate, a good debate, I think, all things considered.

What really impressed me as I sat and listened to the Hon. Member and other members of his Party is not so much the gap in any real constructive action for a period of five years, the lack of commitment in real dollars, the lack of a solid program of agreement with the provinces, what really impressed me was the approach offered by the Hon. Member and his colleague, the Liberal critic for the environment. Forgetting for the moment that Party's failure to accomplish anything in that regard, let us look at its approach to the future and how we are going to reach an agreement and get the job done, because that is what we are here for. We are here to accomplish things where accomplishments are necessary. Everyone knows that acid rain is the prime environmental problem facing us. It is a bilateral problem and one on which we have to get an agreement with the United States in order to reach an effective solution to our problem. The approach taken by the Liberal Party over 18 years—but let us just talk of the last five years—is that the United States is all wrong and the way to get it to do something, to accomplish an objective, is to go out and bash the United States. That Party seems to believe

that the only way we can be effective is to burn our underclothing in front of the White House.

Mr. Dingwall: Burn your bra.

Mr. Gurbin: I refrained from being specific, Mr. Speaker. I think that is an important point because it goes right to the motion. The motion is redundant. There is no question about that. The arrogance of the Liberal critic for the environment shines through. He speaks brave words here today, but he spent nearly five years in government without anything to show for it. If the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) will read the specifics of the report, he will find that there are things in there which will in fact reduce acid rain even in the short term. There is a specific commitment of money. But that is not the end, and we have never claimed it was. We do not feel we are going to accomplish that ultimate objective, the important and necessary objective of reaching a satisfactory conclusion and agreement with the United States, by bashing at every opportunity any constructive efforts which are made between our Prime Minister (Mr. Mulroney) and the President of the United States and between such vehicles as the Acid Rain Subcommittee and various Senators in the United States. It does not matter whether the problem is acid rain or a number of bilateral issues, because, as a result of the position which was established by the Liberal Government, including the present Liberal environmental critic during his time in office, it has taken a fantastic amount of energy just to overcome the disposition to argumentative, confrontational type of politics. That is something which nearly split this country when the Liberal Party was in government.

The Hon. Member should look to our previous relationship with the provinces. We now have that relationship back on track. We have agreements with the provinces which the present environmental critic could not achieve. It has taken a lot of our energy just to establish a relationship so that we could get the agreement with the United States that the former Government could not.

Has the Hon. Member anything good to say about the United States? How would he like to approach the problem of reaching agreement with the United States? Would his approach be insults, confrontational politics, or what?

Mr. Dingwall: Mr. Speaker, I have listened to the Hon. Member on previous occasions on different subject matters. He is usually—and I say "usually"—a pretty fair and objective individual when it comes to debating certain subjects. There was absolutely nothing in my comments, being a reasonable individual, that anyone could take as bashing the United States.

Mr. Kilgour: What about your friend beside you?

Mr. Dingwall: Listen, mouthpiece, we will get to you next.

Mr. McDermid: Shame.

Mr. McLean: Shame.

Mr. Dingwall: Well, that is the arrogance of government Members. There was nothing in my comments about bashing the United States. There is nothing in the motion which was laid before Parliament which can be interpreted as bashing the United States. No one has said that.

Surely the issue process for us as Canadians should be to try to consummate a deal which is in our interests. In 1986, the special envoy for Canada, the former distinguished Premier of Ontario, ought to have made an economic case with regard to reduging the emissions of acid rain. When one looks through the report, one finds that it is not there. There has been a total failure on the part of the Government of Canada to make the case with regard to the economic benefits. The Government of Canada should have gone to the United States and demonstrated quite clearly the economic impact of the failure of Governments to take concrete and specific action, not only in the short term but in the long term. The Government should have been able to provide that cost-benefit analysis. It was not provided by our envoy and it was not provided when the Prime Minister and the President met in the United States.

So I say to my good friend that we are not bashing the United States either in the motion or in our comments. Surely if he agrees that this is a reasonable motion, which I am sure he will, he will lend us his support in a constructive way and let us proceed on that basis.

• (1740)

Mr. Gurbin: Mr. Speaker, very clearly, beauty is in the eye of the beholder, which is a very common expression. In reading this report the Opposition chooses not to see the constructive efforts which have been established, including the specific reductions which will flow from them, including the recognition factors with respect to the economic cost of not doing things. The report only has to be read and understood for Hon. Members to see that. It must be understood as a building block for what will be the ultimate solution, which will be the agreements we are now working on and which have already been established in terms of a foundation, as is set out at page 4. I also refer the Hon. Member to page 29. I will not read it since I do not have much time and I am sure he will want to make a comment. We are doing what the opposition motion asks us to do. We intend to continue to do it.

Mr. Dingwall: Mr. Speaker, the Hon. Member makes mention of these great efforts which are taking place. I remind him of a statement made in the House of Commons on March 11, 1985 as follows:

> We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

That was a comment made by the President of the United States. As I did in my opening remarks, I suggest to my colleague that the joint report of the special envoys on acid rain has no control program, no target date, no percentage cuts in emissions, no reference to the cost of inaction and no efforts to build on the memorandum of intent of 1980. There are significant omissions, not only in the report, but in the recent agreement which the Prime Minister and the President entered

into. I say to the Hon. Member, and to Members of this House, in the spirit of civility and in the spirit of openness why can you not accept a motion which is not bashing the United States but which is saying we want something to benefit Canada and the United States? It is a positive alternative that this House ought to consider, and consider forthwith.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I do not have much time. However, in the time that I do have I would like to place a couple of points on the record.

Our aim in this debate is to get as many Members of the House to agree that we need to establish a particular point of view and that as a Parliament we need to back that point of view. If all we get out of this debate today is a recognition and a commitment by all Parties in the House that we need to be together on this issue, then the debate will have been worthwhile. I hope that this will be the net result of it. I have no doubt that the power of the people, both here in Canada and in the United States, can make a great deal of difference. I think they can change the points of view of their elected representatives. Some of these people will get to their Congressmen and Senators to force the Congress of the United States to move in such a way as to force the administration to take the type of action on which we were all hoping the Prime Minister (Mr. Mulroney) would be able to reach agreement when he went to the United States. Instead, we saw inaction. If a Bill can get through the House of Representatives which would require the administration to put money on the table and to start action, then that is all we can hope for. Consequently, we should be trying to make the population of Canada and the United States knowledgeable about pollution and the dangers of acid rain and how it is damaging our land and our heritage.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5.45 p.m., it is my duty, pursuant to Standing Order 82(10), to interrupt these proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

Therefore, the question is as follows. Mr. Caccia, seconded by Mr. Gauthier, moves:

That, in opinion of this House, the Government of Canada should, before the next Canada-U.S. summit, negotiate a treaty with the Government of the United States to cut acid rain-causing emissions from sources within the United States, which cause damage to our economy because such emissions are transported across the Canada-United States border.

That this treaty should be in the spirit of international co-operation exhibited by the Helsinki Protocol of July, 1985, already subscribed to by the Government of Canada and should include:

—the reduction by 1994 of transboundary fluxes of sulphur dioxide by at least 50 per cent by 1994, using 1980 as the base year;

—a specific timetable of emission reductions in order to meet the 1994 deadline;

—a specification that such reductions will be applied to sources of sulphur dioxide emissions which will yield the greatest benefits to Canada; and

That failure to enter into urgent negotiations for such a treaty would demonstrate a blindness to the long-term economic interests of both countries, considering the damage caused by acid rain to human health and to forests, lakes, streams, fisheries, agriculture, wildlife, the maple sugar industry and to buildings, monuments and structures.

[*English*]

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 208*)

YEAS

Members

Althouse
Angus
Axworthy
Blackburn (Brant)
Caccia
Cassidy
Deans
de Corneille
de Jong
Dingwall
Epp (Thunder Bay-Nipigon)
Foster
Fulton
Gauthier
Gray (Windsor West)
Henderson
Hopkins
Hovdebo
Jewett
Langdon
Lapierre
MacLellan
McCurdy
Nicholson (Trinity)
Parry
Penner
Robichaud
Robinson
Rossi
Young—30.

NAYS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Blenkarn
Bouchard
Bourgault
Bradley
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Comeau
Cook
Cossitt
Crofton
Crosbie (St. John's West)
Darling
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Edwards
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Gervais
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Gurbin
Gustafson
Hamilton
Hees
Hnatyshyn
Hockin
Holtmann
Hudon
Jacques
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kilgour
Ladouceur
Landry
Lanthier
Lawrence
Layton
Leblanc
Lewis
Lopez
MacDonald (Kingston and the Islands)
Marin
Mayer
Mazankowski
McCuish
McDermid
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Nickerson
Nielsen
Oberle
Paproski
Redway
Reimer

Members

Ricard	Thacker	Vincent
St. Germain	Towers	Warner
Scowen	Tremblay (Lotbinière)	Wenman
Sparrow	Tupper	White
Speyer	Turner (Ottawa-Carleton)	Wilson (Swift Current-Maple Creek)
Stevens	Vankoughnet	Winegard
Tardif (Charlesbourg)	Vézina	Wise—110.
Taylor		

Mr. Speaker: I declare the motion lost.

* * *

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Supplementary Estimates (C), 1985-86, laid upon the Table Tuesday, March 4, 1986, be concurred in.

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

Some Hon. Members: On division.

Motion agreed to.

● (1810)

Mr. de Cotret thereupon moved that Bill C-101, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-101, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986, be read the second time and referred to a Committee of the Whole.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 209*)

YEAS

Members

Andre	Gottselig	McKenzie
Attewell	Graham	McKinnon
Beatty	Gray (Bonaventure-Îles-de-la-Madeleine)	McKnight
Bernier	Greenaway	McLean
Bertrand	Gurbin	McMillan
Blenkarn	Gustafson	Merrithew
Bouchard	Hamilton	Minaker
Bourgault	Hees	Mitges
Bradley	Hnatyshyn	Moore
Caldwell	Hockin	Nickerson
Cardiff	Holtmann	Nielsen
Champagne (Saint-Hyacinthe-Bagot)	Hudon	Oberle
Champagne (Champlain)	Jacques	Paproski
Charest	Jardine	Redway
Clark (Brandon-Souris)	Jelinek	Reimer
Clinch	Johnson (Bonavista-Trinity-Conception)	Ricard
Coates	Joncas	St. Germain
Cochrane	Jourdenais	Scowen
Comeau	Kelleher	Sparrow
Cook	Kilgour	Speyer
Cossitt	Ladouceur	Stevens
Crofton	Landry	Tardif (Charlesbourg)
Crosbie (St. John's West)	Lanthier	Taylor
Darling	Lawrence	Thacker
Daubney	Layton	Towers
de Cotret	Leblanc	Tremblay (Lotbinière)
Desjardins	Lewis	Tupper
Dick	Lopez	Turner (Ottawa-Carleton)
Edwards	MacDonald (Kingston and the Islands)	Vankoughnet
Epp (Provencher)	MacKay	Vézina
Fennell	Marin	Vincent
Ferland	Mayer	Warner
Fontaine	Mazankowski	Wenman
Forrestall	McCuish	White
Fraser	McDermid	Wilson (Swift Current-Maple Creek)
Gervais	McInnes	Winegard
Gormley		Wise—110.

NAYS

Members

Althouse	Epp (Thunder Bay-Nipigon)	Lapierre
Angus	Foster	MacLellan
Axworthy	Fulton	McCurdy
Blackburn (Brant)	Gauthier	Nicholson (Trinity)
Caccia	Gray (Windsor West)	Nystrom
Cassidy	Henderson	Parry
Deans	Hopkins	Penner
de Corneille	Hovdebo	Robichaud
de Jong	Jewett	Robinson
Dingwall	Langdon	Rossi
		Young—31.

Mr. Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

Clauses 2 to 7 inclusive agree to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Mr. Gauthier: I am sorry, Mr. Speaker, but I do not seem to be able to follow you. Have we got this Bill? Was it distributed to all of us?

The Deputy Chairman: I believe the Hon. Member got it this morning. Does the Hon. Member for Ottawa-Vanier (Mr. Gauthier) have the Bill entitled an Act for grating to Her Majesty certain sums of money for the Government of Canada for the fiscal year ending March 31, 1986? That is the Bill we are doing right now.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

● (1820)

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 210*)

YEAS

Members

Andre	Cardiff	Cochrane
Attewell	Champagne	Comeau
Beatty	(Saint-Hyacinthe-Bagot)	Cook
Bernier	Champagne	Cossitt
Bertrand	(Champlain)	Crofton
Blenkarn	Charest	Crosbie
Bouchard	Clark	(St. John's West)
Bourgault	(Brandon-Souris)	Darling
Bradley	Clinch	Daubney
Caldwell	Coates	de Cotret
Desjardins	Joncas	Oberle
Desrosiers	Jourdenais	Paproski
Dick	Kelleher	Redway
Edwards	Kilgour	Reimer
Epp	Ladouceur	Ricard
(Provencher)	Landry	St. Germain
Fennell	Lanthier	Scowen
Ferland	Lawrence	Sparrow
Fontaine	Layton	Speyer
Forrestall	Leblanc	Stevens
Fraser	Lewis	Tardif
Gervais	Lopez	(Charlesbourg)
Gormley	MacDonald	Taylor
Gottselig	(Kingston and	Thacker
Graham	the Islands)	Towers
Gray	MacKay	Tremblay
(Bonaventure-Îles-de-la-Madeleine)	Marin	(Lotbinière)
Greenaway	Mayer	Tupper
Gurbin	Mazankowski	Turner
Gustafson	McCuish	(Ottawa-Carleton)
Hamilton	McDermid	Vankoughnet
Hees	McInnes	Vézina
Hnatyshyn	McKenzie	Vincent
Hockin	McKinnon	Warner
Holtmann	McKnight	White
Hudon	McLean	Wilson
Jacques	McMillan	(Swift Current-Maple Creek)
Jardine	Merrithew	Winegard
Jelinek	Minaker	Wise—110.
Johnson	Mitges	
(Bonavista-Trinity-Conception)	Moore	
	Nickerson	
	Nielsen	

NAYS

Members

Althouse	Foster	McCurdy
Angus	Fulton	Nicholson
Axworthy	Gauthier	(Trinity)
Blackburn	Gray	Nystrom
(Brant)	(Windsor West)	Parry
Caccia	Henderson	Penner
Cassidy	Hopkins	Robichaud
Deans	Hovdebo	Robinson
de Corneille	Jewett	Rossi
de Jong	Langdon	Young—30.
Epp	Lapierre	
(Thunder Bay-Nipigon)	MacLellan	

Mr. Speaker: I declare the motion carried.

Mr. de Cotret moved that the Bill be read the third time and passed.

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

Some Hon. Members: On division.

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

* * *

INTERIM SUPPLY

Hon. Robert de Cotret (President of the Treasury Board) moved:

That a sum not exceeding $10,169,354,842.40 being composed of:

(1) three-twelfths ($7,666,357,410.75) of the total of the items set forth in the Main Estimates for the fiscal year ending March 31, 1987, which were laid upon the Table on Thursday, February 27, 1986, except those items below:

(2) eleven-twelfths of the total amounts of Energy, Mines and Resources Item 15, Indian Affairs and Northern Development Item L60, Public Works

Item 45 and Transport Item 20 (Schedule A) of the said Estimates, $13,955,333.33;

(3) nine-twelfths of the total amount of Treasury Board Item 5 (Schedule B) of the said Estimates, $262,500,000.00;

(4) six-twelfths of the total amounts of Indian Affairs and Northern Development Item 50, Transport Item 30 and Treasury Board Item 10 (Schedule C) of the said Estimates, $115,113,500.00;

(5) five-twelfths of the total amounts of Communications Item 75, Consumer and Corporate Affairs Item 15, Employment and Immigration Item 10, Energy, Mines and Resources Item 45, National Health and Welfare Item 55 and Public Works Item 35 (Schedule D) of the said Estimates, $74,986,541.66; and

(6) four-twelfths of the total amounts of Agriculture Item 15, Communications Item 30, Consumer and Corporate Affairs Item 20, Employment and Immigration Items 15 and 25, Energy, Mines and Resources Item 1, Environment Item 1, Indian Affairs and Northern Development Items 15, 30, 35 and 40, Parliament Item 10, Public Works Item 30, Secretary of State Item 25, Supply and Services Items 1 and 10, Transport Items 1 and 40 and Veterans Affairs Item 20 (Schedule E) of the said Estimates, $2,036,442,056.66;

be granted to Her Majesty on account of the fiscal year ending March 31, 1987.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gray (Windsor West): Mr. Speaker, I think you will find a disposition on the part of Members of the House that the previous vote would apply to this motion.

Mr. Speaker: I take it that there is consent that the last recorded vote apply to this motion?

Some Hon. Members: Agreed.

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

(*Division No. 211*)

YEAS

Members

Andre	Caldwell	Clinch
Attewell	Cardiff	Coates
Beatty	Champagne (Saint-Hyacinthe-Bagot)	Cochrane
Bernier	Champagne (Champlain)	Comeau
Bertrand	Charest	Cook
Blenkarn	Clark (Brandon-Souris)	Cossitt
Bouchard		Crofton
Bourgault		Crosbie (St. John's West)
Bradley		
Darling	Johnson (Bonavista-Trinity-Conception)	Moore
Daubney	Joncas	Nickerson
de Cotret	Jourdenais	Nielsen
Desjardins	Kelleher	Oberle
Desrosiers	Kilgour	Paproski
Dick	Ladouceur	Redway
Edwards	Landry	Reimer
Epp (Provencher)	Lanthier	Ricard
Fennell	Lawrence	St. Germain
Ferland	Layton	Scowen
Fontaine	Leblanc	Sparrow
Forrestall	Lewis	Speyer
Fraser	Lopez	Stevens
Gervais	MacDonald (Kingston and the Islands)	Tardif (Charlesbourg)
Gormley	MacKay	Taylor
Gottselig	Marin	Thacker
Graham	Mayer	Towers
Gray (Bonaventure-Îles-de-la-Madeleine)	Mazankowski	Tremblay (Lotbinière)
Greenaway	McCuish	Tupper
Gurbin	McDermid	Turner (Ottawa-Carleton)
Gustafson	McInnes	Vankoughnet
Hamilton	McKenzie	Vézina
Hees	McKinnon	Vincent
Hnatyshyn	McKnight	Warner
Hockin	McLean	White
Holtmann	McMillan	Wilson (Swift Current-Maple Creek)
Hudon	Merrithew	Winegard
Jacques	Minaker	Wise—110.
Jardine	Mitges	
Jelinek		

NAYS

Members

Althouse	Foster	McCurdy
Angus	Fulton	Nicholson (Trinity)
Axworthy	Gauthier	Nystrom
Blackburn (Brant)	Gray (Windsor West)	Parry
Caccia	Henderson	Penner
Cassidy	Hopkins	Robichaud
Deans	Hovdebo	Robinson
de Corneille	Jewett	Rossi
de Jong	Langdon	Young—30.
Epp (Thunder Bay-Nipigon)	Lapierre	
	MacLellan	

Mr. Speaker: I declare the motion carried.

Mr. de Cotret moved that Bill C-102, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1987, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-102, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1987, be read the second time and referred to a Committee of the Whole.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Is there a disposition to apply the last recorded vote to this motion?

Some Hon. Members: Agreed.

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

(*Division No. 212*)

YEAS

Members

Andre	Gormley	McInnes
Attewell	Gottselig	McKenzie
Beatty	Graham	McKinnon
Bernier	Gray	McKnight
Bertrand	(Bonaventure-Îles-de-la-Madeleine)	McLean
Blenkarn	Greenaway	McMillan
Bouchard	Gurbin	Merrithew
Bourgault	Gustafson	Minaker
Bradley	Hamilton	Mitges
Caldwell	Hees	Moore
Cardiff	Hnatyshyn	Nickerson
Champagne (Saint-Hyacinthe-Bagot)	Hockin	Nielsen
Champagne (Champlain)	Holtmann	Oberle
Charest	Hudon	Paproski
Clark (Brandon-Souris)	Jacques	Redway
Clinch	Jardine	Reimer
Coates	Jelinek	Ricard
Cochrane	Johnson (Bonavista-Trinity-Conception)	St. Germain
Comeau	Joncas	Scowen
Cook	Jourdenais	Sparrow
Cossitt	Kelleher	Speyer
Crofton	Kilgour	Stevens
Crosbie (St. John's West)	Ladouceur	Tardif (Charlesbourg)
Darling	Landry	Taylor
Daubney	Lanthier	Thacker
de Cotret	Lawrence	Towers
Desjardins	Layton	Tremblay (Lotbinière)
Desrosiers	Leblanc	Tupper
Dick	Lewis	Turner (Ottawa-Carleton)
Edwards	Lopez	Vankoughnet
Epp (Provencher)	MacDonald (Kingston and the Islands)	Vézina
Fennell	MacKay	Vincent
Ferland	Marin	Warner
Fontaine	Mayer	White
Forrestall	Mazankowski	Wilson (Swift Current-Maple Creek)
Fraser	McCuish	Winegard
Gervais	McDermid	Wise—110.

NAYS

Members

Althouse	Caccia	Epp (Thunder Bay-Nipigon)
Angus	Cassidy	Foster
Axworthy	Deans	Fulton
Blackburn (Brant)	de Corneille	Gauthier
	de Jong	
Gray (Windsor West)	Lapierre	Penner
Henderson	MacLellan	Robichaud
Hopkins	McCurdy	Robinson
Hovdebo	Nicholson (Trinity)	Rossi
Jewett	Nystrom	Young—30.
Langdon	Parry	

Mr. Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

● (1830)

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule C carry?

Some Hon. Members: On division.

Schedule agreed to.

Mr. Gauthier: Mr. Chairman, it is our practice to ask the President of the Treasury Board (Mr. de Cotret) if this Bill conforms to previous Bills submitted to the House.

Mr. de Cotret: I give that assurance that this Bill is in the same form as that passed in previous years in every respect.

The Deputy Chairman: Shall Schedule D carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule E carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Mr. Speaker: It is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells and apply the same recorded vote to this matter?

Some Hon. Members: Agreed.

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

(*Division No. 213*)

YEAS

Members

Andre	Champagne (Champlain)	Darling
Attewell	Charest	Daubney
Beatty	Clark (Brandon-Souris)	de Cotret
Bernier	Clinch	Desjardins
Bertrand	Coates	Desrosiers
Blenkarn	Cochrane	Dick
Bouchard	Comeau	Edwards
Bourgault	Cook	Epp (Provencher)
Bradley	Cossitt	Fennell
Caldwell	Crofton	Ferland
Cardiff	Crosbie (St. John's West)	Fontaine
Champagne (Saint-Hyacinthe-Bagot)		Forrestall
		Fraser
Gervais	Lawrence	Reimer
Gormley	Layton	Ricard
Gottselig	Leblanc	St. Germain
Graham	Lewis	Scowen
Gray (Bonaventure-Îles-de-la-Madeleine)	Lopez	Sparrow
	MacDonald (Kingston and the Islands)	Speyer
Greenaway		Stevens
Gurbin	MacKay	Tardif (Charlesbourg)
Gustafson	Marin	Taylor
Hamilton	Mayer	Thacker
Hees	Mazankowski	Towers
Hnatyshyn	McCuish	Tremblay (Lotbinière)
Hockin	McDermid	Tupper
Holtmann	McInnes	Turner (Ottawa-Carleton)
Hudon	McKenzie	Vankoughnet
Jacques	McKinnon	Vézina
Jardine	McKnight	Vincent
Jelinek	McLean	Warner
Johnson (Bonavista-Trinity-Conception)	McMillan	White
	Merrithew	Wilson (Swift Current-Maple Creek)
Joncas	Minaker	Winegard
Jourdenais	Mitges	Wise—110.
Kelleher	Moore	
Kilgour	Nickerson	
Ladouceur	Nielsen	
Landry	Oberle	
Lanthier	Paproski	
	Redway	

NAYS

Members

Althouse	Foster	McCurdy
Angus	Fulton	Nicholson (Trinity)
Axworthy	Gauthier	Nystrom
Blackburn (Brant)	Gray (Windsor West)	Parry
	Henderson	Penner
Caccia	Hopkins	Robichaud
Cassidy	Hovdebo	Robinson
Deans	Jewett	Rossi
de Corneille	Langdon	Young—30.
de Jong	Lapierre	
Epp (Thunder Bay-Nipigon)	MacLellan	

Mr. Speaker: I declare the motion carried.

Mr. de Cotret moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells and apply the same recorded vote to this matter?

Some Hon. Members: Agreed.

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

(Division No. 214)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Blenkarn
Bouchard
Bourgault
Bradley
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Comeau
Cook
Cossitt
Crofton
Crosbie (St. John's West)
Darling
Daubney
de Cotret
Desjardins
Desrosiers
Dick
Edwards
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Gervais
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Gurbin
Gustafson
Hamilton
Hees
Hnatyshyn
Hockin
Holtmann
Hudon
Jacques
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kilgour
Ladouceur
Landry
Lanthier
Lawrence
Layton
Leblanc
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacKay
Marin
Mayer
Mazankowski
McCuish
McDermid
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Nickerson
Nielsen
Oberle
Paproski
Redway
Reimer
Ricard
St. Germain
Scowen
Sparrow
Speyer
Stevens
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—110.

NAYS

Members

Althouse
Angus
Axworthy
Blackburn (Brant)
Caccia
Cassidy
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Fulton
Gauthier
Gray (Windsor West)
Henderson
Hopkins
Hovdebo
Jewett
Langdon
Lapierre
MacLellan
McCurdy
Nicholson (Trinity)
Nystrom
Parry
Penner
Robichaud
Robinson
Rossi
Young—30.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. Speaker: It being 6.35 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.35 p.m.

HOUSE OF COMMONS

Tuesday, March 25, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN CURRENCY

PRODUCTION OF CANADIAN ONE-DOLLAR COIN

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I am pleased to announce that the Government has decided to produce a new Canadian one-dollar coin. As a consequence, I will be introducing amendments to the Currency Act at the earliest opportunity.

[*Translation*]

As the Minister responsible for the Royal Canadian Mint, I have asked the Master of the Mint to strike a one-dollar coin that will be in circulation by January 1987.

Mr. Speaker, the concept of a one-dollar coin is not new. The Members of this House will recall that the Standing Committee on Miscellaneous Estimates held hearings on the subject last year and published a report recommending that a coin of this denomination be issued.

[*English*]

The Mint will initially produce 300 million one-dollar coins. Each coin will be made of an aureate bronze plated on pure nickel. This will mean a one-time requirement for five million pounds of nickel coin blanks, and an annual demand for half a million pounds. We believe this requirement will have a positive impact on jobs in the Canadian mining industry.

The coin will be struck at the Royal Canadian Mint in Winnipeg where all of Canada's circulating coinage is presently produced. The technology involved in this type of production run will continue to keep Canada in the forefront of the coinage production industry, resulting in enhanced opportunities for offshore orders.

The coin will be 11-sided, slightly larger and heavier than a quarter, and gold coloured. Because of its shape it will be easily distinguishable from other coins, thus greatly beneficial to the visually impaired.

I also wish to advise the House that the Canadian one-dollar bill will be phased out of circulation following the introduction of the new dollar coin. This measure alone will result in savings of over $175 million in currency production costs over the 20-year life span of a circulating coin, as the existing dollar note has to be replaced each year.

Several organizations have called for a circulating dollar coin for years. The Canadian Urban Transit Association, representing the public transit authorities from across Canada, looks forward to the tremendous cost savings once processing of paper money used for fares is no longer required. Other groups, including vending machine operators and the visually impaired, are also strong proponents of this coin.

In summary, the Government is proceeding in this direction because we believe everyone in Canada stands to benefit. The circulating dollar will be of great importance to the mining industry, result in a tremendous saving to the taxpayer, and make cash transactions easier and more efficient for all concerned.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am also very pleased at the announcement made today by the Hon. Minister of Supply and Services. A parliamentary committee had extensive hearings on this topic approximately one year ago. If there is any criticism I could make over the decision, it is that it took so long before the Government finally arrived at its conclusions.

Mr. Murphy: It took you guys 16 years to even think about it and you turned it down.

Mr. Boudria: The parliamentary committee reviewed this proposal and came out with a very good, thorough report, as I am sure the Minister would agree, regarding the striking of a dollar coin here in Canada. The coin is modelled on the Susan B. Anthony coin in the U.S. The reason for that, we are told, is because it has to match that size in order to be accepted in vending machines. That is of course the way it should be, otherwise the people in that business would have to bear a considerably higher expense in order to obtain coin acceptors to do that task.

I have a few questions I would like to raise in the House concerning this decision. First of all, it is of course a good Liberal initiative started back in 1978.

Mr. Rodriguez: What took you so long?

Mr. Boudria: Perhaps the Minister inadvertently forgot to mention that, so I thought I would remind you because I am sure you remember that vividly.

The Canadian Bankers' Association had suggested that the initial cost of distributing the coin to various banks be borne by the Government. I would like to know at the appropriate time if that will be the case and what will be the cost to the taxpayers if such is undertaken. I believe those questions

remain unanswered. The other thing we should know is whether or not there will be new distribution centres for the coin as has been requested by Canadian bankers.

Do I have only one minute, Mr. Speaker? There are many issues here and I find it unfortunate that we are limited to so short a period of time. Finally, there is something symbolic I would like to raise with the Minister, and I would like to get an assurance on the part of the Government. The picture on the reverse side of the one-dollar bill is that of the Parliament Buildings of our country. I would like an assurance from the Government that in fact a new denomination will bear the same picture, namely, the picture taken from the City of Hull of the Parliament Buildings. Perhaps the Minister will undertake to ensure that it will be placed on the two-dollar bill, or some other bill, so Canadians can look at their currency and see the picture of our Parliament Buildings.

• (1110)

The new dollar coin will be beneficial to the blind and to many other people in this country. I would like some assurances from the Government of Canada that the phasing out will be done in such a way as to not run out of dollar currency, either coins or bills, and, of course, that jobs will be protected in some way for the people working in the bank note production industry.

Again I wish I had more time because there are many other issues I wanted to raise with you this morning.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we in the New Democratic Party caucus are pleased with the announcement by the Minister with respect to moving to a dollar coin. I suppose instead of having a 72-cent dollar we will have a 72-cent coin. We are pleased with the decision. We believe it represents convenience and saving to the consumers. I think the time is right.

The Member for Ottawa Centre (Mr. Cassidy) expressed grave concerns about the effects of moving to a dollar coin, the effects it would have on those workers who produce the dollar bill. We satisfied those concerns in the committee and I see the Government has recognized it in the statement that in fact we will phase in the dollar coin over a three-year period and phase out the dollar bill over a similar period. This would also reflect an increase in demand for the two-dollar bill; it is expected that there will be a 50 per cent increase in demand for the two-dollar bill and the higher face value currency.

There was a concern that I, and my colleague from Ottawa Centre expressed regarding the choice of finish on the dollar coin. We are pleased to note that the dollar coin will be made of a 100 per cent pure nickel, but the covering will be the aureate finish, which is tin copper alloy. It tarnishes, and we did express concern that maybe we should have gone to the nigold finish, which is a process developed by Inco in the Sudbury Basin. The nigold finish wears and is much more attractive and offers an opportunity for an industrial diversification in the Sudbury Basin.

I have a concern which I must express to the Minister, and I hope he will take note of it. In the committee we recommended that the nickel which will be put into the dollar coin should be made from 100 per cent Canadian mined and processed nickel. That will ensure that the contract for the nickel to produce the dollar coin will go to the Canadian mining industry and jobs will be kept in Canada, particularly in the areas where we mine nickel.

I am also concerned that there was a recommendation, and I do not see anywhere in the Minister's statement a follow-up to the recommendation, that a special coin might be struck of the nigold finish in commemoration of the Calgary Olympics. I note that that is absent from the Minister's statement. That was one of the compromises the committee had come up with to assist Inco in developing the nigold process which they hoped to convince the Americans to apply to the Susan B. Anthony coin, and maybe then it would start circulating in the United States.

I noticed in the statement of the Minister that there was no mention of seigniorage. The committee recommended that $60 million of seigniorage on the dollar coin ought to go to the Calgary Olympics. There was no mention of that $60 million of seigniorage on the dollar coin. I hope that over the ensuing days the Minister will clarify those particular concerns.

All in all, I salute the Government for taking this step. I know the people in the Sudbury Basin are looking forward with anticipation to bidding on the contract to supply the five million pounds of nickel in the first year and the half million pounds in subsequent years for the production of the coins.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATE TO NORTH ATLANTIC ASSEMBLY

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I am honoured to present the official report, in both official languages, of the Hon. Member for Brant (Mr. Blackburn) who represented Canada at the following North Atlantic Assembly meetings. On February 12 to 13 he visited the Special Committee on Nuclear Strategy and Arms Control in Geneva, Switzerland, and on February 14 and 15 a political committee in Brussels, Belgium. I would like to take this opportunity to thank the Hon. Member for his participation at the meetings and for his excellent report of the proceedings.

Section 101 of our new Standing Orders calls for reports within ten sitting days after return to Canada of a delegation. There have been some difficulties with this time limit. The ten-day limitation creates difficulty for Private Members who do not have priority access to our official translation services.

Mr. Speaker: I thank the Hon. Member for his representation.

[*Translation*]

SELECTION

PRESENTATION OF TWENTY-SIXTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Twenty-Sixth Report of the Striking Committee, in both official languages.

If the House gives its consent, I intend to move concurrence in this report later this day.

PRESENTATION OF TWENTY-SEVENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Twenty-Seventh Report of the Striking Committee, in both official languages.

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

* * *

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have several petitions asking the Government to reconsider its decision to terminate the Katimavik program, and to deal immediately with the pressing problems of Canadian youth and the 700,000 unemployed young people we have in this country.

I have several petitions from Ottawa-Vanier. I have a petition with 540 signatures, again from the Ottawa area and Kingston.

I also have another petition from my riding of Ottawa-Vanier, which contains several dozen signatures.

[*English*]

Mr. Speaker, I have a number of petitions dealing with the same subject, that is, reinstating the program Katimavik to look after the serious problems of youth unemployment and to try and persuade the Government to change its mind on the question of youth unemployment and Katimavik.

PRICE OF GASOLINE

Mr. Lorne Nystrom (Yorkton-Melville): I also have a petition signed by probably several hundred people from various parts of Saskatchewan about the high price of automobile fuel in this country. They are calling upon the House of Commons to reduce the federal taxes applied to gasoline; that is the excise tax and also the federal sales tax.

They are suggesting in this petition that there be a federal-provincial first Ministers' conference called on this particular issue to explore ways to reduce the federal and provincial tax on gasoline in Canada. It is my honour to present this petition. It is unique in the respect that it comes not from one community but, indeed, from several dozen communities throughout Saskatchewan.

• (1120)

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO—REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the duty and responsibility to table a petition signed by several residents of Nickel Belt who call upon Parliament to require the Government of the Province of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in regard to the laying of charges under Section 251 of the Criminal Code against the operators of the premises known as the Morgentaler Clinic.

PRICE OF GASOLINE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour and privilege to present two petitions that have been found to be in order pursuant to Standing Order 106. The first is a group of petitions from the residents of Atikokan, expressing their concern about high gasoline prices. They indicate that they pay anywhere from 53 cents to 67 cents a litre at the gas pumps and call upon the Government of Canada to use Petro-Canada as a tool to drive prices down.

My second petition is from 86 individuals of the community of Thunder Bay who indicate that they are paying anywhere from 50 cents to 57 cents a litre at the pumps in Thunder Bay. They are concerned that Canadian gasoline can be purchased in the United States for much less than in Canada.

REINSTATEMENT OF KATIMAVIK PROGRAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have several petitions. The first petition states—

[*Translation*]

—that the Katimavik Program was a success because of the training received by the 20,000 young people who took part and the important community projects that were carried out.

[*English*]

The petitioners are asking the Government to restore this program.

The second petition also deals with the question of Katimavik. It asks the Government—

[*Translation*]

—that this program gives Canadian young people an opportunity to become better acquainted with their country and the language and culture of the people that live in it. That is why these petitioners humbly pray Parliament or the House of Commons that the decision to terminate Katimavik be reconsidered.

[*English*]

I have another petition on the issue of Katimavik. Since the program has been a great success in relation to 20,000 young people who have participated in the last 10 years and for the community works that have been carried out, the petitioners call upon the Government to reconsider its decision to terminate the program.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO—REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition from constituents in the riding of Hamilton East in the Province of Ontario, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your humble House will therefore provide a remedy.

The undersigned, your petitioners, humbly pray and call upon Parliament to require the Government of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in regard to the laying of charges under Section 251 of the Criminal Code against the operators of the premises known as the Morgentaler Clinic and to express to the Government of the Province of Ontario the displeasure of your honourable House in witnessing the refusal of the Government to do everything in its power to enforce Section 251 of the Criminal Code as enacted by your honourable House.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a series of petitions dealing with Katimavik. They ask the Government to recognize the short-sightedness of its budgetary measures in cancelling Katimavik and call upon the House of Commons to reinstate full funding of the Katimavik program for the young people of Canada. The petitions come from Prince Albert, as well as Birch Hills, Shellbrook, Pathlow, St. Brieux, which are communities in the area of Prince Albert, Saskatchewan.

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petitionon on behalf of a large number of residents of my constituency of Burnaby who point out that the telephone is essential for communication, that rental costs must always be affordable and that the telephone pricing scheme known as local measured service, or charging for each local call, would mean that having a telephone would cost significantly more per month for most people and would have a very detrimental impact on the voluntary sector, senior citizens, the handicapped and many other Canadians.

My constituents call upon Parliament to direct the CRTC to deny to telephone companies, such as BC Telephone Company, the right to charge for each call and order the retention of monthly rental for telephones.

EQUALITY RIGHTS—DISCRIMINATORY POLICIES

Mr. Svend J. Robinson (Burnaby): I have the honour to present a petition signed by many citizens of the Calgary, Alberta area as well as from Saint John, new Brunswick; Guelph, Ontario; Saskatoon, Saskatchewan; Hamilton, Ontario and a number of other large and small towns across Canada. They call upon the Government to implement the recommendations of the Parliamentary Committee on Equality Rights to amend the Canadian Human Rights Act to add sexual orientation as a prohibited ground of discrimination, to end the discriminatory policies of the Canadian Armed Forces and the RCMP, to amend security clearance guidelines and to amend the Criminal Code to ensure a uniform minimum age of consent.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO—REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have two petitions that have been found to be in the proper form. The first petition from citizens of Thunder Bay-Nipigon protests the continued operation within the city of Toronto of the premises known as the Morgentaler Clinic and calls upon Parliament to require the Government of the Province of Ontario to remove any restrictions which may have been placed on the police force of Metropolitan Toronto in regard to the laying of charges relating to its operation.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Ernie Epp (Thunder Bay-Nipigon): My second petition comes from residents of the City of Thunder Bay as well as Dawson Creek, British Columbia. The petitioners protest that the federal Government's decision to cancel the youth program, Katimavik, is short-sighted. They point out that a 1985 study found that 59.8 per cent of Katimavik participants over a four-year period were employed; 27 per cent in school or university and only 6.7 per cent were unemployed at a time when country-wide unemployment rates for youth were at 18 per cent to 23 per cent. These citizens call upon the Parliament of Canada to re-establish Katimavik with full funding for the young people of Canada.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am proud and honoured to present a petition with respect to the cutting of Katimavik. The petitioners request that I bring to the attention of the House the fact that Katimavik helped thousands of young Canadians to develop social skills and employment options while providing an opportunity to do useful work in different regions of Canada. The petitioners are calling upon the Government of Canada to reinstate full funding to the Katimavik program in order to give a great number of young people in Canada the opportunity to further their ambitions.

[*Translation*]

Mr. Speaker, I also have the honour of presenting to this House another petition, in which petitioners ask that the Government of Canada reinstate the Katimavik Program.

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I wish to present a petition on behalf of several hundred Canadians asking the Government of Canada to immediately restore the very worthwhile Katimavik program.

Mr. Speaker: The Chair must advise the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Yorkton-Melville (Mr. Nystrom) that the petitions they have submitted are uncertified and will be returned to them.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. The petition that I entered today is certified and this is the certificate of certification.

Mr. Speaker: It is not of much use to us if it remains in the hands of the Hon. Member and is not submitted with the petition.

* * *

POINT OF ORDER

USE OF UNPARLIAMENTARY LANGUAGE

Mr. Speaker: The Chair was asked yesterday to reserve on a point of order and is interested in knowing whether any further comment will be made to the Chair.

Hon. Herb Gray (Windsor West): Mr. Speaker, in response to your invitation to make comments on the matter on which you reserved yesterday, it would appear that yesterday the President of the Privy Council (Mr. Hnatyshyn) raised a point of order with respect to: "The language used by the Hon. Member for York South-Weston (Mr. Nunziata) during the Question Period on Friday, March 21".

I think it is clear from our rules and precedents that points of order or questions of privilege cannot be raised during Question Period. When the matter in question came up in the House during Question Period on Friday, *Hansard* shows that you, Sir, specifically invited Members who had anything to say on this matter to raise their concerns after the Question Period. I checked *Hansard* very carefully and I find no record whatsoever of the language allegedly used by the Hon. Member for York South-Weston (Mr. Nunziata) during Question Period on Friday being raised in any way, shape or form immediately after the Question Period on Friday.

● (1130)

The precedents on this matter are clear. I draw your attention to page 114 of Beauchesne's Fifth Edition, Citation 323, wherein paragraph 1 states:

Point of Order—Mr. Hnatyshyn

> Unparliamentary words may be brought to the attention of the House either by the Speaker or by any Member. When the question is raised by a Member it must be as a point of order and not a question of privilege.

Paragraph 2 of Citation 323 states, and I draw your particular attention, Mr. Speaker, to these words:

> The proper time to raise such a point of order is when the words are used and not afterwards.

As I have said, this matter could not have been raised during Question Period on Friday but it could have been raised immediately thereafter. In spite of your suggestion, Mr. Speaker, during Question Period as to the procedure which could be followed if Members wished to do so, it was not done.

In *Hansard* of Monday, March 24, the Government House Leader is reported to have said that he called for a point of order at the time with respect to the language of the Hon Member for York South-Weston. I respectfully submit that the Government House Leader was in error, inadvertently, I am sure, in this regard. The record of *Hansard* for Friday, March 21, shows that no point of order with respect to the language allegedly used by the Hon. Member for York South-Weston during the Question Period was raised by the Government House Leader, or by anyone, at the time it should have been done according to our precedents, which was directly after the Question Period on Friday.

Therefore, I submit to you, Mr. Speaker, that the precedents are clear that whatever may have been recorded in *Hansard* for last Friday with respect to language attributed to the Hon. Member for York South-Weston, it was too late, according to our clear and established precedents, to raise the matter yesterday morning as a point of order.

I submit, therefore, the Chair should not be put in the position of being called on to rule on the parliamentary or unparliamentary nature of the words alleged to have been spoken last Friday during Question Period by the Hon. Member for York South-Weston.

Mr. Hnatyshyn: Mr. Speaker, I am probably out of order according to strict rules, which Your Honour would like to see observed here with respect to formality, in speaking a second time to this matter, but I simply will say that I have addressed myself with respect to whether or not I tried to bring this matter to the attention of the Chair during Question Period. It is quite true that I did not rise again after Question Period with respect to the statements on the part of the Hon. Member for York South-Weston (Mr. Nunziata) which have now been clearly recorded.

Rules of procedure, as any one of us who have practiced in a court of law know, are there as technicalities. What I was trying to get across, and what I did indicate at the end of my presentation yesterday, is that I thought the honourable thing for a person who had respect for the House of Commons as an institution, about which a feeling of goodwill would prevail, would be to take it upon himself or herself to rise, if there are parliamentary offensive words spoken, and categorically and unequivocally withdraw those words, not as a reflection with respect to any technicality but rather because it would demon-

strate, it seems to me, respect for the institution of the House of Commons. I simply base my submission on the fact that if the Chair wants to review *Hansard* again it will find it was raised at the time the incident occurred. Your Honour indicated you did not hear any offensive language. Upon checking the record at the first opportunity, I did come forward and raise it the first time I had an opportunity to do so, which was at the beginning of the proceedings yesterday.

The matter, it seems to me, could be resolved from the point of view of the House of Commons if the Hon. Member, who is in the House today, stood up and withdrew the remarks. It seems to me that would be the honourable thing to do.

Mr. Speaker: I will reserve on this matter and think about it a little further.

Ms. Copps: Mr. Speaker, I do not know whether it is a point of order, but I wonder if the Government House Leader could clarify for us his comment or statement, and I quote from *Hansard* of March 21, 1986, at page 11746:

> One of the jerks sitting next to him! Not that jerk, the one over there.

Would the Government House Leader clarify whether that constitutes his impression that he raised the issue at the time?

Mr. Hnatyshyn: Mr. Speaker, just to show you what I am talking about, I unequivocally withdraw and apologize for that particular remark. I just want to set an example for the Hon. Member for York South-Weston.

* * *

ELECTIONS, PRIVILEGES AND PROCEDURE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties and I think you will find a disposition to receive by unanimous consent and pass without debate the following motion:

> That the first report of the Standing Committee on Elections, Privileges and Procedure, presented to the House on Monday, March 24, 1986, be concurred in.

Mr. Speaker: Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, there have been some consultations and I believe you will find there is unanimous consent to the following motion:

> That the Fifth Report of the Standing Joint Committee on Regulations and Other Statutory Instruments presented to the House on Friday, March 21, 1986, be concurred in.

Mr. Speaker: Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Lewis: I ask, Mr. Speaker, that all questions be allowed to stand.

Mr. Speaker: Shall the questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed from Friday, March 21, consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee, and the amendment of Mr. Deans (p. 11570).

Mr. Speaker: May I advise the House that because of the ministerial statement Government Orders will be extended by 11 minutes beginning at one o'clock today.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to take up where I left off on Friday when I had asked the House this question. In light of the problems facing Alberta vis-a-vis the collapse of the oil industry, and the fact that all the federal seats in Alberta are represented by Conservatives, where are the voices for Alberta in this House? Where are the Tories from Alberta? They are extremely silent, as silent as a cemetery at midnight. They are great ones for getting up and pushing things like capital punishment and other social issues, but on the most important issue facing Alberta today, the collapse of the oil industry—120,000 workers in the oil industry in Alberta are affected—we hear not one sound from the Government benches. It is shameful. It is despicable. It cannot be claimed any longer that there is a Government in Ottawa which is of a different political stripe from the Members who represent Alberta. They all share the same blood. At the moment they are all blue bloods. Yet they have not made one sound in the House about the most important issue facing the

people of Alberta. The economy of the Province of Alberta is collapsing.

• (1140)

We heard the other day that Imperial Oil will lay off 1,800 workers. Where are the representatives from Alberta? Where is the Hon. Member from Strathcona? Where is the Hon. Member for Bow River (Mr. Taylor)? Where are they all? Have they all flown south and forgotten to fly back north? Where are the Hon. Members from Calgary? Where is the Hon. Member for Crowfoot (Mr. Malone)? Where is the Hon. Member for Edmonton South (Mr. Edwards)? Where are they all?

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member not to mention the presence or absence of any specific Member, please.

Mr. Rodriguez: Mr. Speaker, I am sure they are present. I am not mentioning their absence from the House. It is the absence of their voices which I am mentioning. They are absolutely silent.

Mr. Holtmann: Talk louder!

Mr. Rodriguez: Now they seem to have their voices back.

Mr. Holtmann: Do you want us to yell at you, too?

Mr. Rodriguez: It is the voice of Manitoba. One would think he would be quiet. I think he should be silent.

There is a new Premier of Alberta. How does he see the resolution of the oil crisis in Alberta? What he does is pick up the phone. Whom does he phone? Does he phone the Minister of Energy, Mines and Resources (Miss Carney)? No, he phones Sheik Yamani. Yes, he phones the OPEC sheik. He phones the sheik who calls the tune in OPEC. So we have Sheik Getty phoning Sheik Yamani and leaving Sheik Carney out of the whole picture. Here is Sheik Getty sneaking into the tent of the OPEC sheiks. And what are they doing? Are they committed to some sort of competitive market for setting oil prices? These are the people who said they wanted free enterprise in the oil industry. Was he phoning up Sheik Yamani to say: "Let's compete"? No. He wants to back into OPEC. That is what he wants to do. The situation is ludicrous.

So what does the Secretary of State for External Affairs (Mr. Clark) say? He says: "You can't phone Sheik Yamani. I speak for Canada".

Mr. Manly: Who speaks for Alberta?

Mr. Rodriguez: The point is that the Secretary of State for External Affairs does not speak for Canada either since Sheik Getty very clearly said: "I don't intend to inform Mr. Clark when I call the sheik".

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I rise on a point of order. This is not the *Wayne and Shuster Show*. If the NDP would like to have a meeting of its caucus, I would ask Your Honour to give them some direction on this debate. We are a serious Government and the figures speak for themselves. If members of the NDP want to act like comics, I would ask Your Honour to throw them out of the House.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor.

Mr. Rodriguez: Mr. Speaker as the present Minister of Justice (Mr. Crosbie) used to say: "They are dancing sheik-to-sheik". What we have in Alberta is a situation which requires some leadership and direction from the federal Government. There is a Conservative Government in the Province of Alberta, just as there is a Conservative Government in Ottawa. All 21 Alberta seats in the House of Commons are represented by Conservatives. Yet they are allowing the oil industry in Alberta to go down the tubes. In fact, 120,000 jobs are in danger because of their inaction.

Mr. Nystrom: They are "sheiking" their responsibility.

Mr. Rodriguez: My colleague says that they are "sheiking" their responsibility. That is true. They are doing just that. More than that, they have locked themselves into the whole business of having competition and allowing the market-place to determine the price. I do not hear much talk about that these days. I do not hear much talk these days about having competition and letting it set the price. Where are those voices now?

I ask members of the Government to give us some direction. Can the Government not tell us what it intends to do to ensure that these jobs in the oil industry do not disappear? Can the Government assure us that the oil industry is important to Canada and, in particular, to western Canada and that something should be done? After all, the Conservative Government cancelled the National Energy Program. It said that it had all sorts of faults and it came in with the new Western Accord. What has happened since the introduction of the Western Accord? Members of the Government found out that in fact the oil prices are controlled by the cartel and that there is no competitive base. Prices have been dropping and the bottom is falling out of the industry in Alberta. They are the leaders across the way. What do they intend to do about it? Where are the voices from Alberta speaking up for the people of Alberta? Who speaks for Alberta? Who speaks for Canada? It seems to me Members opposite are extremely silent.

Then there are the consumers who are paying through the nose. The 60 days is up today and they are still paying very high prices for petroleum.

I notice that you have given me the signal, Mr. Speaker. It is unfortunate I do not have enough time to continue in order to explain the whole situation.

Mrs. McDougall: It's fortunate.

Mr. Rodriguez: "Squander Woman" says that it is in her heart to give me unanimous consent to continue.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Nystrom: I rise on a point of order, Mr. Speaker. Is there unanimous consent for the Hon. Member for Nickel Belt (Mr. Rodriguez) to continue his very illuminating speech?

Some Hon. Members: No.

Mr. Deputy Speaker: Apparently there is not unanimous consent. Therefore, are there questions or comments?

[*Translation*]

Mr. Lanthier: Mr. Speaker, I would like to comment.

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

Mr. Lanthier: No, you asked for comments.

Mr. Deputy Speaker: I am sorry, but at this stage there is no period for questions and comments. We shall therefore continue debate with the Hon. Member for Gander-Twillingate (Mr. Baker).

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am prompted to say a few words following the magnificent address by the Hon. Member for Nickel Belt (Mr. Rodriguez) and the intervention to the effect that perhaps he was making fun of the federal Government, and was not all that serious. I would like to get serious for a moment and refer to the borrowing authority. I would also like to refer to the Budget of the Government and to what the Government seems to be hanging its coat on.

For your benefit, Mr. Speaker, I will refer to a publication put out by the Minister of Finance (Mr. Wilson) entitled *Restoring Canada's Financial Stability*. As Hon. Members know the Government of Canada has been claiming that the deficit is the major problem facing the nation. What does one see when one picks up the Minister of Finance's booklet and a copy of his Budget Speech? We see that he said that in 1984-85 we had the highest deficit ever at $38.2 billion. The present Government was in office for half of that year and it must assume some of the responsibility. The Minister of Finance also says that he expects the deficit to be reduced from $34.3 billion this year—that is the year after we had the highest deficit. So now we have the second highest deficit in Canadian history. Lo and behold, when we look back at the times we are talking about here we discover that this Government is in power not only for the highest deficit in Canadian history, but also for the second highest deficit in Canadian history.

• (1150)

Then we go on to find that the Minister of Finance said the deficit will go to $29.5 billion next year. Going back over the record again we discover, lo and behold, that that will be the third highest deficit in Canadian history. When looking at the facts presented by the Minister of Finance, we discover that the Government, which is claiming that the deficit is the biggest problem facing this nation, has while it has only been in power for 18 months run up the highest deficits and is projecting continuing high deficits.

What does that mean, Mr. Speaker? The Minister of Finance has asked how we can solve the problem of the national debt. In the first 18 months of Conservative rule a full 24 per cent of the total national debt has been accumulated by this Government. Taking the projections of the Minister of Finance to the year 1990, if the Government remains in power, which it will not, we see that it will have accumulated a full 50 per cent of the total national debt of this nation, the total accumulated deficits of the Government of Canada since confederation.

We all know where the money has been going. We all know about the mistakes made by the Government. The point is—

Mr. Redway: Do we cut the expenditures in Newfoundland to cut down on that deficit, George?

Mr. Baker: An Hon. Member is saying something. I cannot comprehend him completely. Perhaps he might repeat it while I am saying my next sentence and I might understand what he is saying.

Mr. Redway: We understand how you can't comprehend, George.

Mr. Baker: If that were not bad enough, the Government has been propagating a great misconception in this nation, the misconception that it was the previous Government that was responsible for the financial mess this country is in, when by the Minister of Finance's own words we see that it is the mistakes of this Government that has gotten us into the supposed mess in which the Minister of Finance claims we are.

The Minister of Finance and the Minister of State for Finance (Mrs. McDougall) are now asking for borrowing authority. Borrowing authority for what, Mr. Speaker? I have not seen one program introduced by the Government in a way that made any sense. For example, Mr. Speaker, you know about the ridiculous change made by the Government when it decided to treat pensions as earnings for unemployment insurance purposes.

I have to hand the Minister of Veterans Affairs (Mr. Hees) a congratulatory note today because he objected to that change so much that today unemployment insurance offices received a memo indicating that war veterans' allowances will not longer be treated as earnings for unemployment insurance purposes. That memo was sent because of the objections of the Minister of Veterans Affairs.

The Government of Canada announced that all pensions that were received because of service or work would be treated as earnings for unemployment insurance purposes, so veterans' allowances received by people who were overseas and served

during the War were initially treated as earnings for unemployment insurance purposes. But the Government forgot one thing. It forgot that veterans' allowances are based on means tests. The unemployment insurance benefits for those people were cut. But automatically the allowances rose, and then the unemployment insurance benefits were cut again. It was an administrative nightmare. The Minister of Veterans Affairs intervened, and he was successful over the past couple of days. I think he deserves the credit for correcting such a stupid rule brought in by the Government.

Perhaps I only have time to make one further point, but I think it is a very important point. Members of the House and the Canadian people do not know what measures the Government has instituted from the Ministerial task force on program review. When the Deputy Prime Minister (Mr. Nielsen) tabled all those task force studies we were not told what recommendations for program cuts went to Cabinet and were approved. They have gone to Cabinet. All of the recommendations from the task force report went to the Planning and Priorities Committee of Cabinet and have been decided upon, and a timetable has been set for the various changes that are to be made.

In May 1985, the Government did not bring in the results of the studies but it brought in the actual decision of the Government based on the Ministerial task force on program review. The document tabled in this Chamber indicates that the task force was under the chairmanship of the Deputy Prime Minister and that other members of the task force were the Minister of Finance, the Minister of Justice (Mr. Crosbie) and the President of the Treasury Board (Mr. de Cotret). Those Ministers took the flak for those cuts, but then the committee under the chairmanship of the Deputy Prime Minister decided not to take the flak any more, but to present the task force reports to the House without telling the House or the Canadian people what recommendations it had taken from those so-called task force study groups.

Why should the House grant borrowing authority to a Government that has completely misled the Canadian people on the facts regarding the deficit and the debt, a Government that will not tell the Canadian people what it has implemented from the recommendations of the study groups? Incredibly enough, we have even heard members of this Ministerial task force say in their ridings through the local news media that they did not have anything to do with the Ministerial task force on program review, and that they are not responsible. They said that all of these study teams have reported to the House of Commons and they will be discussed over a period of time.

Should we grant borrowing authority to a Government that does not know what it is doing, a Government that has implemented measures on which it has had to go back when it saw the error of its ways? Are we going to grant borrowing authority to a Government that is over-taxing the people of Canada and destroying social programs? It should not be given authority to borrow any money to do anything.

Borrowing Authority Act

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to join in the debate on the motion to delay the approval of borrowing authority. Earlier today I had the opportunity to present petitions from residents of the communities of Atikokan and Thunder Bay and surrounding areas, petitions dealing with gasoline prices. The petitioners pointed out that, in the case of Thunder Bay, they were spending anywhere from 50 cents to 57 cents per litre for gasoline about two weeks ago, while in the case of the community of Atikokan, 120 miles to the west of Thunder Bay, they were spending anywhere from 54 cents to 67 cents per litre for gasoline. That was at a time when the Government was promising that gasoline prices would come down as the market forces would prevail, and that after 60 days had passed gasoline prices at the pumps would be reduced. That clearly did not happen, certainly not to the degree that the price of oil on the world market has decreased. This was at a time when Canadian gas companies were selling their petroleum products in the United States at seven cents to nine cents per litre less than they were selling them to Canadian distributors.

• (1200)

If one lives in a community such as Fort Frances, which is in the riding of the Hon. Member for Kenora-Rainy River (Mr. Parry), and there is only a few feet between the gas stations in Canada and those in the United States, one knows that the business of selling gas to Canadians will occur on the American side of the border. That is a loss to our economy and it is a loss to Canadian revenues. For every gallon purchased in the United States, as opposed to being purchased in Canada, the federal Treasury and the provincial Treasury lose revenue.

It is for that reason, as well as others, that we in the New Democratic Party moved a motion to deny the Government the right to borrow for six months, to give it time to get its act together and to ensure that revenues in Canada were properly reviewed and considered.

One group which submitted petitions to me indicated that since the price of oil began to drop Canadians had been overcharged to the tune of $302 million by Canadian energy companies, by those gas giants. It will be interesting to hear the announcement of the Government today or tomorrow with regard to a campaign to eliminate the use of leaded fuels. The rumour is that the Government will not provide a financial incentive to consumers who have cars which use leaded gasoline to convert those vehicles. There will be no financial incentive to discourage owners of cars requiring lead-free gasoline from converting them illegally to leaded gas, because the price at the pump for leaded gas is much cheaper than that for unleaded gas. Supposedly the Government will mount an advertising campaign. It will spend $1 million or $2 million convincing people of the error of their ways. If unleaded gas was cheaper at the pumps than leaded gas, even if it were only one cent, we would find that Canadians would not be converting their cars to use leaded gas and that more Canadians, when considering buying a new automobile, would choose one which used unleaded gasoline. We would do two things if we took that approach. First, we would reduce lead auto emis-

sions, a very serious compound. At the same time we would generate new revenues for the Government of Canada. It is important to do that in a way which makes environmental and economic sense, and to deal with the realities of human nature.

During the debate on the Budget of the Minister of Finance (Mr. Wilson) we on this side of the House pointed out that the policies of the Government and the application of those policies over the last 19 months had cost the average Canadian family $1,304.50. I will not go into the details of that, as we have raised them time and time again in the House. However, it is very clear that the Government is very expensive for ordinary Canadian families. The kind of change to which they were subjected in September, 1984 has become very expensive. Their purchasing power has been reduced. The ability of consumers to regenerate employment has been reduced because they have less money to spend. Ultimately there has been a very negative impact upon the Treasury of Canada.

Even the cost recovery philosophy stands to be challenged. During the debate on Bill C-75, amendments to the Canada Shipping Act which would allow for cost recovery for the Canadian Coast Guard, we learned that any amount imposed as a fee would be deductible from taxes owing. Canadian steamship lines presented evidence which indicated that if the Minister of Transport (Mr. Mazankowski) were to charge users of marine services $10 million, while the bottom line of the Coast Guard would look good—we would see a $10 million figure on its revenue side—on a global scale the net gain to the Treasury of Canada would be considerably less.

In the marine industry on the Great Lakes, taxes are effectively paid at the rate of 52 per cent or 53 per cent. If we apply that to the $10 million figure, we find that from those companies which have been profitable—and if the Bill passes later, there may be some question about that—the net gain to the Government of Canada would only be $4.8 million or 48 per cent. From that $4.8 million the Government has to pay for the inspectors and the cost of administering that cost recovery regime. The benefit to the federal Treasury is considerably less than the proposed figure.

What I am trying to point out is that the Government has not yet come to grips with the reality of some of its philosophies. It cannot bring in cost recovery without understanding the benefits, both in terms of the bottom line to the Treasury of Canada and their impact upon communities, industries and individuals.

It is time to take another look at the borrowing authority and to say that there are more efficient ways of ensuring growth in our revenues. One of those ways would be by ensuring that we maximize the number of jobs created, so that more people are paying taxes and less people are collecting unemployment insurance and more money is coming into the federal Treasury to wipe out the deficit about which the Government is so worried.

Mr. George Henderson (Egmont): Mr. Speaker, I am pleased to participate in the debate on Bill C-99, an Act to provide borrowing authority to the Government so that it can borrow $22.6 billion as may be required for public works and general purposes.

We in the House know that the Government needs money in order to operate. However, we should look at just how much is $22.6 billion. It is very difficult and almost mind-boggling for the ordinary person to understand what it really means or how much it really is. I have conducted some research. Of course $100 million is $1 billion—

Mr. Althouse: It is 10 times that much. What are you talking about?

Mr. Henderson: If $1 billion in $1 bills were piled one on top of the other they would reach about 85 miles into the air. What we are looking at here is $22.6 billion would be a stack of $1 bills piled on top of each other and reaching 1,955 miles into the air. Of course, if they were laid end to end, I am sure they would go around the world many times. I think that puts what we are talking about into perspective. It is a huge amount of money which is mind-boggling to many of us here in this Chamber. I am sure it is mind-boggling to people from my part of the country, Prince Edward Island, the Atlantic Coast, northern Ontario and northern Quebec; in fact, to people from all over this great country. What is $23 billion is a question sometimes all too quickly asked. I wanted to give what we are talking about in Bill C-99 a little perspective.

• (1210)

I am asked, as is every Member of Parliament, to approve the amount set out in Bill C-99. As a representative from a poor riding, the riding of Egmont in Prince Edward Island, I have to look seriously at not only why the Government needs to borrow $23 billion and have the authority to go to the bond market or wherever to get that money, but will the Government borrow it all in one chuck? I hope it will not. The interest, however, on that amount of money will add up significantly, and even further increase our deficit.

What benefits, and I thought about this the other day, are the people from Prince Edward Island going to get from the Government borrowing that money. I looked at job creation. What happens to a province like Newfoundland which has the highest unemployment rate in the land? Its rate, according to the last figures, was hovering around 18 per cent. My province of Prince Edward Island has an unemployment rate of almost 15 per cent.

Most Members of Parliament send out congratulatory messages to high school students. At any rate, I do. I send out roughly 800 of these messages to students from Grade 12 going into university. I do not think that as a result of the budget presented to this House, with all the papers we have seen coming from the Government and from different departments, the Government will be instrumental in creating, any more than 150 jobs in my riding. I do not see any great benefit for the people I represent in supporting the Government's request to borrow this money.

I look at our agricultural industry in Prince Edward Island that is almost if not at the brink of disaster. Potato prices are 2

cents a pound or $2 a hundredweight. That means a bag of PEI Canada No. 1 potatoes pays for about two chocolate bars. We know that the cost of production is, roughly 5.5 cents to 6 cents a pound. We know what farmers lost by growing potatoes last year. They have been asking the Government of Canada for assistance to help them out through this most difficult year, but since last November until today there has been no assistance from the federal Government or from the Minister of Agriculture (Mr. Wise). We hear promises that something is coming, but I need not remind the Minister of Agriculture and the Government that planting season for potatoes is only four weeks away. The wolf is at the door. There is no way that these people will be able to get enough money to put another crop in next year even on a reduced scale. The farmers admit there needs to be some sort of management supply system, but the Nielsen Task Force report is strictly against supply management systems.

I have looked at the fishery. I saw $76 million cut from the fishery by the Government. I have seen the vessel subsidy program, about a $9 million to $10 million program cut. It helped small inshore fishermen improve their vessels so they could bring in better quality product to the market and thereby net a better return.

We have just had a new Minister of Fisheries and Oceans (Mr. Siddon) appointed. Upon his appointment I heard him say to reporters that his objective was to grow more fish. That is a very admirable objective.

Mr. Nystrom: Grow more fish?

Mr. Henderson: That is what the new Minister of Fisheries said he was going to do, grow more fish. A lot of biologists and scientists and those who really understand and know the fishery know that that was the most ridiculous statement ever to come from a Minister. I realized that the Minister knew nothing about the fishery when he was appointed, but I hope over the next few weeks or months he will gain some experience from the fishery. If he had some sort of magical wand to grow more fish at the snap of a finger, then he should have made provision for the fishermen to bring more fish to shore in top quality, which would increase income.

Let me talk about user fees. Other Members have pointed out the user fee problem. The Government is not only increasing taxes across the board to the ordinary working Canadian, but it is also using what I call the back-door tax method of user fees. We have inspection fees on potatoes and increased ferry rates to Prince Edward Island and Newfoundland. The Nielsen Task Force had the audacity to suggest that while the ferry service from Borden to Cape Tormentine in Prince Edward Island and from Port aux Basques to North Sydney, Cape Breton, was constitutional, the whole issue should be referred to the courts for a decision as to whether or not the Government is obligated to subsidize such a service. That sort of mentality and thinking scares me. It scares people from PEI and Newfoundland as to where the Government is heading and where they fit into Confederation, how they see themselves as Canadians. I think we should get that nonsense out of the Government's head forthwith.

Many Members will say that it is fine for the Opposition to say we need more money for this and that and that we need to reduce the deficit. I want to remind the citizenry of the country of some of the things the Government has been doing since it was elected. We have the largest Cabinet in the history of the country. Right now we have 39 cabinet Ministers. It was a Cabinet originally made up of 40 Ministers. That is an extremely heavy Cabinet for Canada. We see well over 100 people on staff in the Prime Minister's (Mr. Mulroney) office, the largest staff ever in that office. We have seen the bail-out of depositors in the Canadian Commercial Bank and the Northland Bank to the tune of almost $1 billion. We have seen a number of programs the Government has initiated which give no future or hope to the ordinary Canadian.

I cannot support this borrowing authority Bill. I cannot trust the Government with this kind of money. It has not proved to me in its year and a half in office that it is able to manage the economy for the good and benefit of all Canadians.

• (1220)

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to speak on Bill C-99, the borrowing authority. I do so with some pleasure since this is an important matter of public policy, particularly given the country's economic circumstances. Of course, the debate is not now on the Bill itself but on the six-month hoist motion proposed by my House Leader and seconded by the Hon. Member for Saint-Denis (Mr. Prud'homme). That motion is designed to kill the Bill. Let me explain why I am pleased to speak to that amendment and why I think the Government should not have the borrowing authority it seeks.

As I said a moment ago, the economic circumstances we are experiencing are such that not only are many people unemployed, the increase in jobs which the Government talks about does not actually reduce the number of unemployed by very much at all. The percentage is declining very, very slowly. As the labour force continues to grow and more people seek jobs, the actual number seeking work remains at about the same level. In those circumstances, with so many unemployed, with so much of our economic capacity not being used, any Government would expect to be running a deficit in its operations and be compelled to come to Parliament to seek authority to borrow money to cover those operations.

The difficulty is that the Government continues to live with a deficit situation which is years old. It was created by predecessor Liberal Governments and this Government has failed to come substantially to grips with the difficulty. The result is that it is forced to seek authority to borrow, in this case, $22.6 billion, or something over one-fifth of the Government's expenditures in the coming fiscal year. It is possible that before the fiscal year, beginning April 1, is concluded on

March 31, 1987, the national debt will be in the vicinity of $150 billion. It will surely have reached $145 billion. That is the enormous national debt which the Conservatives decry so intensely.

Why has this happened? Why are Canadians burdened, not with just the absolute amount, which if you were sensible about these things could be borne, but with interest payments which in the coming year will take about 75 per cent of income tax revenue? Why has a Conservative Government, which has been in office more than 18 months, done so little to change the situation? The difficulty is that policies have been developed in the Ministry of Finance and implemented by Revenue Canada which have produced one of the most inequitable tax systems in the world. Individual Canadians in the lower and middle-income groups find themselves more and more heavily burdened with taxation. On the other hand, rich Canadians and big companies continue to escape taxation on all kinds of income. It is not that the country does not have the wealth needed to move the Government closer to a balanced budget. The fact is that this Government, very much like the previous Government, does not want to come to grips with the problem. Instead it creates the deficits which Bills like this borrowing authority have to cover. Tax expenditures which reflect notions from the early 1970s, that if we can only encourage investment we will have a prosperous economy, are at the very root of our difficulties. It is quite obvious by now that those policies have not had that effect.

If we look back to the middle 1970s we can see on the one hand policies of encouraging investment, and on the other hand Governments anxious about revenue shortfall beginning to restrain expenditures. From that time onward deficits have risen sharply while our economic situation has not improved at all. Unemployment has grown.

This is the situation in which lower and middle-income Canadians find themselves. They are more and more heavily burdened with taxation and less and less capable of maintaining economic activity. On the other hand, those who should be encouraging prosperity by using the money they do not have to pay in taxes for investment purposes are not doing what they should be doing. They are using the money to buy existing operations so that our economy becomes more and more concentrated in about seven different control centres, seven different family and other groups, controlling more and more of our economic life. They use their power to reduce competition and put people out of work because they do not need as many employees. None of this is in the economic interests of Canadian consumers, workers or taxpayers, or for that matter those who sit on the front benches across the way as the Government of Canada. Yet the Government goes along this misguided, dead-ended path and pursues these policies without any really significant change.

Certainly some of the worst abuses have been dealt with. The Scientific Research Tax Credit, which proved to be rife with fraud, has been closed off and the Government will have to pay precious dollars to lawyers involved in the prosecution of people who took advantage of that rip-off of the Canadian taxpayer. However, the really significant thing, aside from the abuses, is that there has not been any readiness to come to grips with the whole issue. Tragically enough, the Nielsen task force report, which talks about assistance to business being given with both hands—dollars being shovelled out in various ways—does not come to grips with the issue of tax expenditures. The argument is that we should get rid of the grants while increasing tax expenditures. That suggestion is the most stupid one of all. If there is one deplorable aspect of the tax expenditure system it is that there is no way the people of Canada and their representatives in Parliament can deal with these matters, because the information is not in their hands.

• (1230)

The Nielsen Task Force has failed us grieviously in this absolutely fundamental area involving a heavier burden of taxation on individual Canadians, and the continuing large deficit which the Government tries to finance. These failings indicate the bankruptcy of the Government when it comes to the will required to come to grips with these matters.

For those reasons I support the six month hoist of this Bill. It is not a borrowing authority for Public Works, as the Bill itself suggests. It is instead being used to cover the day-to-day operations of government, because the will is not there in the front benches to take the action required to get this country on a sound fiscal and economic basis.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to spend a few moments talking about the proposal before the House today, Bill C-99, which is a request for borrowing authority by this Government of a sum in the amount of $22.6 billion. This is just an interim request to the House to cover up some of the deficit that will be accruing because of the budgeted plans by this Government for the coming fiscal year.

The exact motion we are looking at today is for a six-month delay in implementing this Bill, to provide some time for the House to get acquainted with the Government's expenditure program. I think it will take at least six months to thumb through the estimates we received this year. It becomes very uncertain exactly what the expenditure program is. It becomes a question of which set of figures do you take, and the variance between those figures is quite dramatic.

For instance, we have this year been presented with our expenditure program set out on the old accounting basis and on a revised accounting basis. If we use the forecast on the old accounting basis for 1985-86, the coming fiscal year, the Government intends to spend $103.944 billion. If we use the revised accounting basis they are proposing on the same budget to be spending $112.250 billion, a difference of some $8 billion or $9 billion just in the form of accounting used. They explained that that comes about because they are trying to include the Exchange Fund Account, the Unemployment Insurance Account, the Western Grain Stabilization Account and other similar unstated accounts, all of which apparently amount to $9 billion or $10 billion.

These are the estimates the House is asked to pass. In order to cover some of this vagueness in figures we are asked to set down for the Government the authority to borrow in excess of $22 billion, in case the figures do not work out under either the new or the old accounting systems.

The deficits we have accumulated have been of a concern in this House. I just want to go back into the accounts to make a few comments about this. The current Minister of Finance (Mr. Wilson) in one of his first budgets, his economic and fiscal statement for 1984, and I refer to page 4, said that by the end of 1984 the accumulated deficit of Canada would be in excess of $190 billion. That was his estimate to the end of 1984. Since we added in excess of $30 billion to that deficit in 1985 I think we can assume that the accumulated deficit for 1985 is in excess of $220 billion. Indeed, in his economic and fiscal statement of 1984, on page 4, the Minister of Finance estimated that by 1990 we could be having an accumulated deficit approaching $410 billion.

What that means is that in each year in the expenditures that we set out for ourselves, whether it is $103 billion, $112 billion or $107 billion—and you can find all of those figures, being the expenditures for the coming year, in our estimates for 1986-87—the question arises as to what these deficits will cost us. Again, we only have estimates, but in these same papers the Minister of Finance points out that the total public debt charges, essentially to cover the cost of carrying the deficit for 1984-85, was in the area of $22.5 billion. At the end of 1985-86 it is estimated that those carrying charges will be in excess of $25.6 billion, and are estimated by the end of 1986-87 to be in the neighbourhood of $27.4 billion. If you compute the interest rate, it reinforces that the deficit is certainly in excess of $200 billion.

What has changed in the past few years that is somewhat disturbing to me, because I tend to come from the school that says deficits, if they can be used to provide jobs and constructive activity within the country, are not a burden on the country so long as they are financed from within the country, is that we have moved recently to more reliance on foreign debt.

At the end of the 1984-85 fiscal year we were paying interest on debt payable in foreign currency, that is foreign debt, of just over $600 million. The accounts say $608 million was paid out to carry our foreign debt requirements at the end of the 1984-85 fiscal year. The estimate for the end of the 1986-87 fiscal year is more than twice that. The estimate of what we will be paying is $1.380 billion to pay off our foreign debt.

We are putting ourselves at the mercy of foreign borrowings and will have very little negotiating room out of that. I think when we look at the deficit with a common sense approach, one that my Party has followed when in provincial Governments—I assume it would be a policy we would follow if we were in federal Government—we must look at the expenditures that are required, and decide how to raise the money for those requirements. As it is, we have gone the last couple of fiscal years spending about 30 per cent to 35 per cent more money than we intended to collect. We have been spending about $100 billion and we have been running deficits in excess of $30 billion, which means that we have only been collecting a bit over $60 billion for expenditures in excess of $100 billion. That does not make sense and has to be addressed.

If we look at the method we use for raising those revenues any observer would agree that we do not do it very equitably. We have in this countrya society where the lowest income people are carrying a far higher and heavier burden than are the higher income people. We ask them to bear a lesser per capita part of the debt. We do not have a system which permits them to have equal access to the country's resources. For instance, the lowest paid 20 per cent of our population works with only about 4 per cent of this country's assets. While 20 per cent of our population can manage on 4 per cent of the country's assets, the 20 per cent of our population that has the highest income has the use of 43 per cent of the country's assets. If one were to make a decision on a straight business proposition, it would seem that the low income 20 per cent were extremely efficient while the 20 per cent high income earners were profligate spenders who did not know how to manage the economy. Yet the tax system encourages upper income earners with reductions in their tax bite, while increasing the tax load on lower income Canadians.

• (1240)

The Budget estimates that individual taxes will increase three times faster than corporate taxes by the year 1986 and will have increased to ten times as much by 1990. The Government is taxing the poor without touching the rich and this is leading to greater unfairness. We believe this Bill needs study and that is why we suggest a six-month hoist.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to make submissions concerning Bill C-99 through which the Government is requesting the authority to borrow some $22 billion in order to bring into effect certain measures and other Government expenditures related to the Budget. I want to take this opportunity to express my views on the Budget which my Leader referred to as regressive, unfair and harsh. Many Canadians agree with the Opposition that the Budget is unjust and unfair. If one examines this Budget and the first Budget of the Minister of Finance (Mr. Wilson), the evidence is overwhelming that both are unfair.

It is quite obvious that the intent of the combination of the two Budgets is to reduce the deficit. There are not too many Members in the House of Commons who would argue against reducing the deficit, which is in excess of $30 billion a year, but there is disagreement with respect to the method by which the Government should reduce that deficit.

The Conservative Government believes that the deficit should be reduced on the backs of the disadvantaged in our society and has already shown that it is quite prepared to do this through measures that are unjust and inequitable and which attack the disadvantaged. While it is prepared to give concessions and opportunities to its rich friends on Bay Street,

it is absolutely insensitive to the plight of the needy and disadvantaged. The Government's performance in the past year and a half provides ample evidence to indicate that not only does the Government intend to reduce the deficit on the backs of the disadvantaged, it will do so on the backs of lower and middle income Canadian families as well.

When one analyses the net effect of the two Budgets, middle and lower income families will be hit the hardest. As my Leader has pointed out in the House and elsewhere, when one combines both Budgets the total tax increase for an individual earning between $100,000 and $200,000 a year over the next five years is only 1 per cent while it is in excess of 20 per cent for individuals earning $20,000 a year. Where is the justice or fairness?

The Conservative Government is paranoid about the deficit and is prepared to do anything in order to reduce it. While we all agree that Governments should be fiscally responsible, it is quite obvious that the Minister of Finance (Mr. Wilson) and his deputy are taking their marching orders from the oil barons in Calgary and Edmonton, as well as from the financiers on Bay Street and the money people in New York, Europe and elsewhere. The Government is more concerned about the Budget's acceptance on Wall Street, in Washington, Paris or London than its effect on the average Canadian. However, those financiers did not vote for the Government and the Government is not responsible to them. It is responsible to Canadians from coast to coast. The Government does not realize the effect that this regressive Budget will have on Canadians.

The Minister of Finance has made certain predictions in his Budget. He looked into the crystal ball provided to him by the oil barons, the wealthy and affluent on Bay Street and Wall Street and predicted that the average price of crude oil in this fiscal year will be $22.50 a barrel. He also predicted an average interest rate of 9.5 per cent. Those assumptions are the foundation upon which he and the Minister of State for Finance (Mrs. McDougall) based the Budget. Building a foundation on such assumptions is like building a house with playing cards. What will happen if the prime rates does not average 9.5 per cent this fiscal year and the price of crude oil does not average $22.50 a barrel? All of the Minister's predictions about a reduction in the deficit and all of his economic forecasts will go out the window.

The reality today is that the price of crude oil is not $22.50 a barrel, $20 a barrel or $18 a barrel. The price of crude oil is less thant $15 a barrel, yet the Minister is basing his Budget on that average price of $22.50. I am not aware if the Minister is privy to what happens at OPEC. Perhaps he and the Premier of Alberta have a private telephone line to the OPEC ministers. But it does not appear that the price of oil will be $22.50 a barrel, or will average out at that amount over the next fiscal year. It is quite obvious that interest rates will not average 9.5 per cent.

• (1250)

We in the opposition, therefore, call into question the assumptions underlying this particular Budget. We also call into question its fairness because the Government and, indeed, this Parliament will not be judged by how low the deficit is, but the decency, civility and caring of the Government. This Parliament will be judged on how the disadvantaged in our society are dealt with. That is the reflection of the greater intention of the Government of Canada, indeed, of any Government or any Parliamentarian. It is how we treat the disadvantaged that tells the tale.

Might I say in conclusion that we support the motion to hoist this particular piece of legislation, Bill C-99, for six months. We ask that the Government, in view of the widespread dissatisfaction with this particular Budget, send the Minister of Finance back to the drawing table—

Mr. Gauthier: Change its assumptions.

Mr. Nunziata: The Government should change its assumptions and rethink what it is proposing. I see a lot of Hon. Members opposite nodding in agreement. They know in their heart of hearts that the Budget is regressive, unfair, harsh and anti-Canadian.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, some Tory is saying: "Thank you and good-night". I think he is falling asleep over there.

Mr. Lewis: This will really do it.

Mr. Nystrom: We are debating a Bill which gives the Government authority to borrow $22 billion. I want to begin my remarks by saying that I oppose the Budget because it is regressive. The only good thing about the Budget is that it helped Howard Pawley become the premier of Manitoba once again. For that, of course, we thank the Prime Minister (Mr. Mulroney) of Canada and the Minister of Finance (Mr. Wilson).

Mr. Gustafson: He barely got in.

Mr. Nystrom: I thank the Hon. Member for Assiniboia (Mr. Gustafson) and all of the people who helped us re-elect Howard Pawley in Manitoba. I am sure you, Mr. Speaker, being unpartisan, would agree with that.

We must ask ourselves why the Government wants to borrow $22 billion. What kinds of progams does the Government have which calls for it to borrow $22 billion? I would like to look for the moment at a program introduced by the Minister of Employment and Immigration (Miss MacDonald). It is a program for summer employment for students called SEED, Summer Employment Experience Development program. In examining the brochure I get the impression that the SEED program is supposed to give students meaningful jobs which will help them in their careers. I am sure the Hon. Member for Assiniboia (Mr. Gustafson) is hoping the Budget will help elect Allan Blakeney as the premier of our province in a few weeks.

Mr. Gustafson: I wouldn't count on it.

Mr. Nystrom: I am sure it will. The Hon. Member for Assiniboia agrees. The Hon. Member for MacKenzie (Mr. Scowen) agrees. I hope Conservatives will listen because when they were in opposition they complained about Liberals wasting money and not fulfilling the regulations of the various programs. The brochure on the SEED program states, and I quote:

SEED jobs will provide practical work experience to enhance the student's future employability or will relate to a field of study or future career.

This program is supposed to enhance the student's future employability and to relate to a field of study or future career. I would like to refer to some of the applications which have been approved under the SEED program and ask the House whether or not we want to spend the taxpayers' money, which we must borrow, to fund programs to enhance students' careers in this way.

I have an application which is being approved for a retail company in Richmond, British Columbia, to provide 15 jobs in Saskatchewan. Of course, we want summer jobs for students but what kind of jobs? This application is for 15 store clerks in the province of Saskatchewan. How is store clerk going to enhance his or her future employability or career? It seems to me if we are going to have a program designed to enhance the employability of students and to build one's career, they should be provided with jobs which are more relevant to their future. But here is a company which will receive a wage subsidy to employ 15 store clerks in the province of Saskatchewan.

I have another application here from a company called Peavey Industries Limited in Red Deer, Alberta.

Mr. Lewis: I rise on a point of order, Mr. Speaker. The Hon. Member has on occasion accused Ministers of making public information which should be private. I wonder if he would like to reconsider having read into the record the name of an applicant for Government funding which I do not believe is normally made public.

Mr. Deputy Speaker: That is a matter for debate as far as the Chair is concerned.

Mr. Nystrom: With great respect, I think the Chair has reason. We can go either way on that one, Mr. Speaker, but I will continue. Peavey Industries is in Red Deer, Alberta. It has received some money under the SEED program to hire nine sales clerks in Saskatchewan. Is that what the Minister of Employment and Immigration wanted to do in establishing this program for students in 1986? I have another application for funds to hire a farm labourer. In this particular case it is a farmer hiring his son to work on the farm. I just wonder whether that meets the criteria of the program.

I will read once again what the Minister tells us the program should be.

Summer Employment/Experience Development (SEED) provides wage subsidies to stimulate employers from all sectors to create jobs for students that would not otherwise be available. Under SEED, students in all parts of Canada will have job opportunities which will benefit their future labour market participation as well as assist them in the continuation of their studies.

SEED jobs will provide practical work experience to enhance the student's future employability or will relate to a field of study or future career.

Most of these applications call for clerks, farm workers, waitresses, waiters, labourers and so on. There are all kinds of jobs which need to be done but I do not feel those kinds of jobs meet the criteria of the Minister of Employment and Immigration.

I have another example of an application from someone in a small business. He will receive a subsidy to hire his daughter for the summer as a clerk in his store. I have another applicant who has gotten a project approved, and there is no job title or description whatsoever. It is just one big question mark as to what this money is being used for. I have another application by a pharmacy which will receive money to hire two clerks in a store. A town will receive a grant to hire one clerk in a store. Another pharmacy will receive money to hire one clerk in a pharmaceutical store. There is another pharmaceutical business which will receive money to hire two clerks, and another pharmaceutical which will receive money to hire one salesperson.

We can see what is happening here, Mr. Speaker. The summer program which is supposed to enhance the career and studies of students is being used by a number of pharmacies and companies to hire someone to work for the summer. They are using it strictly as a subsidy and saving themselves money, as well as taking away a full-time job from someone.

I have another application from a multinational company, International Minerals and Chemical Corporation, which is well known around this continent. It is receiving a grant to hire 13 labourers, 13 helpers and four others, for a total of 30 people. Another company is receiving a grant to hire a labourer. Another company in Estevan, which I think is in the riding of the Hon. Member for Assiniboia, is receiving some money to hire a waitress.

Mr. Lewis: Are you against jobs in Estevan?

Mr. Nystrom: I have an application for money to hire a grocery clerk, and another to hire a labourer. We can go on and on through all the application forms and we will find that time and time again the grants are going to provide jobs for clerks, cashiers, stock persons, waitresses, yardmen and things of that sort.

Mr. Gustafson: Real jobs.

Mr. Nystrom: What I am saying is that we are borrowing money to finance this program and the Minister of Employment and Immigration is saying in her own brochure that the objective of the program is one which will enhance the student's future employability and will relate to a field of study or future career. That is the objective of the program. It seems to me that some of these applications are really questionable in terms of whether or not they meet the objective of the program. There are all types of other programs which we could have put in place to hire farm labourers, clerks, waitresses and

helpers in pharmacies rather than providing multinationals with subsidies. Let us not use the student summer employment program which has as its objective trying to enhance a person's career with work relevant to that career as one of the means of accomplishing that end. That is just another reason why the House should be in no rush whatsoever to approve the borrowing of some $22 billion by the Government. It is really just an extra tax on ordinary citizens.

● (1300)

I remember when the Conservative Party formed the Official Opposition. Members of the Party used to speak loudly and clearly about the Liberals borrowing $5 billion, $10 billion or even $20 billion. The present Government is now doing the same thing. However, it is doing it bigger and more frequently than the Liberal Government used to do in the past. I am sure some of my friends in the Conservative Party who spoke so often and loudly about all this borrowing a few years ago must be feeling very embarrassed for the Prime Minister and for his Cabinet. It is my opinion that, if one takes into consideration the results of public opinion polls, in about two-and-a-half years members of the Conservative Party will be back on this side of the House once again. In the history of polling in the country we have never seen a Government fall so far and so fast as this Government has fallen from favour in the eyes of the Canadian population. It has never happened before provincially or federally. A year or so ago the Conservative Party was sitting at some 55 per cent or 58 per cent in the Gallup poll. It is now in the mid-30 per cent range. it is in a freefall. It is no wonder, since it has broken trust and faith with the people of our country. The Hon. member for Assiniboia being a good red Tory feels the same way as I do. However, he has a fierce loyalty to the Prime Minister of Canada which inhibits him from getting up and speaking his mind.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to thank the Hon. Member for Yorkton-Melville (Mr. Nystrom) for his fine introduction in terms of setting us up for re-entry into Government. It is always pleasant to see such an experienced and learned colleague be so astute in terms of forecasts and prognoses.

In saying a few words on this Bill I simply wish to draw attention to some crucial issues affecting the western part of Canada, which are not in any way countenanced in the types of expenditure patterns we see being proposed by the Government. I find it surprising and disturbing that matters which are of crucial economic importance to major economic regions are ignored in the Bill.

There is a storm cloud gathering which has nothing to do with the late arrival of spring in Canada. That cloud is called the U.S. Farm Bill. It will have the impact of driving down world grain prices by something in the order of 20 per cent to 30 per cent. For western Canadian grain farmers this means that the opportunity to try to recapture some economic benefit, after two very difficult years, will be almost impossible. If one were to project the price of grain for June, which is now being done in the futures market on the Chicago Exchange, one will see it is down 40 cents or 50 cents from what the price is at the present time.

Mr. Nystrom: It is actually 90.

Mr. Axworthy: As my hon. friend points out, it is actually approaching 90. This means that the cost of growing a bushel of wheat in western Canada will be close to 60 cents or 70 cents above what will be received for it. There is absolutely no provision anywhere in statements by Ministers or in expenditures of the Government to deal with this eventuality.

A grand opportunity was lost last week when the Prime Minister (Mr. Mulroney) met with the President of the United States. That was when a representation for changes to the American should have been made in order to bring together the major grain-producing countries to try to work out a formula which would not cause a catastrophic drop in world grain prices. As far as we know the topic was never even mentioned. It was not brought to the attention of the U.S. administration. We are now entering a new growing season in which every grain farmer in western Canada is faced with the alarming prospect of having every seed he puts in the ground costing him 30 per cent more that what he can get for it. What a crazy and absurd situation!

The primary test of any Government is not its philosophy or theology; it is how it responds to an immediate, important issue faced by large numbers of people. In this case it has certainly failed the test miserably.

We are now asking farmers in western Canada—in fact farmers right across Canada—to lose a substantial amount of money. Corn growers in the east will face the same problem, just as will growers of other commodities. They will be putting crops in the ground in a matter of weeks which will result in a substantial loss of money. What do we hear from Members opposite in this regard? Nary a word. What do we hear from Ministers? Excuses. What do we get from the Prime Minister as a result of his grand negotiations with the President? A great zero. That is not effective Government. That is the reason the Hon. Member for Yorkton-Melville is right in saying that we will be back on the other side of the House. We can at least understand the problem. We knew how to respond to it. Rather than sitting silent for the sake of good public relations in Washington and avoiding coming to grips with a major issue we understood it.

Let us look at what is happening to the oil industry in Alberta, Saskatchewan and British Columbia. As prices tumble, and as the industry slides down the slippery slope the only answer we have from Tory MPs from the City of Calgary is that they will set up another task force, just as their comrades from the east end of Montreal set up a task force to provide for a new economic renewal program. If that task force in Calgary is as effective as the one in east Montreal, God forbid, then I can only offer my condolences to the people of Calgary.

The fact of the matter is that once again there is an immediate and important issue taking place in western Canada which is being totally ignored by the Government. The Minis-

ter of Energy, Mines and Resources (Miss Carney), when we can find her—she is rarely in the House—says that there is no problem. She tells us not to worry about it, things will get better and the sun will shine. There are already major lay-offs taking place at the big oil companies in Canada. The smaller Canadian companies are simply preparing to sell out since that is the only way they can gain some return.

I would now like to give Hon. Members a smaller example, one that is crucial in my province, of the maladministration, inattention and indifference of this Government. I refer to the Port of Churchill. It was a matter of major concern to westerners for a long period of time that something be done to try to restore the Port of Churchill as a viable and useful port facility. We signed an agreement in 1983 with the Province of Manitoba committing something in the order of $93 million of joint expenditures to bring the port up to proper and sufficient working efficiency. Some two-and-a-half years have gone by since that time.

During that period the Conservative Government, which has seven Members from Manitoba, has done absolutely nothing to implement the agreement. When we look at the proposals for expenditures for 1986-87 all we see in it is a line stating that there will be a major development of a port facility at Step-Îles. We know whose riding that port facility is in. It will receive something in the order of $8 million. But we receive a consolation prize. The Government is going to build us a tug for the Port of Churchill. It will not do the dredging so that the port can operate. Nor will the Government fix up the grain terminal or go ahead with the major refurbishing of the railway line. The Government plans to build a tug. I know that the tug can be moved somewhere else, probably to Sept-Îles to serve the constituency of the Prime Minister.

The commitment I refer to was legal and binding. The money was in place. We talked about consultation with the provinces. There was full consultation with the province. There was a full accord with respect to the objectives and goals.

What has this Government done since it took office? Absolutely nothing. As a result, the Port of Churchill is once again on the brink of extinction. Once again, the Port of Churchill is being threatened with closure because the Government refuses to take the action that a previous Government had already prescribed and funded. The Government simply has not gotten around to finding its way clear to do anything about it.

● (1310)

The Government is asking Parliament for a large amount of money so that it can do good works for Canadian people. I can tell you, Mr. Speaker, that there are no good works being done in western Canada, and there is no reason to vote for this borrowing authority because the people of western Canada are being gypped by the Government. They are not getting their fair share of attention. They are not getting their fair share of resources and they are not getting their fair share of proper, effective Government from the Tories in Ottawa. Therefore there is no reason for anyone on this side of the House who cares anything about western Canada to support the Government in its request for borrowing authority.

Mr. Deputy Speaker: It being 11 minutes after one o'clock, I do now leave the chair until two o'clock.

At 1.11 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

YOUTH

KATIMAVIK PROGRAM—SENATOR'S HUNGER STRIKE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, not only has the Prime Minister (Mr. Mulroney) broken his promise to the young people of Canada by failing to table some new youth programs by the end of March, it is quite clear that the approach of the Government to the position taken by Senator Jacques Hébert has been in fact to allow the issue to become a political football. The statements made by the Minister on the weekend will in no way lead to an early resolution of the situation.

I draw to the attention of the Government that not only has Senator Jacques Hébert fought for the reinstatement of the Katimavik program, but the Business Council on National Issues, the organization from which the Government derives most of its economic policies, was so praiseworthy of the program in a policy statement last year that it suggested that it should be continued and expanded. The Council thought the program was working and was reaching out to the social conscience of Canadians. The Government has chosen not only to ignore Senator Hébert and to ignore the plight of young people but also to ignore the suggestions of BCNI.

Mr. Speaker: Order, please. Sixty seconds.

* * *

GREEK INDEPENDENCE DAY

ANNIVERSARY OF ATTAINMENT OF FREEDOM

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Greek Canadians and all people who love freedom celebrate today the anniversary of Greek independence when a very small and long oppressed people finally overthrew the yoke of the Ottoman Empire. However, freedom once gained can be lost, and independence for a small country next to a large one, and one with much greater military power, is always at risk. This is why Greek-Canadians have been concerned with such

matters as Canadian sales and give-aways of military equipment to Turkey, the major power of the eastern Mediterranean.

For Greeks, also, the joy of their own independence will not be complete while Cyprus, which shares language, religion, and culture with them, remains under Turkish occupation. Canada's contribution in this regard, however, has been meritorious in helping to keep the peace.

Since Greece is the country which took the first steps to democracy, its fate has a special meaning for all of us, and the Greek National Day is an international day.

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[*Translation*]

EXTERNAL AFFAIRS

TRAGIC MURDER OF FATHER ARSENAULT

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, in the night of March 21 to March 22, an exceptional man from the Gaspé died in Honduras.

Father Arsenault had lived for twenty-one years in Honduras, where he was working to give the poor and children without homes a better life.

His dedication to the cause of needy children, together with his religious vocation, have made him a shining example of goodness and courage for the people of the Gaspé and for all Canadians.

Whatever the cause of his death, Mr. Speaker, it is a tremendous loss for Honduras, and especially for his family and friends in the riding of Bonaventure-Îles-de-la-Madeleine.

I am sure I express the feeling of my colleagues when I hope that his example will give other Canadians the desire to get involved and help the children of this world.

* * *

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I would like to point out to the House that the action taken by this Government has brought about some very encouraging results for our economy.

During the last twelve months, that is, since February 1985, 62,000 jobs were created in the Montreal area alone.

The value of construction permits increased 12 per cent in 1985. This represents $208 million in additional revenue for the construction industry in Montreal.

The volume of retail sales has increased 10 per cent since our Government was elected in September 1984.

In 1985, construction starts reached one of their highest levels.

In January 1986, 27 per cent more homes were being built than in 1985.

Mr. Speaker, this proves Canadians chose wisely when they elected our Government in September 1984.

* * *

● (1405)

[*English*]

EXTERNAL AID

ETHIOPIA—NEED FOR NEW CANADIAN PROGRAM

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, as one of four Members of Parliament who visited Ethiopia last week, I want to remind Canadians that the danger of famine has not passed. The worst of the drought may be over, but six million people, still at risk, will need emergency food aid in the coming months.

Over the past 18 months Canadians gave important help to the famine victims, but the mandate of David MacDonald, Emergency C-ordinator for Assistance, expires the end of this month.

The Government must act now to announce a new program so that Canadians can continue to help the people of Ethiopia. In addition to providing emergency aid, Canada should announce a program of development assistance in such areas as education, health, agriculture, and forestry.

We can help the people of Ethiopia not only to survive the famine but also to become self-sufficient.

* * *

WORKERS' SAFETY

CHALLENGE TO DEVELOP BETTER ARCTIC WORK BOOTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in a recent submission to Government, Mr. Jim Evoy of the Construction and General Workers Union stated:

> No matter what the rules say, men and women working outside when the temperature is minus 45 degrees find the steel-toed boot far too uncomfortable to wear. People don't wear those boots when it is very cold outside, and thus end up working without any protective footwear at all.

Judging it not to be beyond human ingenuity, I hereby challenge the footwear manufacturers of Canada to develop a certifiable protective boot for Arctic conditions which is also warm and comfortable. No longer should northern workers have to face the uneasy choice between having their toes either crushed or frozen.

[*Translation*]

AUTOMOTIVE INDUSTRY

FUTURE OF BOISBRIAND GENERAL MOTORS PLANT WORKERS

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, workers at the General Motors plant in Boisbriand have never been as uncertain about their future. It seems the company is seriously considering the possibility of closing the only plant it has in Quebec, because the plant's assembly procedures have now become obsolete. And this comes at a time when the company has just announced a complete overhaul of its plant in Oshawa, that will cost $2 billion.

Boisbriand workers are at least as productive if not more so than those in other North American plants, and I think we should give this skilled work force a chance to show what it can do and ensure the plant will be viable.

If General Motors spent part of its $8 billion renovation budget for 1985-86 on the Boisbriand plant, it would be acting as a responsible corporate citizen and could protect 3,500 jobs in Quebec, a province where the company makes about 30 per cent of all its sales in Canada.

* * *

[*English*]

CROWN CORPORATIONS

SALE OF TELEGLOBE CANADA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Teleglobe Canada is a fine, outstanding example of a well managed Crown corporation built by Canadians, for Canadians, with Canadian money. It is our international voice.

I cannot understand, when we have eight out of eleven Canadian bidders, why the Government would not direct its interest only toward those Canadians bidders, would not also insist on 100 per cent Canadian content in all purchases, would not ensure that Telecom communication workers' contracts are protected, as they are today, and not also ensure that Canadians will maintain a 100 per cent Canadian interest through Canadian management, and only through a telecommunication group, not just an entrepreneurial oriented group.

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ENERGY

PRICE OF GASOLINE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, after a recent crude oil price reduction the Minister of Energy, Mines and Resources (Miss Carney) asked oil industry leaders to reduce prices at the pump. This met with criticism and doubt from cynics, including the Opposition. I am encouraged by the way gas stations are already showing the effects of that persuasion.

On March 13, for example, one Scarborough West gas station charged 46.9 cents for regular gas and 49.9 cents for unleaded gasoline. Today that same station charges 44.5 cents for regular and 47.5 cents for unleaded gasoline, a drop of 2.4 cents a litre.

Crude oil prices have dropped around the world again. It has been demonstrated by the figures I have cited that moral suasion by the Minister produces results in a free enterprise economy. I urge her to take that action again, and to take it now. Canadian consumers deserve a better deal at the pump.

* * *

● (1410)

AIR TRANSPORT

BRITISH COLUMBIA COASTAL COMMUNITIES—HELICOPTER MEDICAL EVACUATION SERVICE

Mr. Jim Fulton (Skeena): Mr. Speaker, in January the Emergency Health Services Commission of Transport Canada banned the use of single-engine helicopters for night medical evacuations in British Columbia. A few days ago a physician from Prince Rupert phoned to advise me that a two-day old baby required medical evacuation to Vancouver at night. The Medevac jet sped from Vancouver to Prince Rupert. Over the next four and a half hours the special incubator was taken by bus to the ferry, from the ferry to the hospital, hospital to the ambulance, ambulance to the ferry, then to the airport on Digby Island for the jet to Vancouver. It took four and a half hours instead of four minutes.

The northern B.C. coastal communities have had on average over the past year a night-time medical evacuation every three days. The bureaucracy and the Minister may be happy with the ban and the offer of the defence of necessity. However, let it be known that the situation as it now stands, according to doctors, is endangering lives.

The Minister has a responsibility to issue to hospitals, emergency personnel, pilots, helicopter companies, and the public, a statement of circumstances under which patients who cannot be stabilized—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

HOUSE OF COMMONS

BEHAVIOUR OF THE OPPOSITION

Mr. Gilles Bernier (Beauce): Mr. Speaker, I should like to refer to the behaviour of the Opposition in this House. It has been quite some time since Canadian men and women have heard such language and witnessed such disgraceful conduct on the part of their elected representatives.

S.O. 21

According to Marcel Adam of *La Presse,* Mr. Speaker, this Opposition "is acting in bad faith, intellectually dishonest and disloyal by systematically thwarting all Government endeavours instead of concentrating on constructive criticism".

The Globe and Mail's Jeffrey Simpson was quite right when he wrote recently, and I quote: "The Liberals' response to the Wilson Budget offers further depressing evidence that intellectual inconsistency, hyprocrisy and political opportunism—

* * *

[*English*]

POLITICAL PARTIES

RESEARCH AND DEVELOPMENT—PROGRESSIVE CONSERVATIVE PARTY CAMPAIGN PROMISES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, during the last election campaign the Tories made 338 promises to the Canadian people. Today's reading from the "Book of 338 Tory Promises" will be on research and development. The first promise was to double our R and D effort to 2.5 per cent of GNP in the first four years in office. The second promise was to change and simplify the tax system. The third promise was to strengthen the linkage between private and public sector research. Another promise was to assist Canadian companies to export their technology abroad, and finally, to facilitate the adaptation in Canada of innovative technology developed abroad. All these promises have, of course, been broken.

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POLITICAL PARTIES

BOOKS AUTHORED BY LIBERAL PARTY LEADERSHIP CANDIDATES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a pattern is setting in for former Liberal Party leadership contenders. First you get a part-time job as a lawyer. Next you spend a little time in Ottawa. Third, you write a clandestine book about the solidarity of the former Liberal Cabinet.

Straight from the Heart was the first insight into the peace, love, and harmony which permeates the Liberal hierarchy. Yesterday the love-in continued with the launching of a book called *Up the Hill.* The author, the external affairs critic for the Official Opposition, offers many insightful examples of the harmony, consultation, and team work which existed through 1980-84. The National Energy Program was too minor to bring before Cabinet, as was the decision to have Petro-Canada take over Petrofina.

The author's respect for his former Leader's imagination and feelings on gut issues, and the former Prime Minister's determination to seek advice only from elected representatives, certainly galvanized his Cabinet's solidarity.

Mr. Speaker: Order, please. Sixty seconds.

AUTOMOTIVE INDUSTRY

CONDITIONS IN WINDSOR, ONT.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, there is considerable concern in the automotive industry occasioned by the threat from the free trade talks to the Auto Pact. Members of Parliament from Windsor, as well as workers from the area, have sought meetings with General Motors and Chrysler. Their concern arises from the loss of jobs at the trim plantin Windsor and the failure to open the Chrysler engine plant. We have asked the Minister of Regional Industrial Expansion (Mr. Stevens) to arrange meetings with those two manufacturers.

• (1415)

More recently Local 444 in Windsor sought a meeting with the Minister. They wrote a letter on January 28. That letter has not yet been answered. They ask that that letter be answered and that meetings be arranged as they have requested.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMISSIONER OF STATE FOR FOREIGN AFFAIRS AND CO-OPERATION OF THE REPUBLIC OF ZAIRE

Mr. Speaker: Order, please. I want to draw the attention of the House of Commons to the presence in our gallery of Citizen Mokolo Wa Mpombo, Commissioner of State for Foreign Affairs and Co-operation of the Republic of Zaire, accompanied by a parliamentary delegation of Zaire.

[*English*]

PRESENCE IN THE GALLERY OF BRITISH COLUMBIA MINISTER OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

Mr. Speaker: Let me also advise Members of the presence today of the Hon. Robert McClelland, Minister of Industry and Small Business Development of British Columbia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

GULF OF SIDRA—LIBYA-UNITED STATES CONFRONTATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Has the Canadian Government examined the means and, if so, would the Minister care to enlighten Parliament on how the Canadian Government feels it can contribute

to an international solution to the situation in the Gulf of Sidra off the coast of Libya? What is the Canadian position?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the tone of the question from the Right Hon. Leader of the Opposition. That is a matter of some tension and of particular interest to Canadians because of the presence in Libya of some 1,300 of our citizens. All facts are not available, but from the facts that are available it appears to us that there was an attack upon the United States, to which the United States responded. We are seeking to gather information from a wide variety of sources. As those facts become available I will certainly make them available to the Right Hon. Leader of the Opposition and to all the Members of the House.

[*Translation*]

REQUEST FOR CLARIFICATION OF SITUATION OF CANADIANS WORKING IN LIBYA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we know as well as the Minister that 1,300 Canadians are now working in Libya, and we are a little concerned about their future. Could the Minister inform the House whether he feels our fellow Canadians are at risk and whether an emergency plan exists to repatriate them?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have dispatched one of our consular officers who will be in Libya tomorrow morning, local time. We are keeping directly in touch with the Danish Embassy, which in the circumstances has been acting on our behalf to provide information on the situation in Libya. We have no reason to be concerned about the situation for Canadians who are down there.

[*English*]

TRAVEL BY CANADIANS TO LIBYA

Right Hon. John N. Turner (Leader of the Opposition): Has the Government advised Canadians not to travel at this time to Libya, and should not the Minister be preparing a more precise plan to evacuate Canadians already working there?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are not preparing a precise plan for evacuation because, in our judgement, the situation of the last day and a half has not made any more difficult the situation of Canadians who are there. The Right Hon. Leader of the Opposition and the House will know that sometime earlier this year in January a statement was made by the Government indicating to Canadians who were working in Libya that they should use their own judgment and come to their own determination as to whether or not there was a danger to their security. At the moment we have no reason to change that advice. We are seeking information, as I have said to the House earlier, and if that information causes us to change that advice to those Canadians, we will communicate that to them and to the House.

* * *

AUTOMOTIVE INDUSTRY

GENERAL MOTORS PLANT IN QUEBEC

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I join with the Premier of Ontario and the Prime Minister in congratulating General Motors of Canada on its recent decision to invest $2 billion in its Oshawa plant. I want to ask the Prime Minister if he would share with the House what representations he has made to General Motors of Canada to protect the jobs, the community, and the economy of Sainte-Thérèse in Quebec?

Right Hon. Brian Mulroney (Prime Minister): I have made the representations that the Government is committed to fair regional economic development, and that requires an investment in the automotive sector not only in Ontario, which we are very grateful for and which we seek more of, but also in the Province of Quebec and other regions of the country. There is a base to be maintained and to be built upon, and this Government is deeply committed to enhancing that sector in the Province of Quebec.

• (1420)

FUTURE OF WORKERS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I thought the Prime Minister might have been more specific because those assurances certainly do not alleviate the anguish that the people in Sainte-Thérèse are facing.

Will the Prime Minister give an undertaking to the House that he will use his office and the programs of Regional Industrial Expansion to ensure that General Motors will in no way reduce its workforce in Sainte-Thérèse, Quebec, thereby affecting the entire community?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken, the first major investment in the automobile industry in Quebec in almost twenty years was made last fall with the Hyundai deal, thanks to the intervention of the Government of Canada.

And are the Liberal Members . . . ah yes, the Members of the Liberal Party are against investment in the automobile industry in Quebec, and Quebecers are going to remember that!

[*English*]

CANADA-UNITED STATES AUTO PACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister and concerns the same subject.

The new investment decision by General Motors is, of course, a good decision for Canada. At the same time, however, three Ministers of the Crown have described the Canada-U.S. Automotive Agreement as a free trade agreement. The President of General Motors, who knows differently and knows that it guarantees certain investment in Canada, said yesterday that the Automotive Agreement should not be on the negotiating table in talks that are going on with the United States.

Mr. Stevens: That is not right.

Mr. Broadbent: He said it. I was there.

Mr. Stevens: He did not.

Mr. Broadbent: It is not a free trade agreement and the President of General Motors said that it should not be negotiated. Does the Prime Minister agree with both those assertions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that the $2 billion Oshawa investment heightened my hon. friend's appreciation for the private sector and the attractiveness and beauty of foreign investment in Canada.

The trade talks will only try to ensure that that prosperity that we see in Oshawa is now shared across the country.

Mr. Broadbent: There are many provinces affected by this, and the people whose jobs are dependent on the automotive industry will not be reassured by the answer.

CANADA-UNITED STATES TRADE NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want the Prime Minister to deal with the question. The Automotive Agreement is not a free trade agreement. The head of the largest corporation in Canada has said that it should not be on the negotiating table. Furthermore, the agreement protects jobs in Canada and we could lose jobs if it is lost.

Considering these facts, will the Prime Minister say to the House that the Auto Pact is not up for negotiation and that it is important to keep it for jobs in Ontario and the Province of Quebec?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the Hon. Member was absent when this question was raised some months ago. At that time I indicated that there was a very satisfactory arrangement in place with regard to the Auto Pact that we saw no reason to change and have no intention of changing.

The point I think should be made to the House is that there are workers in Oshawa and elsewhere in Ontario, members of the United Auto Workers, who are the direct beneficiaries of an arrangement on trade between Canada and the United States. The advantages of that arrangement should not be confined to members of the United Auto Workers. It should be extended across the country, through other negotiations to which we are looking forward.

Mr. Broadbent: Perhaps one day the Minister will understand that that kind of an arrangement is not free trade, and we support that kind of arrangement because it protects jobs.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Maybe he will learn that one day.

[*Translation*]

WORKERS AT SAINTE-THÉRÈSE—GOVERNMENT PLANS FOR OBTAINING NEW INVESTMENT

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

The Auto Pact guarantees a certain level of investment in Canada. General Motors now has 35 per cent of the Quebec market.

What is the Government doing now to obtain new investment in Quebec for the benefit of the workers in Sainte-Thérèse?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member shouldn't be upset, since I just came back from Oshawa, in his riding, where $2 billion have been invested to promote—

Mr. Broadbent: Not by the Government—

Mr. Mulroney: He says: "not by the Government". No, not by the Government but by the private sector which we attracted to Canada. That is the difference.

A Liberal always thinks in terms of government funding. We think in terms of permanent jobs created by the private sector.

Some Hon. Members: No, no.

Mr. Mulroney: I again spoke personally to the President of General Motors about Sainte-Thérèse and investment across this country. There will be further meetings between him and the Government, with a view to persuading all companies to invest in high technology sectors on a more nationwide basis.

• (1425)

SITUATION OF GENERAL MOTORS WORKERS AT SAINTE-THÉRÈSE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Prime Minister, and again it relates to the situation at Sainte-Thérèse. He has just made a commitment

concerning the workers at Sainte-Thérèse and we appreciate that.

However I would remind him that he made a commitment 16 months ago in an answer to a question of the Leader of the Opposition in the House on November 7, 1984. He said at the time that he would take up the matter with the management of GM. How is it that after 16 months we are still at the same point, the workers at Sainte-Thérèse are worried about losing their jobs, and the investments are being made elsewhere?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Liberal Party members should get their act together. Either they are in favour of investments in Canada—in Ontario, in British Columbia—or they are not. I can say as a Canadian that I am pleased to see that kind of investment in Canada, the largest ever in the history of the automobile industry, if I am not mistaken. So they chose Oshawa, well good for them! It does not prevent me from speaking directly to the president of General Motors, as I have done before, to urge him to invest more and soon in Quebec.

REQUEST THAT PRIME MINISTER MAKE REPORT TO THE HOUSE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would simply ask the Prime Minister whether he would promise to report to the House within a month on the progress of negotiations, because the people of Sainte-Thérèse are quite concerned and want to know what is going to happen.

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, the people of Sainte-Thérèse are getting tired. Except for this investment, nothing has been done in the automobile industry in the past 20 years. Finally a new Government takes over and we have this investment. Hopefully there will be others in co-operation with the union and General Motors so as to give a better break to the company workers.

SITUATION OF GENERAL MOTORS WORKERS AT SAINTE-THÉRÈSE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. Since not a single job will be created in Sainte-Thérèse as a result of Hyundai's investments in Bromont, could the Prime Minister inform the House what specific measures the Government intends to take to protect the jobs of 4,000 General Motors employees at Sainte-Thérèse, which adds up to three times the number of jobs that will be created in Bromont?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I said it before and I am delighted to repeat that we have already started a very serious dialogue with the management of General Motors and other automobile manufacturers, to urge them to invest more in Canada and to spread out their investments so as to enhance regional development, including Quebec.

[*English*]

PROSPECT OF QUEBEC PLANT CLOSURE

Mr. Mike Cassidy (Ottawa Centre): Is the Prime Minister not aware of the fact that the General Motors plant at Sainte-Thérèse is due to close in July of 1987 because no further product has been planned for it after that time? If the Government was prepared to put such heavy measures into attracting Hyundai into Bromont, Quebec, what specific measure is it prepared to take to protect those 4,000 jobs and ensure that those automobile workers at Sainte-Thérèse can stay on the job?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the best thing we can do for General Motors or anyone else is to continue what we are doing with interest rates going down, employment going up, and 580,000 new jobs created. That is what it is all about, a healthy private sector and a growing Canada.

* * *

• (1430)

YOUTH

KATIMAVIK PROGRAM—GOVERNMENT POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, during this season of reflection and reconciliation, and as a way to be fair to the concerns of all those involved, is the Prime Minister willing to consider fulfilling the original commitment of the Government of Canada to the board and staff of Katimavik until June, 1987, allowing time for an arbitration committee to assess the value of Katimavik and, based on that assessment, if it is of value, to explore possible funding from provincial, municipal, and private sector sources?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on December 18, 1975, the former President of the Treasury Board, a member of the Liberal Government, stated, as reported at page 10157 of *Hansard:*

I therefore must announce that there will be no Opportunities for Youth Program next summer—

He also said that the LIP program would be discontinued and:

The government will stop providing financial support to the Company of Young Canadians—

What the Government was doing was discontinuing certain programs pursuant to new economic realities, as any democratically elected Government—

Mr. Gauthier: That was 11 years ago!

Mr. Mulroney: Eleven years do not change the principle of a democratically elected Government called upon to make those decisions. We made a decision in regard to Katimavik. That

decision remains. We will bring in appropriate programs in due course.

Some Hon. Members: Hear, hear!

REQUEST FOR PROGRAM EXTENSION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my supplementary question is also for the Prime Minister. Perhaps he would again consider my question. If the mechanics of a new youth program are not yet in place—and understandably it will take time to prepare such a program—is the Prime Minister willing to consider leaving this program in place, at least as a bridge?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the best programs that we can have for youth are found in a headline in *The Toronto Star* today which states: "Student Job Outlook Best Since '81, Experts Say".

ANNOUNCEMENT OF NEW PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is for the Prime Minister who ought to know that telling the House that the Tories are no better than the Liberals, or that jobs are better in Toronto, does not help the youth of the country.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Will the Prime Minister resolve the contradiction and confusion which emanate from his Government by telling us who is right, the Secretary of State who says there will be a program in May, maybe, or maybe never, or before the end of March as he has said on a couple of occasions? Will we have a program as promised by the Prime Minister, or is this a sacred trust?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my statements are on the record. I hope my hon. friend would not do us the disservice of ever comparing us with the Liberals.

Some Hon. Members: Oh, oh!

Mr. Mulroney: They lost 285,000 youth jobs in their last mandate. In 18 months we have created 50,000 new ones. The Hon. Member should have the decency to stand up and applaud that.

Some Hon. Members: Hear, hear!

TIMING OF INTRODUCTION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Prime Minister refuses to answer questions. Will the Government, as he promised, introduce a program for youth before the end of March, or maybe May, or never, as the Secretary of State has said?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have already allocated $732 million for youth programs.

Ms. Copps: What about the promise?

Mr. Mulroney: Contrary to our Liberal friends, who lost 285,000 jobs for our young people, we have created 50,000 more jobs—

Ms. Copps: You promised!

Mr. Mulroney: Louder, louder! We are going to create more. The best way we can do that is by having a sound economy and a growing Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

ANNOUNCEMENT OF NEW EMPLOYMENT PROGRAMS—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is also directed to the Prime Minister. Last Friday, on March 21, 1986, and not 1975, in answer to a question from the Hon. Member for Windsor West regarding new job programs for youth, the Prime Minister stated that the Government would be announcing its plans toward the end of the financial year. I would like to ask the Prime Minister whether this statement still reflects his Government's policy.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member can refer to more than Friday's statement. He could refer to a statement I made on March 3, well before the incident in the other place, when I said the following:

[*English*]

Our first obligation towards youth is to keep creating permanent jobs and this is exactly what we are doing. But have no fear concerning youth. This will be linked in due time not only with other programs, but with very important initiatives that will create more jobs for our young people.

At an appropriate time, and in a helpful manner, further action will be announced.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY IF MINISTERIAL ANNOUNCEMENT WILL BE MADE BEFORE EASTER RECESS

Mr. David Berger (Laurier): I have a supplementary, Mr. Speaker. Is the Prime Minister prepared to promise, on behalf of his Government, that a ministerial statement will be made here in this House, either today or tomorrow, before the House adjourns for Easter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member was alluding to last Friday, March 21. I answered a number of questions, and here is my reply—

[*English*]

Mr. Speaker, I indicated on March 3 and March 11 in the House and in other circumstances to the press that at an appropriate time, at or about the end of the fiscal year, and in appropriate fashion the Government—

What I said on Friday still applies.

* * *

ENERGY

WORLD OIL PRICES—IMPACT ON ALBERTA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister will know that the OPEC meeting in Geneva has now broken up in disarray with no agreement having been reached. She is also aware of the extremely desperate economic situation in the Province of Alberta. Oil prices today at $12.15 a barrel simply demand that the situation will get worse. Is the Minister prepared to stop monitoring the situation and start doing something now to preserve the jobs of ordinary Albertans?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I understand the Hon. Member's colleague is in Alberta offering a floor price as the NDP's solution to the dilemma faced by the industry. I wish he would elaborate how having an artificial price for oil will help all Canadians who, on balance, benefit from lower energy prices.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister knows that the situation in Alberta is getting extremely desperate. What do she and her Government plan to do to bring some relief to the troubled oil industry in western Canada and to bring some security to the Province of Alberta? What is she doing? What does she have against Albertans?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I certainly have nothing against Albertans. Clearly they do not think that I do, since they say that, on behalf of the Government, I have brought in the best energy policy ever introduced.

Some Hon. Members: Hear, hear!

LLOYDMINSTER HEAVY OIL UPGRADER PROJECT

Mr. Jack Shields (Athabasca): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. Are talks still ongoing regarding the Husky upgrader? Will the federal Government participate in the building of the Husky upgrader at Lloydminster?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that is a subject currently under discussion between the federal Government and the provinces.

Mr. Nunziata: Do you guys believe in commitment?

Mr. Speaker: Order, please. The Hon. Member for Winnipeg-Fort Garry.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to see if the Government will clarify its position on the important question of trade with respect to the Auto Pact. My question is for the Prime Minister. The Secretary of State for External Affairs said that he sees no reason to negotiate, while the trade representative for the United States said that everything is on the table. Will the Prime Minister tell us whether or not in his meetings last week with President Reagan he clearly expressed that, as far as Canada is concerned, the Auto-Pact will not be part of the negotiations? If so, did the President agree with that assertion?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have two responses.

Mr. Crosbie: He's getting coached by Ed there, look.

Mr. Clark (Yellowhead): The first is that the question did not need to come up because the position of Canada is well known. The second is that I am sure that the Hon. Member for Winnipeg-Fort Garry—

Mr. Crosbie: The Oshawa wizard.

Mr. Clark (Yellowhead): —will welcome as much as I do the conversion of the Leader of the New Democratic Party, who has now said that he is in favour of a trading arrangement with the United States.

Some Hon. Members: Hear, hear!

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would prefer to ask the Secretary of State if he has now changed his position. He stated that he would like to apply the moral of the Auto Pact to other sectors. Does that mean that the goal of the Government of Canada in these negotiations is to have a managed trade arrangement in various sectors, with guarantees and safeguards on both sides of the border? Is that the trade goal the Government is now pursuing?

Some Hon. Members: Hear, hear!

Mr. Crosbie: You got your clap there, Lloyd.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order. Before we hear the answer, could everyone on both sides of the House remember that when the mikes are on, they are on?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not changed my position. I leave that to the Liberal Party and the New Democratic Party.

Some Hon. Members: Hear, hear!

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CORPORATE AFFAIRS

LEGISLATION AFFECTING TAKEOVERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and concerns the insidious mobilization of corporate concentration which may destroy competition, and mean exploitation of the average consumer. When will Canada have effective competition and anti-combines laws to curb the voracious appetites of giants such as Gulf Canada, Imasco, and Petro-Canada, companies which, ironically, use the deposits of average Canadians to borrow billions of dollars to achieve these takeovers?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, as the Hon. Member knows, there is a new piece of legislation before the House and, as he probably knows as well, this new Bill does contain a provision that will allow the Government to review proposed mergers before they take place. Since there is unanimous consensus among Canadian businesses and the different consumers' associations, I urge all Parties to give quick passage to this legislation for the benefit of all.

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AGRICULTURE

PRINCE EDWARD ISLAND FARMERS—REQUEST FOR STABILIZATION PAYMENTS

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Since last fall Prince Edward Island farmers have been asking the Government for stabilization payments to cover their losses for the 1984-85 year and the 1985-86 year. As we head into the spring planting season, there is still no answer. Will the Prime Minister tell the House why Island farmers have not received an answer to this point and what is holding up the decision?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the federal Government realizes that there is a serious situation in the Maritimes and the matter that the Hon. Member raises is presently under discussion. I will make sure that the Minister of Agriculture is made aware of it upon his return to the House.

REQUEST FOR GOVERNMENT ANNOUNCEMENT

Mr. George Henderson (Egmont): Mr. Speaker, time is running out for farmers in Atlantic Canada. If they are going to get a crop in, they have to have some assistance immediately. Will the Minister tell the House specifically when assistance will be forthcoming? We have to know, and we have to know right away.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am a farmer and I realize full well that assistance has to be made known before the farmers plant. We very much realize the situation in Prince Edward Island and will make sure that any announcement is made in time for it to be of some assistance to farmers prior to spring planting.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES—PROTECTION OF CANADIAN JOBS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. When the United States last imposed protectionist laws against Canada in 1971, Canada passed an Act called the Employment Support Act which safeguarded 22,000 jobs against U.S. import surcharges. Did the Prime Minister tell Mr. Reagan and Congress last week that this Act will again be used to counter any U.S. legislation which is passed against our lumber exports?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the discussions between the Prime Minister and the President, and indeed discussions that I had earlier with Secretary Shultz, and discussions other Ministers have had with representatives of the United States administration, have covered a wide range of issues. We did not see it necessary to go down there in a threatening mode.

If the Hon. Member is raising this question, he should certainly rest assured that the Government of Canada is not only going to protect the interests of Canadian job holders but it will continue upon an economic policy which has been far more effective than any range of threats or protective measures, an economic policy of stimulating the private sector so that we can have the record performance in job creation in Canada that has marked the last 18 months.

EMPLOYMENT SUPPORT ACT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, there are 160,000 jobs at risk here and I would ask the Secretary of State specifically if he is in fact aware of this piece of legislation, if he has brought it to the attention of the

United States, and if the Government is prepared to use it as an effective vehicle to protect our workers and exports.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I am aware of the law of Canada. I am also aware of the fact that the way to secure growth and jobs for this country is not to strike out at our friends, and not simply to seek refuge in protectionist measures. Our future lies in stronger trade and stronger job creation. That is the way of the future. Members of the NDP continue to lie wallowing in the past. We are quite prepared to leave them there.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AID

OUTSTANDING DEBT OF POOREST COUNTRIES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given the tremendous debt burden of the developing countries, particularly the poorest ones in Africa, and in light of the Government's recent decision to extend all further aid as grants rather than loans, is the Government considering action to forgive the outstanding aid debt to Canada of these poorer countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House will know that the Government is preoccupied with the human tragedy in Africa and developing countries elsewhere. We are now seriously considering means of easing or eliminating the burden of past aid loans, particularly on those countries which have shown the courage and the determination to try to bring about fundamental reforms in their own economic systems.

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PETRO-CANADA

PRICE PAID FOR REAL ESTATE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. A Peterborough company involved in the business of importing sunglasses purchased a property in my riding and resold it two days later to Petro-Canada, thus making a $70,000 profit. Can the Minister explain to the House how Petro-Canada got rooked to the tune of $70,000 in this real estate deal?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have advised the House on many occasions that I do not get involved in the day-to-day operations of Petro-Canada. I suggest that the Hon. Member address this issue to Petro-Canada.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is directed to the Minister who is responsible to the House in answering for the Crown corporation called Petro-Canada. Will the Minister table in the House all appraisals and all documents relating to this unusual real estate deal—yes or no?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, since the Hon. Member is apparently not willing to pass his question on to Petro-Canada, perhaps, Sir, I will.

Mr. Boudria: In other words, no.

* * *

[*Translation*]

NATIONAL DEFENCE

PROJECT TO ESTABLISH SHOOTING RANGE NEAR BAGOTVILLE, QUEBEC—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Defence who must certainly be aware of the fact that the majority of Saguenay-Lac-Saint-Jean residents are opposed to his Department's project to establish a shooting range for F-18 fighter aircraft near Bagotville. Keeping in mind the fact that polls reveal that two out of three residents are strongly opposed to this shooting range, not to mention 14 municipalities and seven school boards, when will the Minister shelve that project?

• (1450)

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, officials of the Department of National Defence are working with officials of the Government of the Province of Quebec, and are discussing these matters with the affected Members of Parliament as well as the affected communities. I have confidence that they will work out an amiable solution.

[*Translation*]

POSSIBLE CLOSURE OF BAGOTVILLE MILITARY BASE—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): I have a supplementary, Mr. Speaker.

Will the Minister unequivocally dissociate himself from the threatening statement of his colleague the Secretary of State to the effect that, if local residents reject the proposed firing range, the Minister of National Defence might close the Bagotville military base?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I do not know whether that question needs to be dignified with an answer. I replied to the Hon. Member's first question by indicating that officials of my Department are working with officials of the Government of the Province of Quebec, as well as local municipal officials, to try to work out an amiable solution. I assume the Hon. Member would agree that that is the right way to proceed.

* * *

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

PROMOTION OF FRENCH SONGS—EXPANSION OF RECORD INDUSTRY—GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Communications. He is probably aware that lowering the quota for songs in French has raised a wave of protest in Quebec.

My question is as follows: How does the Minister intend to promote French songs and help the record industry if the Government lets the CRTC lower French content from 65 per cent to 55 per cent in broadcasts from radio stations in Quebec?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I am aware that some people disagree with the CRTC's decision in this respect. By law, they can appeal to Cabinet which will then decide on the matter at the appropriate time.

Furthermore, under the last Budget brought down by the Minister of Finance, funding was approved for a new policy that will help the radio and record industries, and in a few weeks we will be ready to announce this new policy.

REQUEST THAT GOVERNMENT ISSUE DIRECTIVE REVERSING COMMISSION'S DECISION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the situation is very serious.

Would the Minister agree right now to issue a directive reversing a disastrous decision that will prejudice the interests of Francophone creative artists and even jeopardize Quebec's Canadian and cultural interests?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, it is hard to make a judgment before an appeal is made. I believe that logically, we must let these people appeal to Cabinet and when they do, I will report on the Department's position.

[*English*]

FINANCE

TAX TREATMENT OF LAID-OFF GRIFFITH MINE WORKERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. In the November, 1984, economic statement, the Minister clearly stated that tax relief for termination benefits would be offered in "communities where alternative employment opportunities are limited or simply do not exist". Will the Minister tell the House why he is breaking his promise to the laid-off workers of the Griffith Mine in the Ear Falls area of northwestern Ontario?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not breaking my promise. The criteria which have been established for this type of assistance have not been met by the Ear Falls case, and that is the reason for the decision.

APPLICATION OF DEPARTMENTAL CRITERIA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, could the Minister explain to the House in what way the Griffith Mine lay-off does not meet the criteria established by his Department?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the fact that the affected employees live in a number of communities.

Mr. Rodriguez: Oh, come on!

Mr. Wilson (Etobicoke Centre): There are also a number of employers in that region.

An Hon. Member: You are out to lunch.

Mr. McCurdy: It must be outside Ottawa!

Mr. Wilson (Etobicoke Centre): If Hon. Members wish to listen to the answer, I will give them an answer. The simple facts are that there are other major employers in the area.

An Hon. Member: Name one.

Mr. Wilson (Etobicoke Centre): The Campbell Red Lake Mine is one.

Mr. Rodriguez: Oh, come off the pot.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, clearly the Hon. Member does not want to listen to the answer. If he wants to speak to me after, I will be happy to talk with him.

* * *

AGRICULTURE

COMMODITY BASED MORTGAGE PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Acting Minister of Agriculture. It concerns the

serious farm debt crisis facing some 40,000 Canadian farmers today. Is the Minister aware of the criticisms of his commodity based mortgage program which was in the Budget, as being misleading, diceptive, and so seriously flawed that responsible farm organizations are advising their members not to take out those mortgages and are planning to take the unprecedented action of obtaining a court injunction to stop the program from going ahead? Is the Minister aware of that, and what will he do about it?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am not aware of any groups suggesting that they should take court action. I am aware that the Government committed up to $700 million to assist farmers in financial difficulty. That loan money is to be matched with interest reductions in the amount of almost $200 million over two years. It seems to me that is a substantial amount of money to help at least some of the Farm Credit Corporation clients who are having financial difficulty. I am aware of the help we have provided.

REQUEST FOR ALTERATION OF PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the same Minister. Clearly the program is not acceptable to Canadian farmers. Is he prepared to alter the program drastically to make it acceptable and effective in assisting farmers who are facing this serious, unprecedented farm debt crisis?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, this is a new approach for the Farm Credit Corporation. There is some money there to back it up. If there are some concerns and the program is not working, certainly we are willing to look at making it work. We all realize the serious financial difficulties which farmers face. We have put up money to ensure that it is there for assistance. Certainly we are interested in seeing that it works and, if the Hon. Member has some suggestions, we would be happy to hear them.

* * *

[*Translation*]

HEALTH

DEPO-PROVERA CONTRACEPTIVE—GOVERNMENT POSITION

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Women in my constituency advised me not long ago of their concern about an injectable contraceptive called Depo-Provera. Despite its negative effects, the manufacturer is now trying to get the drug approved by the Minister for marketing in Canada, although permission has been denied in the United States.

Could the Minister give this group from the Verdun Women's Centre the assurance that the contraceptive will not be approved if it represents the slightest risk for the health of Canadian women?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for his question which has been asked previously. I have not received a recommendation for acceptance or rejection from the Health Protection branch. As the Hon. Member knows, it is a regulatory process and one in which I do not interfere. However, I have said to health groups and to women's groups that, before any approval would be given, if in fact a recommendation where made along that line, I would want to be satisfied totally on the safety side of the issue.

* * *

INDUSTRY

FLEET INDUSTRIES—INSPECTION PROCEDURES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Associate Minister of National Defence and concerns Fleet Industries. Will the Minister confirm that his Department's investigation substantiated the allegations made by the former quality assurance supervisor that there were serious problems in Fleet's inspection procedures and records, and that personnel performing critical work were not adequately qualified? Will he also confirm that the result of this is that no product from the company is currently being allowed to leave the plant?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as the Hon. Member may know, this question could be subject to litigation between the parties. I do not know whether I want to affirm the accusations made by the Hon. Member, but let me say that my Department is working closely with Fleet Industries. We have found that procedures were improper, and they are being improved. We have not found any faulty materials, yet.

RESPONSIBILITY FOR PRODUCT INSPECTION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, could the Minister tell us whether his Department's investigation has examined the products being supplied to other customers such as Spar Aerospace, de Havilland, and Sikorsky? If not, could he tell us whose responsibility it is to ensure that that material is not defective and does not jeopardize public safety?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, each customer supplies its own inspector in this regard. I am informed that faulty materials have not been discovered to our knowledge by any of the inspectors. It is a question of the procedures and paperwork, which were not up to snuff, and it is being remedied through co-operation between the customers and the company.

Borrowing Authority Act

PENITENTIARIES

PROJECTED CONSTRUCTION OF PRISON IN MANICOUAGAN CONSTITUENCY

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Solicitor General, my question is directed to the Prime Minister. The Prime Minister knows that the Nielsen task force recommended that prison construction stop, and that would apply to the prison which he is proposing to build in his own riding.

● (1500)

In view of the reference of the Nielsen report to a committee for parliamentary review, is the Prime Minister willing to see that construction stop, to have the committee review it and decide whether this additional prison is required in the Province of Quebec and, indeed, in the whole correctional system of Canada.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, in the absence of the Solicitor General, I would like to reply on behalf of the Government that the Nielsen task force, as the hon. gentleman knows, presents a series of options that can be considered by standing committees of this House, which were never asked to consider anything by the former regime. After the relevant committee has looked at the report and the justice system, I am sure it will make recommendations to the Government which we will then consider. At the present time there is no change in plans.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-99, an Act to provide borrowing authority, be read the second time and referred to a legislative committee, and the amendment of Mr. Deans (p. 11570).

Mr. Speaker: Before giving the floor to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who had the floor before the luncheon recess, the House might want to clear. The Hon. Member for Winnipeg-Fort Garry ought to have the right to speak to a House that is not in motion. Order, please. Resuming debate. The Hon. Member for Winnipeg-Fort Garry has one minute remaining.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, just to conclude the remarks I was making before lunch, the fact that the Prime Minister (Mr. Mulroney) was unable to gain any kind of recognition of the serious problem faced by western farmers because of the U.S. farm Bill, and because he did not come with any amendment or any change that would ensure that the western grain economy will not fall flat on its face, creates very serious economic problems for the country. We hope in the consideration of how the Government will spend all that money it wants to borrow that it will pay proper attention to the needs of the western farmers.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise and speak on the borrowing authority Bill. In the Bill the Government has asked Parliament to authorize the borrowing of $22.6 billion to finance its programs. We as parliamentarians must examine very carefully the direction being set by the Government before granting it the authority to borrow.

Upon what must we base our judgments, Mr. Speaker? Clearly, the most obvious statement of the Government's intentions flows from the recent Budget, and it is that document we must examine in determining whether to grant the Government the borrowing authority it is seeking.

What are the most noteworthy features of the Finance Minister's Budget? First, it increases taxes on average Canadians, just as the May Budget did and the November economic statement before it. At the same time as it eliminates the 5 per cent surtax on the wealthy, it imposes a 3 per cent tax across the board on all Canadians. Effectively what this does is to apply a tax cut for high income earners who, last year, paid a 5 per cent surtax, and an increase of $170 in tax a year as a result of the 3 per cent surtax to the average family income tax earner in 1987, which is on top of all the other taxes piled on by the Conservative Government since it came to power in September, 1984.

The second major feature of the economic direction of the Government is to cut back on a number of important government programs. Finally, the Budget does nothing whatever with respect to the overriding and essential priority of Canadians at this time, that is, jobs, job creation and new employment for Canadians.

All of us remember the promise made by the Prime Minister during the election campaign of jobs, jobs, jobs. Yet, Mr. Speaker, we have seen a lost generation, half a million young people between the ages of 15 and 24 who want to work and who cannot find jobs. For them that promise is but a bitter memory of the past.

This Budget is unfair and it is a failure. It is unfair because its tax increases fall heaviest on those in our society least able to pay. It is a failure because it will not provide the stimulus the economy so badly needs to deal with the crisis, not just the economic crisis but the personal crisis of 1.4 million Canadians who are out of work and the personal crisis of the 4.5 million Canadians who live below the poverty line. The Government will effectively choke off economic recovery in Canada. Why has the Minister of Finance (Mr. Wilson) imposed a new round of taxes and cut-backs which will have the effect of taking money out of the hands of consumers and out of local communities?

Today, in my riding of Burnaby, as a result of the combined impact of Tory economic policies since September, 1984, average families have $1,304 less to spend on the goods and services they need to live. In turn, this has a devastating impact on local communities throughout the lower mainland and the rest of British Columbia. This money, instead of creating new wealth and new opportunity in Burnaby and elsewhere, will be siphoned back to Ottawa because of the Finance Minister's obsession with the deficit.

At the same time as the Finance Minister purports to be attempting to cut the deficit, what does he do? He gives a bonanza to the rich of a half a million dollar capital gains tax exemption while cutting back on the standard of living of the middle class and the poor. We as New Democrats want to know why, if the Minister is so committed to raising revenue and to reducing the deficit, is he doing it in this unfair and regressive way? Why is he not asking corporations, wealthy Canadians and the banks to shoulder their fair share of the burden?

The tax probe of the New Democratic Party which travelled across Canada suggested that the Government should eliminate tax breaks to corporations which, in many cases, do not generate jobs or give average Canadians a chance to spend more and thereby increase the over-all level of demand in the economy.

Let us look at some of the reasons for the request of $22.6 in the Bill before the House flowing from the specific features of the Budget. Direct job creation has been cut by $100 million. What an unconscionable signal to send to the 1.4 million unemployed Canadians, half a million of whom are young people, to cut spending on job creation.

Over the next four years, substantial cuts will be made in the Departments of Regional Economic Expansion, Agriculture, Health and Welfare, Transport, and the list goes on.

The Government as well has cut back in its support to the poorest in the global community, namely, foreign aid. Canada has a proud tradition of distinguished service in international development to assist the less advantaged people of the world. The Conservatives have turned their backs on this record, and what is worse, at the same time they are cutting back on the funds for the poor and the starving of the world they have increased funding for that sacred cow of military spending. It is less money for co-operative international development and more money for arms and the military.

What about my own province of British Columbia? With an unemployment rate of 12.3 per cent, higher in many regions of the province, surely the Government would address this crisis. Instead of putting money into creating jobs for young people, the Government has eliminated all funding for the Minister of State for Youth (Mrs. Champagne). Some of us might argue that, given the proposed priorities of the Minister of State for Youth who suggested that federal Government funds should be going to fund PC youth federations, it is just as well she does not have any federal Government funds and that she was cut off.

Mrs. Champagne: How can you say that?

Mr. Robinson: We know the priorities of this Government. We know the Minister of State for Youth suggested that she wanted to fund PC youth federations out of public funds. The record speaks for itself. Many of us are pleased she did not get her hands on the pursestrings of the nation. God knows what she would have done coast to coast with those funds.

The Budget does nothing for British Columbia. Job creation has been cut back. This will particularly hurt the province of B.C. which is already reeling under the impact of a provincial Social Credit Government. There is no mention in the Budget for the forest and fisheries industries. There is no mention of the long standing call for direct job creation measures through the resource enhancement program. There is no mention whatever of additional funding to municipalities to help them create jobs by improving their infrastructures. One really wonders what the B.C. Tories have been doing these last few months. Atlantic Canada is suffering and it receives special attention in the Budget, but not a penny for British Columbia. There is no recognition of the fact that women tend to suffer adversely in times of economic downturn. There are no measures to deal with equality in the workplace. There is no mention of child care despite the excellent recommendation of the Cooke task force.

• (1510)

In the face of all this evidence we in the NDP clearly say no, we are not prepared to allow this Government to proceed with its agenda by giving it the borrowing authority it seeks. Average Canadians from coast to coast are being asked to foot the bill for this Government's economic incompetence. It is hypocrisy, it is unfair, and it will not address the very serious economic crisis facing this country. Canadians deserve far better economic leadership than this Government has thus far provided. It is time for a real change in this country. It is time for an NDP Government in Canada.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Thank you for recognizing me, Mr. Speaker. I am pleased to take part in this debate on Bill C-99, an Act to provide borrowing authority, and on the amendment that the Bill be not now read a second time but that it be read a second time this day six months hence.

In the few minutes at my disposal, Mr. Speaker, I would simply refer to this famous borrowing authority and explain how the Government will spend that money borrowed directly from Canadians.

Mr. Speaker, the National Capital Region which I represent in the Ottawa-Vanier riding has been hit very hard by the Conservative Budget and the Government's policies. It has been the target of the Conservatives ever since they took over. In my riding of Ottawa-Vanier, for example, the federal public administration accounts for 28 per cent of all economic activities, so it is important to us to know what kind of human

resources management policy the Government follows and, more particularly, what kind of future we have as residents of Ottawa and the region with a Conservative Government which shows little mercy in its attempts to blame public servants for all its problems.

As you may recall, in May 1985 the Government announced that 15,000 public service jobs would be eliminated and, out of these 15,000 jobs that will disappear, we can reasonably expect that roughly one third of those will be in the national capital. As I said earlier, Mr. Speaker, the Government happens to be the main employer in the National Capital Region. Its presence is very significant because, from an economic standpoint, each Government job has a job-creating factor of about 1.5, which means that each federal Government job creates one job and a half in the service industry, in the private sector. Well, Mr. Speaker, again recently when the Minister of Finance (Mr. Wilson) made his Budget speech and the President of the Treasury Board (Mr. de Cotret) told us about his plan to reduce Government programs by $500 million, it was announced that there was a hiring freeze and that Government expenditures would also be cut back to the tune of some $500 million. Now one can readily relate the impact of that decision to the quality of life of the people in the riding of Ottawa-Vanier and the entire National Capital Region. In fact, Mr. Speaker, in the Budget the Conservative Government decided to cut $500 million. It is a decision it made and which I respect because this Government was elected with a mandate, on its commitment to make cuts in the Public Service. Mr. Speaker, I do not agree. I did not vote for this Government, I can assure you. But when we are told that this Government wants to save money or reduce the deficit at the expense of public servants, well, Heaven knows we are sick and tired of hearing the old refrain that public servants are to blame for the Government's deficit!

Mr. Speaker, in my comments at the second reading stage, I referred to the deficit. I talked about interest rates. I talked about the national debt. I talked about everything that had any connection with the issue. However, I repeat that federal public servants are not to blame for today's high federal deficit. The international economic situation is to blame, and probably a number of factors beyond the control of this country.

Between November 1985 and February 1986, the number of unemployed in Ottawa-Carleton rose by 10,000. In 1985 the unemployment rate was 6.7 per cent. It is now 8.8 per cent. Those figures do not include the Public Service cuts that will become effective on April 1, at the beginning of the coming fiscal year.

Mr. Speaker, the cumulative effect of the two Budgets plus the announced cuts in Government spending will have a very serious negative impact on the National Capital Region.

In the time remaining, I would like to talk about the Government's policy to cut the size of the Public Service, and I would like to make a few comments. The Government intends to reduce the size and cost of the Public Service by increasing productivity, privatizing certain federal activities and, if economically feasible, by contracting out certain other activities. This means that first of all, the Government increases productivity, and second, it tries to reduce federal activities by privatizing them without really explaining how it is going to be done, and by entering into service contracts with the private sector for services formerly provided from within the Public Service.

Some time ago I asked the President of the Treasury Board (Mr. de Cotret) what was the Government policy on privatization, for instance, and he told me: There are documents and they will be made public. The Hon. Member will see for himself what the objectives and criteria are. Well, I never did get any document, and the Minister's officials even denied the existence of documents on the privatization policy announced by the Government.

Mr. Speaker, it might be useful if at last the Ministers of this Government were to come clean with respect to information. If they have a specific policy for privatizing certain services such as translation or the general maintenance of buildings they should spell out the cost-benefit of that privatization, tell us exactly what savings the Government is trying to make, and what economies of scale are involved.

It is utterly impossible for anyone to understand that policy aimed at reducing personnel and blaming public servants on one hand, and on the other at proclaiming: We are going to privatize. So they eliminate public service jobs and then brag about having created jobs in the private sector. Can you imagine! Mr. Speaker, the number of translators was cut down, so what does the Government do now? Close to $5 million for translation have been added to the budget of the Secretary of State. Where will it be done? Outside the Government, in the private sector. I am wondering what common sense and what kind of reason they can use now to make us believe that it will save money. No savings there. And there is no job creation either because they eliminate a public service job, they lay off a public servant and tell him: You are surplus, we no longer need you. Then they say they have created a job in the private sector. Mr. Speaker, I wonder just where the logic is in that: eliminate a public service job, supposedly to create one in the private sector. It does not create jobs. It does not maintain a rising level of job creation. All it does is to maintain a Department service, a translation service.

For instance, 136 Secretary of State employees, including 116 francophones and 100 women, have been told they are surplus employees. They incluse 82 translators, men and women, who average eight years of seniority. This Government policy is contrary to the personnel policy of the Treasury Board. Indeed, I looked it up in the Management Manual—Personnel Management, Volume 4—and it reads:

5.1 The Departments must:

5.1.1 plan human resources efficiently so as to minimize the repercussions of personnel shifts on public employees appointed for an indefinite term, on the Department, and on the Public Service;

5.1.2. review the way they use the services of employees appointed for a definite term and the markets of services—

Mr. Speaker, we must put an end to this policy whereby public servants with eight, ten and sometimes fifteen years of seniority are laid off, just so the same services, the same translation, can be done outside by sub-contractors. Mr. Speaker, it does not make any more sense than to say that the sun will not rise tomorrow morning.

Mr. Speaker, I know you have indicated that my time has almost expired. I would have liked to talk about cut-backs in public works, the impact on ordinary workers, on the average family in my riding which is now forced to pay and bear the brunt of these additional taxes levied by the Government.

Mr. Speaker, I intend to vote against this borrowing measure because it is bad for the region I represent and I would ask . . . You are cutting me off. I cannot continue, of course, but I would ask for an opportunity to speak on third reading, if possible.

• (1520)

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-99, an Act to provide borrowing authority, be now read a second time and referred to a Legislative Committee. And on the amendment of Mr. Deans, seconded by Mr. Prud'homme, that the motion be amended by deleting all the words after "That" and substituting the following therefore:

"Bill C-99, an Act to provide borrowing authority, be not now read a second time but that it be read a second time this day six months hence."

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Deans), which was negatived on the following division:

(Division No. 215)

YEAS

Members

Allmand
Althouse
Angus
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Copps
Deans
de Corneille
de Jong
Dingwall
Finestone
Foster
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Langdon
Manly
McCurdy
Murphy
Nunziata
Nystrom
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Turner (Vancouver Quadra)
Young—40.

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Bissonnette
Blais
Blais-Grenier
Blenkarn
Bourgault
Boyer
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Yellowhead)
Clark (Brandon-Souris)
Coates
Collins
Cook
Cossitt
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Daubney
de Cotret
Desjardins
Dick
Fennell
Ferland
Fontaine
Forrestall
Fretz
Gagnon
Gervais
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hees
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
Ladouceur
Landry
Lanthier
Lawrence
Layton
Lewis
Lopez
MacKay
Marin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Minaker
Mitges
Moore
Nickerson
Nielsen
Nowlan
O'Neil
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Scott (Victoria-Haliburton)
Scowen
Shields
Sparrow
Stackhouse
Stevens
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)—118.

Mr. Speaker: I declare the motion lost.

Is the House ready for the main question?

Some Hon. Members: Agreed.

Mr. Speaker: The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-99, an Act to provide borrowing authority, be read the

second time and referred to a legislative committee. Is it the pleasure of the House of adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray), I take it, is indicating a desire that consent be sought that the vote be applied in reverse on this question? I take it that there is unanimous consent to apply the vote in reverse—

Ms. McDonald: No, no.

Mr. Speaker: —with the addition of the Hon. Secretary of State (Mr. Bouchard), the Hon. Member for Broadview-Greenwood (Ms. McDonald) and the Hon. Member for Trinity (Miss Nicholson).

Ms. McDonald: Mr. Speaker, I rise on a point of order. I was not present for the vote on the previous motion but I do want to vote on this one.

Mr. Speaker: For clarity, the Hon. Member for Broadview-Greenwood wishes her vote recorded in the negative. The Hon. Member for Trinity wishes her vote recorded in the negative. The Hon. Secretary of State wishes his vote recorded in the affirmative.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

(*Division No. 216*)

YEAS

Members

Andre	Bradley	Chartrand
Attewell	Brightwell	Clark (Yellowhead)
Bernier	Brisco	Clark (Brandon-Souris)
Bertrand	Cadieux	Coates
Bissonnette	Caldwell	Collins
Blais	Cardiff	Cook
Blais-Grenier	Champagne (Saint-Hyacinthe-Bagot)	Cossitt
Blenkarn	Champagne (Champlain)	Côté (Langelier)
Bouchard	Charest	Crofton
Bourgault	Crosbie (St. John's West)	Daubney
Boyer	de Cotret	Desjardins
Dick	Fennell	Ferland
Fontaine	Forrestall	Fretz
Gagnon	Gervais	Gormley
Gottselig	Graham	Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway	Guilbault (Drummond)	Gurbin
Gustafson	Halliday	Hamilton
Hardey	Harvey	Hees
Hnatyshyn	Hockin	Holtmann
Howie	Hudon	James
Jardine	Jelinek	Jepson
Johnson (Bonavista-Trinity-Conception)	Joncas	Jourdenais
Kelleher	Kempling	Kindy
Ladouceur	Landry	Lanthier
Lawrence	Layton	Lewis
Lopez	MacKay	Marin
Mayer	Mazankowski	McCrossan
McCuish	McDermid	McInnes
McKinnon	McKnight	Merrithew
Minaker	Mitges	Moore
Nickerson	Nielsen	Nowlan
O'Neil	Redway	Reid
Reimer	Ricard	St. Germain
St-Julien	Scott (Victoria-Haliburton)	Scowen
Shields	Sparrow	Stackhouse
Stevens	Tardif (Charlesbourg)	Taylor
Thacker	Towers	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Tupper	Turner (Ottawa-Carleton)
Vankoughnet	Vincent	White
Wilson (Swift Current-Maple Creek)	Wilson (Etobicoke Centre)—119.	

NAYS

Members

Allmand	Garneau	McDonald (Broadview-Greenwood)
Althouse	Gauthier	Murphy
Angus	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nunziata
Berger	Henderson	Nystrom
Blackburn (Brant)	Hopkins	Riis
Boudria	Hovdebo	Robichaud
Broadbent	Isabelle	Robinson
Copps	Jewett	Rodriguez
Deans	Kaplan	Rompkey
de Corneille	Langdon	Rossi
de Jong	Manly	Turner (Vancouver Quadra)
Dingwall	McCurdy	Young—42.
Finestone		
Foster		
Fulton		

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to a legislative committee.

* * *

ARMY BENEVOLENT FUND ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. George Hees (Minister of Veterans Affairs) moved that Bill C-100, an Act to amend the Army Benevolent Fund Act, the Children of War Dead (Education Assistance) Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am very pleased to be presenting this legislation which, I think we will all agree, brings forward measures which will be good for the veterans of this country and for their dependents. Bill C-100 represents the second time I have been privileged to present a significant piece of veterans' legislation to the House in just over a year.

Hon. Members will recall that Bill C-28 received passage through all stages on Valentine's Day last year. Tens of thousands of veterans and their families have since benefited from that legislation. Bill C-100, like it predecessor, is a direct result of the encouragement and support I have received from the Prime Minister (Mr. Mulroney), my cabinet colleagues and my colleagues in caucus. The Government believes that veterans are very special Canadians and that is why additional money has been freed up at this time of fiscal restraint.

Some of the measures I am proposing today will cost hundreds of thousands of dollars. Others will cost little or nothing but will remove irksome and unnecessary obstacles in our legislation. Every single amendment, however, represents the Government's willingness to listen to veterans and veterans' organizations and to act. I take particular pleasure in asking the House to support the measures in Bill C-100 which increase compensation for hundreds of former prisoners of war. The first amendment will assist veterans who were both prisoners of war and badly disabled.

Let me explain the present situation, Mr. Speaker. A disability pension is based on the degree of disability sustained by a veteran and is expressed in percentage terms, total disability being assessed at 100 per cent. In addition, certain former prisoners of war receive a fixed percentage of the maximum pension benefit to compensate them for their confinement. Hong Kong prisoners of war, for instance, receive 50 per cent of the full pension rate.

Section VIII of the Compensation for Former Prisoners of War Act limits the total compensation to 100 per cent of the pension rate, thus penalizing many prisoners of war who also have pensionable disabilities. It is time simple justice prevailed over administrative neatness.

Some Hon. Members: Hear, hear!

Mr. Hees: This legislation proposes that former prisoners of war receive the aggregate of their awards under the two programs. This change will benefit 544 veterans at an annual cost of nearly $2.6 million.

As I indicated, Hong Kong veterans will be the principal beneficiaries. They are a most deserving group. They were the first soldiers to fight and the last to be freed from imprisonment. They were imprisoned under the most terrible conditions but their spirits were unconfined. As someone who had the honour of joining them in Hong Kong last year, I will just add that I think that they are entitled to every last cent we can offer them.

Some Hon. Members: Hear, hear!

Mr. Hees: I am also proposing increased compensation for a significant number of veterans who were mainly detained as prisoners of war in Europe. Hon. Members might know that persons detained by a power other than Japan for a period of more than 30 months are entitled to a pension at the rate of 20 per cent. Solomon, armed with the most up-to-date computer, would be hard pressed to provide the ideal formula blending the time spent in a prisoner-of-war camp with financial compensation. Whatever the difficulty in rating the severity of prisoner-of-war life, there is no doubt in my mind that a 20 per cent pension is not sufficient. This is why I am proposing an increase to 25 per cent. This will cost $1.28 million annually and will benefit 1,550 veterans and their widows. The bulk of those who will receive these increased benefits are veterans who were taken prisoner at Dieppe. I am very pleased, indeed, to propose this additional compensation for the hardships they endured.

• (1610)

There are 12 amendments in this Bill, all designed to assist veterans and their dependants live a better life. I have detailed two already, and I just want to outline briefly some of the other changes. I particularly want to draw the attention of the House to the proposals affecting the children of veterans.

Under both the Pension Act and the War Veterans Allowance Act, a benefit can be paid in respect of a child until that child reaches the age of 17. I now want to bring these Acts into line with other social legislation which views a child as a dependant until the age of 18. At the same time we want to expand our Department's educational assistance program.

Eligible children can now receive assistance in the form of a monthly living allowance and a tuition grant only if they graduate from high school. Experience has shown that this disqualifies teenagers who have no desire to pursue lengthy academic goals. Their career ambitions are best encouraged in trade and technical schools, and Veterans Affairs cannot assist them to meet these ambitions. I suggest it is high time that we assisted those young people who elect to follow a technical training program. In addition, I am proposing that we recognize the spiralling cost of tuition by increasing the maximum grant from $800 to $1,500 per academic year.

The sixth amendment I encourage Hon. Members to approve deals with the Veterans Land Act and the rights of spouses. The proposed change will permit veterans to include the spouse as an owner of the family home on the agreement of sale. This will eliminate the need to probate a deceased veteran's will, thus saving expensive legal costs.

We are also making life easier for spouses through a proposed change to the Pension Act. This particular item will allow the wife or child to follow through with an appeal against a pension assessment even though the veteran pensioner has died since the original papers were filed.

The eighth amendment I wish to highlight also concerns the Pension Act. The survivor of a deceased veteran is currently ineligible for a pension unless he or she can demonstrate that the veteran should have been receiving a pension of 48 per cent

or more. Survivors of veterans who would have received pensions of 47 per cent or less had they applied are therefore denied benefits under the Pension Act. Bill C-100 will correct this injustice by allowing the Canadian Pension Commission to rule as if the veterans had applied.

I am proud of this legislation. Every amendment will help veterans and their families, and each amendment confirms the Government's commitment to veterans and to social justice. I say again that veterans are fully deserving of our very best efforts. Today this House is again making a best effort on their behalf.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, first of all, as Veterans Affairs critic for the Official Opposition, I am truly delighted with this opportunity to comment briefly on the subject of Bill C-100, tabled in this House by the Minister of Veterans Affairs (Mr. Hees), a Bill that is primarily aimed at improving the lot of veterans who are former prisoners of war.

The Bill also increases the amount and improves the availability of pension benefits for spouses, extends the age limit for dependent children and also increases the amount and expands the range of financial assistance for students who are orphans, legally.

Mr. Speaker, I see the Bill as a tribute the Minister of Veterans Affairs is paying today to those who were among the most severely affected by World War II. I would like to comment more specifically on those who were made prisoners of war in Hong Kong in 1941 and at Dieppe in 1942.

Mr. Speaker, you have to talk to those veterans who were prisoners of war to understand how much they suffered, the torture and hunger and the terrible solitary confinement, as well as the whole range of physiological deficiencies they suffered as a result.

Mr. Speaker, speaking of former prisoners of war, perhaps I may recall the former Deputy Minister of National Health and Welfare, Dr. Crawford, who, in private moments, with tears in his eyes, and always with a great deal of emotion, would tell us about the suffering he and his men had endured. He would recall sadly how his soldiers died of the most ordinary infections, due to cold and damp conditions, malnutrition and a lack of the most elementary medical care.

This medical officer I just mentioned, who is someone I remember fondly, was himself severely affected by various kinds of irreversible damage to the spine as a result of his imprisonment. Mr. Speaker, he, like many others, was haunted by the memory of this experience for the remainder of his life.

Mr. Speaker, perhaps I may recall how many of your friends and mine went through the slaughter at Dieppe, those who were taken prisoner and tortured for months on end. Perhaps it would be better not to recall the nightmares that unfortunately continue to go through the minds of those courageous and intrepid soldiers who were taken prisoner.

In adding these major improvements to the legislation, the Minister of Veterans Affairs is following the example of one of his predecessors, that brave veteran and war amputee, the Hon. Daniel Joseph MacDonald, who left Prince Edward Island and Canada a monument to the memory of all these veterans when he, as Minister, helped to smooth the sharp edges of this legislation.

Mr. Speaker, the two men I just mentioned may be said to belong to that host of heroic and generous men whom generations will remember for what they did for their comrades in arms.

I think the Minister of Veterans Affairs has adequately explained to the House the twelve amendments to the legislation especially those applying to certain classifications of veterans, namely the Hong Kong prisoners of war and the Dieppe prisoners. I believe the amendments correct a situation where, as the Minister pointed out quite clearly, the 100 per cent disability could not be exceeded, even if Hong Kong prisoners of war were entitled to a compensatory benefit of 50 per cent.

I am therefore very pleased that the Minister was able to remedy a situation that was terribly unjust, considering what these prisoners of war had done for their country.

Redress was also provided for Dieppe prisoners of war, who still number 1,500. And there is of course the important question of the children's education. The terms have been considerably expanded and made more generous. According to another amendment, to be eligible for post-secondary education it is no longer necessary to finish high school *per se* and,—I am referring to dependent children,—they also have the option of going to a technical school. So this is already a vast improvement, and I think congratulations are in order for the Minister, who has brought in those very important amendments to the veterans legislation. Mr. Speaker, it is never too late to remember the bravery and valor of those who fought and fell on the battlefield, and of others who returned maimed but bearing the flaming torch of freedom which we must continue to nurture and protect.

Mr. Speaker, we must remember that the Minister of Veterans Affairs (Mr. Hees) is not a Conservative. He is a generous former soldier who remembers his comrades in arms and knows the best way to improve the lives of those who served their country so well, from the horrors of death row in the dark and dank prisons of Hong Kong to the dreaded cells in Dieppe where prisoners languished in chains, suffering indescribable pain.

I want to thank him again, on behalf of all of us, for having understood the problem and for proposing, as a Liberal in spirit, these twelve legislative measures which I would simply qualify as a much needed update, as equity and reparation,

and in recognition of the changes that are taking place during this last quarter of the twentieth century. And I wish he could be as successful as he was on the subject of veterans benefits, and persuade his Government to try and improve the lives of others, including his fellow ministers who are having to cope with regrettable cutbacks which will have a pauperizing effect on the least fortunate in our society. I wish he could persuade his colleagues that this has gone far enough and that with his vast parliamentary experience, he could convince the Government that what he did for his Department, his Cabinet colleagues should be able to do in a similar fashion in order to improve the situation of the average Canadian.

Mr. Speaker, I do not think there will be much opposition to this Bill being adopted at all stages in the House today, and once again, I take pleasure in thanking the Minister for having introduced these important improvements for the benefit of those who served their country so well.

● (1620)

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is with great honour that I participate in the debate today. When we are elected to this House, we come with our own ideology, our own beliefs and some of our own pet projects. This is one of mine, and I congratulate the Minister of Veterans Affairs (Mr. Hees) on bringing forth the legislation. It was long overdue and I think it goes a long way to meeting the concerns of many our veterans in Canada.

One of the reasons I am here is the previous legislation. I am a son of a Dieppe prisoner of war. I went to school on a DVA scholarship. My brother did the same but went much further on his DVA scholarship. My mother was looked after by the DVA in terms of pension income for the 23 to 25 years that she lived after my father. Matters relating to compensation for prisoners of war are, therefore, very close to my heart.

I want to set the stage in terms of the importance of this Bill and the importance of the improvements to one sector, that of the Dieppe prisoners of war. I would like to start by reading from a diary, that of private Albert Adam Angus, B Company, Queens Own Cameron Highlanders, Canada. He was a prisoner of war, taken at Dieppe and imprisoned at Stalag VIII B for 33 months. The diary starts:

> Notes as a prisoner of war in Germany. I am starting this five weeks after being captured. I was taken about 11 a.m. on August 19, 1942, four kilometers inland from Dieppe. There were six of us together and an officer, Sergeant Thompson, was taken a few minutes later. We were treated quite decent. They were all young fellows. We spent most of the day bringing in our wounded, also theirs. They let us look after our own first. Late in the p.m. we were marched into Dieppe just in time to catch the rest of the prisoners as they were being marched off to the first night's camp about 15 miles away where we were given some tea and a loaf of bread.
>
> The next p.m. we were loaded on a train in boxcars and travelled all night to another camp in France where we were searched and questioned. The eats were pretty scarce at first but the French Red Cross sent in some oatmeal and some fresh vegetables, which helped a lot.
>
> We were kept there for about 10 days when we were again loaded into boxcars, (40 to a car) and rode four days to our permanent camp at Lansdorf, Germany.
>
> We arrived at camp about 4.30 p.m. and were given some cabbage soup. After that we were given our first Red Cross parcel, one parcel between four men. "Were they good." We were just like a bunch of kids opening their parcels on Christmas morn. From then on we got a parcel on Monday and Friday with bulk issues on Wednesday, Thurs. and Sat. There was an epidemic of dysentry which broke out (I had it for five weeks). After a couple of weeks we were moved to another compound where things were a little better, more water and wood.

That is how my father spent those first weeks before things got rough. When I say things got rough, I would like to describe to you, Mr. Speaker, a bit of what those prisoners of war had to endure.

As I said before, they were prisoners for 33 months. Their hands were tied with ropes for the first 54 days, then replaced by chains for 13 months. The personal trauma experienced by these men while shackled remains in their minds to this day. Their personal hygiene and activities were restrained by the fact that they required the assistance of another human being in order to attend to their normal bodily functions. Nothing could degrade a man more than having to ask his friend to help him in that way.

In January, 1945, during the Russian army advance and in retaliation of bombardment inflicted upon them by the allies, the German authorities decided to march the prisoners. They marched until May, 1945, five months later, with very little food, improper clothing in all types of weather and at the same time being infested with lice. This march was later referred to as the Death March because so many of them did not survive the ordeal.

Over time, many briefs, as the Minister is aware, have been presented to the Standing Committee on Veterans Affairs. The DVA at that time requested a Dr. Herman to undertake research on the life of European prisoners of war. He found in his report that the Dieppe POWs suffered the worst maltreatment and should receive a compensation for their suffering. He also stated that the death rate of Dieppe POWs is the highest of all European theatre prisoners of war. At that time the Government brought in Bill C-92 creating the Compensation for Former Prisoners of War Act. That Act determined the compensation each POW would receive. Someone who had been a POW for three months would receive the equivalent of a 10 per cent pension. For 18 months it would be 15 per cent. For 30 months or more it would be 20 per cent. Today the Minister is increasing the upper limit by 5 per cent and I thank him for making that modest improvement.

● (1630)

The feelings of POWs have been recorded in a number of ways over the years. Some made notes while in prison camps, others have their recollections, and others have writings on their behalf. I would like to quote three excerpts from my father's diary to give you his impressions:

> Dec. 28, 1942
>
> —we put in a pretty fair Xmas . . . the parcels were real good . . . we were not chained up Xmas Day.
>
> Jan. 7, 1943
>
> What a hell hole this is now . . . the snow tracks in and lays in puddles all over the floor . . . your feet are damp all the time and you can't keep warm. I have all the clothes I own on now, more than I ever wore in my life before.

Those are the words of a young farmer from Manitoba. He came from a rural community which relied on wood heating, where people had to work outside all year round. Cold was not abnormal. However, the impact on him of this incarceration was very, very severe. Finally, Christmas, 1944:

Christmas, 1944

—another Xmas gone by in this hole. I sure hope it will be the last.

The Minister indicated that there is a need for simple justice for these men. They not only fought on behalf of this country in the pursuit of freedom, they also spent time in the prison camps of the countries we were at war with. Let us look at the compensation for those who were captured at Dieppe and spent 33 months in a POW camp. Those who spent less than three months in confinement—perhaps they were captured towards the end of the war or were released early for some reason—now receive half as much as those who spent the full 33 months in confinement. The Minister is increasing that percentage to 25 and I thank him for that. However, I suggest it is not sufficient. It does not come anywhere near what Solomon and his computer would come up with.

We are not talking about a lot of money in comparison to our budget, but we are certainly talking about a significant amount for those who receive an increase. The 5 per cent increase for Dieppe POWs will cost the taxpayer $1.3 million a year. That is on top of the $5.2 million currently being spent. If we went to 30 per cent, all we would need to extract from Government coffers would be another $1.3 million. Going to 35 per cent would mean another $1.3 million. Going to 40 per cent would mean another $1.3 million. The total cost to the Treasury of meeting the request of the Dieppe Veterans and Prisoners Of War Association (Canada) for 40 per cent would be $10.4 million a year. I want to make it clear that I acknowledge the fact that the Minister has been working very hard to increase this amount. Whether it is 30 per cent, 35 per cent or 40 per cent, I know in heart he would like to see it increased. We all would.

So I suggest to Hon. Members, particularly the Minister's cabinet colleagues, that we should take another look at this issue. By all means let us pass this Bill. It is important that we get it through. We in this Party are prepared to expedite matters so as to have all three readings this afternoon, and send the Bill to the Senate for approval and implementation. However, let us remind the cabinet colleagues of the Minister of Veterans Affairs that it is important that we provide simple justice to those 1,550 men or their dependants. We can never repay them for the services they provided, but we can ensure that they have the money they need to live a full and happy life. We would simply be repaying in a small way our debt to them. I say to the Government: Open up those purse-strings a little bit. Let us see a Bill this spring or perhaps this fall which increases the support we provide these veterans.

I want to conclude this part with one more reading from the diary. This is the day before my father's release:

Wed. May 2.45

The end is in sight. Jerry troops have been pouring past here all day retreating from the front. At present the British and Canadian troops are 8 or 10 km away and are just following up the retreating troops. The Jerries are just as glad as we are and are just waiting for a chance to give themselves up. We are at a kind of standto at present and will have lookouts posted all night to give us warning that they are coming so we can get into the bush out of its way.

Those were the final words my father wrote during a very long period of incarceration. He eventually passed away at the very young age of 52 because of the deterioration of his body resulting from his incarceration for those 33 months. One of the ironies of my entry in this House was that it was 25 years to the day of the Throne Speech in 1984 that my father had passed away.

Dealing with other aspects of the legislation, I want to compliment the Minister on the changes he makes. Some of them, as he says, are not expensive but they do make sense. They clean up some of the bureaucracy. May I say that that is the kind of regulatory reform we on this side of the House welcome. We are not dogmatic when it comes to regulations; they have to make sense, they have to work.

I also compliment him on increasing the amount for the DVA scholarship. As I mentioned earlier, I spent a couple of years in university with the DVA scholarship. I could not have done it otherwise; my mother did not have sufficient income to put me into university. She certainly could not have helped my brother who went on for a number of years to gain two Masters degrees. He would not have been in a position to that, and I know that there are sons and daughters of veterans out there who are in the same situation. We have a responsibility to ensure that they have access to education. It seems to me that that $800 figure was around when I was going to university, and so clearly past administrations have not done their jobs in moving that up.

● (1640)

I would like to say as well that I am very pleased with the changes in the areas that affect the Hong Kong vets. Very clearly the move the Government is making is very good and we support that.

Let me close by thanking the Minister once again for bringing forward these improvements. I know he will take the battle back to Cabinet to try to squeeze a few extra pennies out of those misers that he sits with.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too would like to rise and congratulate the Minister on his initiative. We gained firsthand knowledge of the kind of poignant stories about many of our prisoners of war. The Minister who brought forward this initiative has displayed a great deal of sensitivity in this area. He has, in fact, shown leadership in that he has been prepared to move on amendments which will in many respects improve the lot faced by our war veterans, and in particular prisoners of war at Dieppe and Korea.

I have a couple of questions with respect to specific amendments. I am sure that the Minister may be able to respond to them. One is with respect to Clause 14, paragraphs 6.1(*a*)(i) and (*b*), which deal with the issue of what is considered to be income. I understand the reason for the introduction of these amendments was to clarify the consideration of income for the

purposes of collecting a pension in this particular initiative. I would like to find out from the Minister whether the inclusion of pensions paid to the person or the spouse from the flying accidents compensation regulations, the Royal Canadian Mounted Police Superannuation Act, the Penitentiary Act and the compensation regulations and the Royal Canadian Mounted Police Pension Continuation Act, constitutes a change in policy. For example, would former members of the RCMP who had also been prisoners of war, be prevented from receiving a pension? If that is the case then I think in that particular section we want to be very careful about how we define income.

We have seen in another area of government initiative with respect to war veterans as well as members who worked in the private and public sectors a regulation, not even a Bill, which changed the definition of income and had a very serious and detrimental impact on thousands of Canadians. I would not like to see the same thing happen in this particular Bill because we definitely see that in Clause 14 there is a change in the consideration of income for the purposes of receiving an allowance.

We are a bit skeptical on this side of the House about the Government's motives. I would like to give the Minister a chance to respond to that.

Mr. Lewis: I rise on a point of order. In an effort to be of assistance to the Member let me tell her that there have been informal discussions with both Parties with respect to moving this Bill into Committee of the Whole House at report stage and third reading. It would be our intention to bring the officials in for a clause-by-clause study in Committee of the Whole House. The Hon. Member makes a good point on the issues she has raised, and if she wished to enunciate any other points that she wants us to address during clause-by-clause study, we will be glad to have that taken care of.

Ms. Copps: I am not sure that that was a point of order. It happens to be a good point, but I do not think it is a point of order. Nonetheless I draw that to the attention of the Government because I also have personal interest in this particular piece of legislation. My great grandfather was killed in the First World War, and my grandfather, as a result of numerous war injuries after serving in both wars literally lived out his last days through the help he had from the pension he received from the Department of Veterans Affairs. I know that there are many other Canadians who appreciate the sincerity of the Minister of Veterans Affairs (Mr. Hees). The Minister has shown sincerity both in opposition and in Government, and a willingness to fight for the rights of veterans. He showed that most recently when he went against his own Government's policy with respect to the redefinition of income when it comes to the receipt of unemployment insurance benefits. Unfortunately, while we can certainly wholeheartedly endorse the good sense and, indeed, the commitment of the Minister of Veterans Affairs on this particular Bill and the work that he is trying to accomplish on behalf of veterans, unfortunately the same cannot be said of the Government which he represents.

That is clear to Canadians when they see a Government that is prepared to ignore the wise advice and counsel of the Minister of Veterans Affairs when it comes to the issue of the definition of income for the purpose of unemployment insurance, when they see the same Government prepared to ignore the wise counsel and advice of a former Minister of National Defence, and when they see that same Government prepared not only to ignore advice from within its own ranks on the issue of pensions and how they are considered as income for the purposes of unemployment insurance, but also from the Department of National Defence which seems to me to be at loggerheads with the Department of Veterans Affairs on this issue.

While we can congratulate the Minister of Veterans Affairs for the work he is doing, we note that the one hand giveth and the other hand taketh away. The other hand taketh away because certainly those veterans of the Korean War who find themselves in receipt of pensions are now being told that if they are in a position to work they cannot collect unemployment insurance. They must pay into the fund and can never collect even when they find themselves without a job.

While the Minister of Veterans Affairs has shown great support in this area, on the other side of the fence we have the Minister of National Defence (Mr. Nielsen) and the Associate Minister of National Defence (Mr. Andre) who have not only refused to listen to the pleas of veterans on this particular issue and who have refused to listen to the pleas of ordinary working people, but who have also suggested that those veterans, those pensioners, those former employees of Her Majesty's armed services who decide to fight for their rights, should be threatened with prosecution if they use the words "Canadian Armed Forces" in their circulars.

For the last two decades we have had the Canadian Armed Forces Pensioners Association. We have had a loosely knit group of pensioners whose sole aim in life is to protect the rights of pensioners who gave good service to Her Majesty during the wars and between the wars, whether it be the First World War, the Second World War or the Korean War. I do not think that anybody could impugn the motives of the men and women who have come together in the Canadian Armed Forces Pensioners Association.

When they wrote to the Minister of National Defence on this issue, not only did they not get a supportive reply—as they received verbally and in writing from the Minister of Veterans Affairs—but the Associate Minister wrote to them citing a clause in which he has now made himself the Minister, because in the actual Act the Minister of National Defence is empowered, if he writes in his own hand to an individual or group, to force them to cease and desist from using the words "Canadian Armed Forces" in their information and publicity. No such right is attributed to the Associate Minister of National Defence. As usual, the Associate Minister of National Defence is the fall guy for the Minister of National Defence. The Associate Minister of National Defence took it upon himself to write to these men and women who were fighting for the rights of pensioners within the Armed Forces,

veterans of both world wars as well as veterans who were subjected to the indecencies and the inhumanities of prisoner of war camps. Unfortunately, the Government did not reflect the view of the Minister of Veterans Affairs. Instead, it reflected the view of the Minister of National Defence and the Associate Minister of National Defence. It is shocking that the Minister of National Defence and the Associate Minister of National Defence would not fight for the men and women who represent and have represented this country in time of war and peace.

● (1650)

Not only is the Associate Minister unprepared to defend their rights, he and his colleagues have made it quite clear that any attempt on Armed Forces bases across the country to collect signatures in opposition to this cruel and unjust measure will be met with potential military sanctions. Unfortunately, the Associate Minister of National Defence and the Minister of National Defence have not heeded the fine work that has been done by the Minister of Veterans Affairs. It is clear to all Canadians who have taken any interest in the Armed Forces that the name of the Minister of Veterans Affairs evokes sympathy and respect among veterans and non-veterans alike. However, the same cannot be said for the Associate Minister of National Defence and the Minister of National Defence who have refused, even when confronted by their colleagues, to protect the pension rights of former members of the Armed Forces.

At the very least, the Minister of National Defence, in concert with the Minister of Employment and Immigration (Miss MacDonald), could have put an addendum to this excellent Bill saying that veterans and at least hose who served in the Korean War should not be caught in the trap that has been laid by the Minister of Employment and Immigration in the new definition of income. If the Government is prepared to wield that heavy hammer over all workers in Canada, it should, at the very least, exempt those who have represented our country in time of war. The Government has ignored the recommendations, the counsel and suggestions of the Canadian Armed Forces Pensioners Association and in fact suggested that if that association did not remove the name "Canadian Armed Forces" from its name it would be prosecuted. Imagine the spectacle of the Associate Minister of National Defence leading the veterans of this country into court because they had the responsibility and opportunity to use "Canadian Armed Forces" in the name of their organization.

Those of us who examine the intent of the legislation and regulations dealing with the Canadian Armed Forces and how it can properly be represented, recognize that the intention is to prevent private firms, corporations and other concerns from trying to make money off the Armed Forces by somehow representing themselves to be something else by use of the words "Canadian Armed Forces".

The Associate Minister of National Defence has chosen to take this regulation to the ridiculous extreme by suggesting to veterans and former employees of the Armed Forces that they will be prosecuted by the Government and the Minister if they write a letter to the Minister of National Defence asking him to speak on their behalf in Cabinet and in the Government on the issue of pensions as they relate to income for the purposes of unemployment insurance benefits.

I suggest that the Minister of National Defence and the Associate Minister of National Defence take a page from the book of the Minister of Veterans Affairs and recognize that their mandate as Privy Council representatives of the Armed Forces in Cabinet should be to protect and promote the interests of the Armed Forces in Canada rather than support the heavy-handed measures that have been taken by their colleagues, the Minister of Finance (Mr. Wilson) and the Minister of Employment and Immigration. The Minister of Veterans Affairs is not afraid to speak out and introduce good legislation. He is not afraid to speak out in opposition to his own Government. He is prepared to call a spade a spade. He recognizes that his number one priority should be the defence and enhancement of the quality of life of veterans, particularly those veterans who have fought for this country and were imprisoned during the two world wars as well as the Korean War.

This Bill demonstrates that he is prepared to put his money where his mouth is and take steps to improve the situation not only for veterans but for their spouses, widows and children. I believe the Minister of Veterans Affairs should be congratulated on his efforts.

I only wish that the good sense which has been demonstrated by the Minister in this particular issue would somehow filter over to the Minister of National Defence and the Associate Minister of National Defence. They have clearly abandoned their responsibilities to veterans on the issue of pensions and the definition of income. In other words, they are toeing the Party line even though other Members on the Government side, including a former Minister of National Defence, have the guts to stand up and be counted.

Even organizations within their Party, such as the Oromocto Progressive Conservative Womens Association, are prepared to mobilize in opposition to the government policy. Those of us in political Parties know that women are the backbone of any political organization, and when the Progressive Conservative women's organization fights against a Government policy, the Government is losing the backbone of the organization which put it into office.

The Government should follow the example of the Minister of Veterans Affairs and introduce legislation that will support and improve the quality of life of our veterans rather than falling in line, lock-step, with the initiatives introduced by the Minister of Finance in November, 1984. Those measures were subsequently endorsed by the Minister of Employment and Immigration and were implemented in two steps. The first step was taken last year with respect to severance pay and the second step was taken this year with respect to pensions.

I do not believe that the Government realizes that the current discontent among those on army bases across the country is only the tip of the iceberg. I encourage the Govern-

ment to pass the good Bill being introduced today by the Minister of Veterans Affairs and use it as a message to other Ministers who seem to believe they have no responsibility to their constituents.

The role of the Minister of National Defence and of the Associate Minister of National Defence is not only to protect the defences of this country but also to protect the rights of the men and women who fight and work so hard on our behalf. Unfortunately, those Ministers seem to have washed their hands of that responsibility and have indeed taken their own pompous sense of self-importance to the point where they are prepared to declare unilaterally, with no constitutional or regulatory base, that members or former members of the Armed Forces who use the words "Canadian Armed Forces" in their association will be subject to prosecution.

Do Government Members support the Minister of Veterans Affairs and his work or the Associate Minister of National Defence who would like to prosecute our veterans and former members of the Armed Forces, simply because they are trying to establish their rights and responsibilities with respect to pensions and superannuation?

Having just been inducted into the Canadian Legion Branch 58—the greatest branch of the Legion in Canada—I suggest that most of the members on the Government side of the House prefer the Bill, the method and the quality of life ensured by the Minister of Veterans Affairs and disagree and categorically reject the position taken by the Associate Minister of National Defence. If they believe, as I do, that the Associate Minister of National Defence has bitten off more than he can chew when he suggests that he will prosecute former members of the Armed Forces for using the title "Canadian Forces Pensioners' Association", I suggest they contact the Associate Minister of National Defence and tell him to take a few lessons from his colleague, the Minister of Veterans Affairs. The Minister is a man and a Member of Parliament who is fighting for the rights of veterans, unlike his colleague who is doing nothing and is suggesting prosecution in an absolutely despicable way.

• (1700)

Mr. Nunziata: Am I permitted the opportunity to speak?

Mr. Deputy Speaker: Yes, after I read the "Late Show" questions, we will have questions and comments on the speech of the Hon. Member for Hamilton East (Ms. Copps). Then we will continue debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—External affairs—CIA funding of brainwashing experiment; the Hon. Member for Yorkton-Melville (Mr. Nystrom) (a) Agriculture—Cash advance program (b) Committee referrals; the Hon. Member for York East (Mr. Redway)—Youth—Job-creation programs.

GOVERNMENT ORDERS

[*English*]

ARMY BENEVOLENT FUND ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hees that Bill C-100, an Act to amend the Army Benevolent Fund Act, the Children of War Dead (Education Assistance) Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Are there any questions or comments on the speech of the Hon. Member for Hamilton East?

Mr. Hees: Mr. Speaker, I would like to answer the question put to me by the Hon. Member.

Mr. Deputy Speaker: Does the Minister for Veterans Affairs (Mr. Hees) have unanimous consent?

Some Hon. Members: Agreed.

Mr. Hees: The Hon. Member was asking about Clause 14. I would like to give her the answer. Clause 14 deals with the harmonization of war veterans allowance income with the GIS. I am very happy to be able to advise the Hon. Member that there will be no loss of income whatsoever to war veterans allowance recipients in this regard.

I would like to thank the Hon. Member for her very kind remarks. However, I feel I should at this moment say to her that in all matters brought forward by the Government, I myself and all Members of the Cabinet support the Government's position. I wish her to know that I do support the position of the Government with regard to members of our Armed Forces and the RCMP about whom she was speaking.

Ms. Copps: Mr. Speaker, I thank the Minister for that clarification. I also appreciate his clarification with respect to the treatment of income. I had been under the impression that the Minister did not support the Government's initiative with respect to unemployment insurance, specifically as it relates to veterans and those people who had been in the Armed Forces and who will not have an opportunity to collect unemployment insurance as a result of the Government's measures.

I do know that that was the position expressed by one of the former Ministers of National Defence, and perhaps I was confused there. I am sorry the Minister has taken this position because I believe he has a certain amount of political capital, shall we say, in the context of his Party. He is a man who has fought many wars politically in the House of Commons for a number of years. I do think that if the Minister were in a position to exercise his political muscle and capital with his colleagues, he might get the Government to back down on this most controversial and unfair measure.

I am sure the Minister cannot comment further in light of Government solidarity. I believe in my heart that the Minister does not agree with this measure, although he is bound by cabinet solidarity to tough it out. I would encourage him to continue to use his own influence within his Cabinet and his Party to have his Government change its position, because I believe the representations which are coming in from across the country from people who belong to all political Parties, Liberal, New Democratic and Conservative, show quite clearly that in this particular measure the Government has bitten off more than it can chew. I hope the Minister can convince his colleagues that at least to await the recommendation of the Forget Commission would be in his Party's own best interests.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to make some very short submissions with respect to Bill C-100. My colleagues have already indicated that the Liberal Party is in full support of Bill C-100. I have a number of Legions in my riding and a great number of veterans who reside in York South-Weston. I know I speak for them when I congratulate the Minister and thank him for showing sensitivity, compassion and concern for veterans by bringing forward Bill C-100.

It is with a great degree of chagrin, however, that I say that other Ministers of the Crown, including the Minister of National Defence (Mr. Nielsen) and the Association Minister of National Defence (Mr. Andre), do not show the same sensitivity, compassion and concern for our veterans. I note that the Associate Minister of National Defence is in the House and listening very attentively. While the Minister of Veterans Affairs is doing all he can within his jurisdiction to improve the plight of veterans in Canada by increasing their pensions and ensuring that their standard of living is elevated, there are other Ministers of the Crown who are doing what they can to derogate from those very positive measures. As my colleague, the Hon. Member for Hamilton East (Ms. Copps), pointed out, the Associate Minister of National Defence used a very heavy hand in threatening the Canadian Forces Pensions' Committee with legal action because it uses the words "Canadian Forces" in its title.

I have a letter dated February 18, addressed to the Canadian Forces Pensioners' Committee. In that letter the Associate Minister of National Defence threatens this association, which represents thousands and thousands of veterans, with legal action. In the letter he requests, pursuant to Section 248 of the National Defence Act, that its use of the words "Canadian Forces" cease immediately and he enclosed a copy of Section 248 of the Act. Section 248 of the National Defence Act states:

(*a*) the words "Canadian Forces" or "Canadian Armed Forces" or the name of any component, unit or other element thereof or any abbreviation thereof or any words or letters likely to be mistaken therefor,

If used by any person, that person or organization is subject to prosecution. They are guilty of an offence punishable on summary conviction. He is threatening legal action against this worth-while organization which has as its purpose, its *raison d'être*, the improvement of the lot of veterans. Is that any way to treat Canadian veterans? That is an example of the insensitivity of certain Ministers of the Crown.

There are other Ministers, including the Minister of Employment and Immigration (Miss MacDonald), who bring in measures which have the effect of creating considerable hardship for the veterans of Canada. We have the Minister of Veterans Affairs, on the one hand, attempting to improve the lot of veterans and the Associate Minister of National Defence and the Minister of Employment and Immigration, on the other hand, doing what they can to derogate from the good that the Minister of Veterans Affairs is proposing. We all know that the Minister of Employment and Immigration introduced a measure which came into effect on January 5, 1986. It states that if one is collecting unemployment insurance benefits, or receiving a pension, then that pension will be included as earned income. Thereby, it deprives a great number of pensioners and veterans from receiving UI benefits. It is obvious that the Minister of Employment and Immigration did not consider the effect that this particular regressive measure would have on the thousands upon thousands of Canadians who are receiving pensions, many of whom are veterans. The Minister simply did not have the sensitivity, compassion or understanding with respect to the impact of this terrible measure.

● (1710)

In closing, I simply wish to congratulate once again the Minister of Veterans Affairs for being a first class Minister. He shows a great deal of class in the House in his fight for veterans.

Some Hon. Members: Hear, hear!

Mr. Nunziata: We know that other Ministers who should be fighting for veterans are not fighting for them. I am delighted to know that the veterans residing in my riding of York South-Weston are well served by the Minister of Veterans Affairs. I know that as long as he is in Cabinet he will

continue to fight for the plight of veterans, unlike other Ministers of the Crown who have no sensitivity and no compassion for those who were prepared to fight for their country.

Mr. Lewis: I rise on a point of order, Mr. Speaker. There have been discussions among the Parties. I think that if the Chair were to ask for unanimous consent, there would be a disposition to send the Bill to the Committee of the Whole House rather than a legislative committee.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-100, an Act to amend the Army Benevolent Fund Act, the Children of War Dead (Education Assistance) Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act. Shall Clause 1 carry?

On Clause 1—

Mr. Nunziata: Mr. Chairman, I was just told that at this stage a Member need not sit in his or her regular seat. Thus I have taken the opportunity to see what it is like to speak from the front benches. I want Hon. Members to know that it is a different feeling to speak from here. One is so close to the action, the Cabinet and the Minister.

Mr. Hees: I can tell you, the speeches do not sound any better from here.

Mr. Nunziata: The Minister says that the speeches do not sound any better. The heckling from behind is disconcerting when one is speaking from the front benches. I will take this opportunity to sit in one of these front seats and ask a few questions with respect to Bill C-100.

First, with respect to Clause 1, it states:

> Subsections 5(1) and (2) of the Army Benevolent Fund Act are repealed and the following substituted therefor:
>
> "5. (1) The Board shall establish a central committee for Canada and it may constitute such other committees as it considers appropriate.

I would like to ask the Minister to explain the necessity of that particular amendment to the Army Benevolent Fund Act.

Mr. Hees: Mr. Chairman, the answer to the question is that there used to be provincial committees. They no longer exist. Therefore, this new set-up is to take its place.

Mr. Nunziata: What is the purpose of the Army Benevolent Fund Act? What exactly does this piece of legislation do?

Mr. Hees: The whole purpose of the Act is to provide benefits to veterans who are in various types of need. That is what it deals with.

Mr. Nunziata: Is there a means test to be applied under the terms of the Act? I am wondering how the Act works. Is a veteran required to come before a particular committee, as outlined in the Army Benevolent Fund Act, and must that particular veteran show need? What are the criteria? I would like to know how active this particular board is. How many cases does it consider on an annual or monthly basis?

Mr. Hees: The people who sit on the Board are chosen from the civilian population. They judge the matters which come before the board from the point of view of need, that is, whether certain things are needed or not. That is what the board does.

Mr. Nunziata: It states that the board shall establish a central committee for Canada and that this central committee may constitute such other committees as it considers appropriate. Further, it states:

> (2) Each committee shall consist of up to five members, one of whom shall be appointed by the Board and shall be the Chairman of the committee and the other members shall be appointed, after consultation with veterans organizations, by the Chairman of the committee with the approval of the Board.

● (1720)

How many veterans sit on the central committee? Is there any provision in the Act that would require that one or more members of either the central committee or the other committees should be veterans? It seems to me that in order to understand fully and to comprehend them and to have the sensitivity that the Minister has for veterans, it would be appropriate that there be a requirement in law that at least one or more members of this particular committee be veterans. Then the board would have that expertise in and understanding of the needs of veterans.

Mr. Hees: Mr. Chairman, all of the members of each of these committees are veterans. I quite agree with the Hon. Member that unless one is a veteran, it is difficult to understand the needs and feelings of veterans. Another very important aspect of this is that when adjudications are made by boards which are made up of veterans, the veterans have much more respect for and belief in rulings that are made by people who understand their problems in the same way they do.

Mr. Nunziata: Mr. Chairman, I asked questions relating to the nature of the budget the committee would have. How much money is expended on an annual basis under the Army Benevolent Fund Act?

Mr. Hees: Mr. Chairman, the answer to that question is that $350,000 covers the whole cost.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I would like to ask the Minister how he will proceed to appoint the members of that committee.

The Bill indicates that he will consult with veterans organizations. Will this be on-going consultation? Will there be a

special procedure for such consultation? Can the Minister tell us how he will proceed to appoint those members?

[*English*]

Mr. Hees: Mr. Chairman, the people are recommended by the various veterans' organizations in proportion to the size of those organizations. As the Hon. Member knows very well, the Legion is the biggest such organization, and then there is the War Amps and the Army, Navy and Air Force Veterans and various very excellent organizations right across the country. All of these nominate the members for these committees.

Mr. Gauthier: Mr. Chairman, I understand that and I take it that the amendment that we are studying corrects somewhat something that has been going on for some time. Every province has a committee. We are trying to centralize these committees with this Bill, are we not?

Mr. Hees: Mr. Chairman, they have already been centralized and this simply legalizes what has been done.

Mr. Gauthier: I thank the Hon. Minister.

Mr. Nunziata: Mr. Chairman, this particular amendment, as the explanatory note points out, would require the board to establish a central committee. The explanatory note points out the following:

Subsections 5(1) and (2) at present read as follows:

"5.(1) The Board shall establish a committee for each province; one for the United Kingdom and one for the United States;—

I note that in the proposed amendment, there is no reference to the United Kingdom nor is there a reference to a committee for the United States. Why in the proposed amendment is there no reference to the United Kingdom and the United States and why was there a need in the previous Act and not a need now for reference to the United Kingdom and the United States?

Mr. Hees: Mr. Chairman, after the end of the war, there was a tremendous number of cases to be examined and dealt with. At that time, there were these additional committees. Now it is not necessary to have those committees and they have been done away with. The whole thing is done here from Ottawa.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause agreed to.

The Chairman: Shall Clause 2 carry?

On Clause 2—

[*Translation*]

Mr. Isabelle: Mr. Chairman, I have a question for the Minister. I would like to know whether in Clause 2—

[*English*]

On page 2, Clause 2 reads:

" 'educational institution' means a technical or vocational school, . . . approved by the Minister for the education or instruction of students pursuant to this Act;"—

Is the Minister going to make a list of those technical or vocational schools or institutions throughout Canada to which students could be admitted under this Act?

Mr. Hees: Mr. Chairman, the answer to that question is that the Minister approves of all of these schools. The reason that the wording is inserted there is to give the Minister, at any time it might be necessary, the right for reason to disapprove of some particular school if it was considered that the actions of that school were not beneficial for our purposes.

Mr. Angus: Mr. Chairman, are there any training opportunities that are not covered by this clause? For example, could the son or daughter of a vet take an apprenticeship program given by the private sector and still be eligible for the assistance under this clause?

Mr. Hees: Mr. Chairman, the Act provides for the tuition required for this kind of education, and I am advised that education of this kind in the private sector is not included. The education must be attained through a public educational facility.

Mr. Angus: Mr. Chairman, my understanding is that part of the apprenticeship programs that are entered into in the Province of Ontario require a certain amount of training in a recognized institution such as a community college. People from Thunder Bay go to Sault Ste Marie for this. The component of their study that is undertaken at the college would be eligible, is that correct?

Mr. Hees: The answer to that question, Mr. Chairman, is yes.

Mr. Gauthier: Mr. Chairman, I take it that when the Minister says yes, the amendment before us will allow the payment of assistance to orphans who have not completed high school. It used to be a prerequisite that the orphans had to complete high school before they were eligible for these grants, but now they do not have to. Except for children of veterans of the Korean War, I cannot think that there are many students today who would be eligible for this.

Mr. Hees: Mr. Chairman, I am advised that the number is 582 students.

[*Translation*]

Mr. Nunziata: Mr. Chairman, I would like to ask the Minister whether the students are over or under 18. Is there—

[*English*]

—a requirement in the Act that there be an age limit?

Mr. Hees: Mr. Chairman, until now, only students up to and including 17 years of age could be included in the program. We have now extended the age limit to 18.

Mr. Nunziata: Mr. Chairman, what happens in the case of a person who is in the middle of working on a university degree? Is the assistance cut off automatically at the time the person reaches 18 years of age, or is there any provision in the Act which would allow for some discretion to ensure that any assistance or compensation provided under the Children of War Dead (Education Assistance) Act would continue?

• (1730)

Mr. Hees: Yes, Mr. Chairman, common sense would prevail in every case. We cannot cut off a student's education half way through. In cases like that—and it is a good question—the education would be continued right to the end of the year. We are a Department with a heart.

Clause agreed to.

Clause 3 agreed to.

On Clause 4—*Time Limit*

Mr. Angus: Mr. Chairman, without having the original Act before me, it is difficult to know what will happen. If someone finishes high school, takes two years in the workforce and then applies to university and to DVA, he or she would be ineligible because the 15-month time period has elapsed. What about the situation where students have met the first requirement, that is, have gone from high school to university, have decided that they need some time off, have perhaps taken a year or two and then returned? Are there procedures in place to allow them to interrupt their training *per se* and be reinstated in terms of the DVA scholarship?

Mr. Hees: Mr. Chairman, I am advised that this is a consequential amendment only. I do not think the Hon. Member understands that.

Mr. Angus: The Minister is right. I do not understand what that means in the context of my question. Perhaps he could obtain some additional assistance from his official and give us a more lengthy explanation.

Mr. Hees: I am advised that the words "high school" always appeared in the original legislation. Now the words "vocational school" have been added to the qualifications.

Mr. Angus: Perhaps my question is more appropriate in terms of the over-all consequences of the Bill. I am looking for some assurance. We must keep in mind that in today's society many young people tend to take a break in their training. They decide to go out and obtain employment, perhaps because they are not comfortable with how they are doing in university or colleague. They obtain some work experience, have a better idea of where they want to head in terms of a career and return to school. I should like some assurance that under such circumstances the son or a daughter of a veteran who has started training, has broken it and has resumed it, will be eligible upon resumption for the scholarship provided by the Department of Veterans Affairs.

Mr. Hees: The time allowed for a student to take a break in his or her education and then come back is 15 months. I quite agree with the Hon. Member that it is often very beneficial for students to take a break, go out in the real world, find out what it is all about and then come back to continue their education. They get a great deal more out of their education having learned what are the requirements of the real world. They are allowed to be out of school for 15 months and then come back.

I take it the Hon. Member feels that perhaps it should be a longer period of time than that. If that is so, we will have a look at it. At the present time it is 15 months; perhaps it could be extended to a longer period. I assure him that we will have a look at it.

Mr. Angus: I am assuming that the answer which the Minister gave is in reference to other aspects of the Bill, because the clause before us is very specific and says "before entering an educational institution".

Mr. Hees: The Hon. Member has raised a very good point, something which has not been considered before. I assure him that we will take note of what he has said and take it under advisement. Perhaps he has made a very good suggestion.

Mr. Nunziata: Mr. Chairman, I have a general question about the Children of War Dead (Education Assistance) Act. I suspect from the title of the Act that the purpose of the legislation is to assist the children of those servicemen and women who are killed in times of war. Is it restricted to the children of those who are killed during the time of war, or would the Act apply to the child or children of servicemen and women killed on duty today?

Mr. Hees: Yes, Mr. Chairman, this applies to the children of servicemen who are killed on duty at the present time.

Mr. Nunziata: Perhaps the Minister might consider at some point retitling this particular piece of legislation, because the title of the Act suggests that it is just for the children of the war dead. We are not in a state of war with any nation at this particular point of time. When the Minister has little on his plate, he might consider an amendment to change the name of the Act.

Mr. Hees: I think the Hon. Member has made a very good suggestion. Although there are very few times when this Minister finds that he has not much on his plate, he will certainly make a point of giving it very serious consideration. It is a good idea to bring the title of this Act up to date.

Mr. Gauthier: Mr. Chairman, I just want to pursue the hiatus or the period of time which renders one ineligible for future consideration under this particular clause. The English text reads:

No allowance or costs shall be paid under this Act in respect of any student whose education has been interrupted by 15 months or more immediately before entering an educational institution.

I take it there is a ministerial discretion here. "Or more" could be read to mean more than 15 months. In the French text the following is indicated very clearly:

[*Translation*]

I will read Clause 4 in French:

. . . qui interrompt son éducation ou instruction pour plus de quinze mois . . .

So there is an indication that it must be more than fifteen months. Is this left to ministerial discretion?

[*English*]

Does the Minister have that kind of discretion? If so, where do we find it in the Act? Is there a provision for that?

Mr. Hees: The answer is that it does not appear in the Act. I think the Hon. Member has made a suggestion which deserves consideration. If for some reason such as sickness or something of that kind it is impossible for a student to take advantage of this provision for longer than 15 months, I think the Minister should have ministerial leeway. I think I will recommend that we have that in the future.

Clause agreed to.

On Clause 5—

Mr. Angus: Mr. Speaker, would the Minister elaborate on the phrase "where he was an evader" and educate the House in terms of the meaning of that particular phrase in Clause 5?

• (1740)

Mr. Hees: Mr. Chairman, that was put in the Act to cover a prisoner of war who was smart enough to break out of a prisoner of war camp and be an evader for some period, the longer the better and hopefully get back to our own lines, and that time would be added to his prisoner of war time. He would not in any way be penalized for his ingenuity in being able to break out of a camp and be an evader.

Mr. Angus: Mr. Chairman, the Minister will remember that, during my participation on second reading of the Bill, I referred to the original Act which had the gradations, the 10 per cent, the 15 per cent and the 20 per cent, based on the length of time that one was in a prison camp. On the 10 per cent and 15 per cent gradations, do they currently have the same phrase about being an evader, or is it only in the section dealing with those who were incarcerated for more than 30 months?

Mr. Hees: Mr. Chairman, any period in which the prisoner was incarcerated applies to the evader section. No matter how long the man or woman was in a prisoner of war camp, that time plus the length of time he or she was an evader are added together no matter how long the times are.

Mr. Angus: Mr. Chairman, just for further clarification, I assume that the part in the original Bill that specifies the 10 per cent for three months, the 15 per cent for, I believe, 18 months, is still intact, that that has not been changed? The only thing we are changing here is compensation for those who were in prison in excess of 30 months.

Mr. Hees: That is correct, Mr. Chairman.

Mr. Nunziata: Mr. Chairman, the proposal is to amend the compensation for former prisoners of war. I gather from the proposed amendment, depending on the war in which you were involved and the length of time you were a prisoner of war, that that would determine the amount of pension you would receive. Is that correct?

Mr. Hees: That is right, Mr. Chairman.

Mr. Nunziata: Mr. Chairman, what is the rationale behind differentiating between the various wars? I believe there was the Korean War and then I believe there were the Dieppe prisoners of war. Is that correct? While I am on my feet, can the Minister tell how many individuals we are now talking about with respect to this section?

Mr. Hees: Mr. Chairman, there are two classifications of prisoners of war. The first covers those who were in Japanese prisoner of war camps. Having visited that theatre of war in the last few months and having been brought face to face with a great many of the people who were in Japanese prisoner of war camps, I can assure the Hon. Member that what they went through is something that he would find very hard to believe. They went through unbelievable hardship and torture, everything you could imagine.

There are only two types of prisoners of war. One is the Japanese and the other are the Dieppe prisoners of war and any other prisoners of war. Those are the only two.

Mr. Gauthier: Mr. Chairman, the Minister just ended his comments by saying "any other"—

Mr. Hees: The Hon. Member for York South-Weston (Mr. Nunziata) asked me the numbers and I forgot to give him that answer. There are five hundred and forty-four who were Japanese prisoners of war and 1,550 other veteran POWs and widows who will benefit from this amendment.

Mr. Nunziata: Thank you, Mr. Chairman.

Mr. Gauthier: Mr. Chairman, I have a matter for clarification. The Minister said 1,500. Is that the total number of people eligible under this section or is that 1,500 plus the 400 that he mentioned?

Mr. Hees: Mr. Chairman, that is 1,550 veterans of the other class.

Mr. Gauthier: All classes?

Mr. Hees: They are the Hong Kong veterans, the people who were in Japanese prisoner of war camps. The other category is all other prisoners of war, and there were 1,550 prisoners of war and widows. That is the total. The Japanese prisoners of war total is 544.

Mr. Gauthier: I understand that, Mr. Chairman. But there are prisoners of war from Hong Kong who were under the Japanese responsibility and there are also the Dieppe people, the number of which I take it was a guestimate. And "all others" means those from the Korean War or any others.

Mr. Hees: That is correct, Mr. Chairman.

Ms. Copps: Mr. Chairman, I have a question about the Army Benevolent Fund Act. The amendments being suggested affect Clause 1, subsections 5(1) and (2). Does the Army Benevolent Fund Act in this instance deal only with applications that may come from former prisoners of war or are these amendments applying to the general premises of the fund as a whole?

The Chairman: Is the Hon. Member asking a question on Clause 1?

Ms. Copps: No, Mr. Chairman, it was a general question about the Act. I was confused as to whether the Act was able to be used for former prisoners of war only in this Bill or whether it was for children and all other widows et cetera.

The Chairman: I regret to tell the Hon. Member but we are on Clause 5. Could she relate her question to Clause 5, please?

Ms. Copps: I understand that, Mr. Chairman.

Mr. Hees: Mr. Chairman, could I assume that the Hon. Member has found some way to include her question in Clause 5, which I would like to answer? There is no restriction on applications. They come from all veterans, not just prisoners of war.

Ms. Copps: Mr. Chairman, with the benevolence of the Minister who has agreed to give me some clarification, I have some concerns dealing with a couple of specific instances where the fund was not able to be used. For example, in the case of a funeral of a suicide victim. Apparently this is contrary to army regulation potentially and the Army Benevolent Fund Act in some cases should have more involvement in the social service component of the Armed Forces.

What regulations are there? I had an instance and I was able to get it resolved, but a constituent who had committed suicide could not be buried by the army because of the suicide. It was deemed that the constituent had gone AWOL. What provisions are there in this Army Benevolent Fund Act?

Mr. Hees: Mr. Chairman, I am advised that the Army Benevolent Fund sets its own regulations. I do not. If there is need for clarification or the Hon. Member or any Hon. Members feel that any cases of any kind have not been fairly treated, perhaps they could get in touch with me, or send me a letter and I will look into them and see what we can do. I am just as keen as the Hon. Member, and all Hon. Members, to see that these cases be dealt with fairly.

● (1750)

Clauses 5 to 18 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Hees moved that the Bill be concurred in.

Motion agreed to.

Mr. Hees moved that the Bill be read the third time and passed.

He said: Mr. Speaker, before the Bill passes I would like to thank members of the Opposition who have taken part in this debate for their very constructive, thoughtful and generous attitude. We have gained considerably from a number of good suggestions of theirs and I appreciate very much their attitude and the constructive help they have given me today.

Some Hon. Members: Hear, hear!

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I just wanted to follow up on some of the questions that the Minister was kind enough to entertain in Committee of the Whole on the Army Benevolent Fund Act. He said that if we have specific problems in this regard, we can appeal to him directly. The difficulty with that process, which we might consider changing by more specific regulations, is that in many cases the ordinary citizen is not aware of his or her right of appeal to the Minister. In the case I cited, luckily I was able to convince the authorities without having to go to the Minister. A constituent was suffering from a form of mental disorder which precipitated his going AWOL. He subsequently committed suicide. The government official I contacted said that his funeral would not be paid for because he had killed himself while AWOL. Through negotiations with the military, I was able to come to a specific resolution of this issue. However, it was necessary for me to phone a Major involved in the issue and suggest that he might not like to see it raised on the floor of the House of Commons.

Because the person involved was single, his mother had to pay for the funeral. She came to me about it some months later. Eventually the Army Benevolent Fund Act was in a position to pay for this funeral, but what would have happened had the mother not persisted and been advised to come and see me? Quite clearly there is still a policy with respect to individuals going AWOL. If they do, they lose all their benefits, even to the point where they would be refused the cost of burial. It is important that there be a right of appeal so that people like this deceased man's mother know they have recourse. Someone finally put her in touch with me and we were able to resolve the problem. However, in many instances the people concerned would not pursue it because obviously a suicide is a difficult thing for any family. There should be some automatic process of appeal in the Act and it should be better advertised.

Mr. Hees: Mr. Speaker, the Hon. Member has brought up a very good point. I commend her for taking the stand she did. It is the kind of thing I would have urged had it been brought to my attention. I am glad she had the initiative and was able to fight it through.

Again I would like to use this opportunity of assuring all veterans and their widows that if they feel at any time that they are not getting a square deal, they can get in touch with me. I have no magic wand because I am limited by regulations of various kinds, but I will do everything I can to see that everything that can be done is done to straighten the matter out. Again, I commend the Hon. Member for Hamilton East (Ms. Copps) very highly for the fight she put up on behalf of this widow.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have an opportunity to say some extremely brief words in connection with this Bill. I have six Legions in my riding, and indeed I am a member of the Legion myself. I am particularly aware of the plight of former prisoners of war in that a past President of the Hong Kong Veterans Association is a resident of my riding. As well, my former law partner served for many years as Colonel of the Royal Regiment of Canada. His associates were incarcerated along with the father of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) after the Dieppe raid. Given all that, I certainly endorse wholeheartedly the principles set out in this Bill, particularly with respect to the Compensation for Former Prisoners of War Act. I would like to congratulate the Minister and the Government on doing an outstanding job with this Bill.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I think the last word should be left to one of those prisoners of war, Private G. Oliphan of the Queens Own Cameron Highlanders of Canada from Winnipeg, Manitoba, as follows:

Did you ever hear of Dieppe, boys?
It's a little town in France,
The "Brass-hats" sent us in there
To make the "Jerrys" dance.

It was our first taste of action
As we waded in and fought,
But Jerry was expecting us
And our fighting counted not.

We kept right on a going
The blood and guts flew high,
We saw our comrades falling
And had to let them die.

There must have been a reason
For a slaughter such as this;
Surely someone will account for
The faces that we miss?

So much for Dieppe, Boys
For our plans that hit a snag,
While we Wait for the Armistice
In a lousy old Stalag.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

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

Mr. Lewis: On a point of order, Mr. Speaker, I think you may find a disposition for the House to call it six o'clock.

Mr. Gauthier: There is such a disposition. We do not dispute that.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—CIA FUNDING OF BRAINWASHING EXPERIMENT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 7, 1986, I asked the Minister of Justice (Mr. Crosbie) when the Government would release all the facts on the brainwashing experiments conducted at the Allan Memorial Institute in Montreal during the late 1950s, especially those facts surrounding CIA funding of these experiments. One of the Canadians who underwent these experiments was Mrs. Florence Langleben. Her son Wayne lives in my riding of Don Valley East. On February 8, 1986, Wayne Langleben wrote a letter to the editor of a Toronto paper about his mother's mistreatment. The letter states:

● (1800)

My mother was one of the nine Canadians who the CIA used as guinea pigs for the brainwashing experiments conducted at Montreal's Royal Victoria Hospital. Why are Canadians so spineless when dealing with the United States Government? Can you imagine the outcry if Canada had conducted these experiments on innocent American citizens?

The only way these unfortunate victims will receive compensation is for our elected officials to demand a proper settlement. Of course that scenario is most unlikely.

My mother always said that the CIA was waiting for the victims to die off so they wouldn't have to pay. My mother passed away January 2, 1986.

It is too late for Florence Langleben to know the facts. However, her son would like to know, as would many concerned Canadians, what will be done about this totally unacceptable situation. I will give some background. Florence Langleben was admitted to the Allan Memorial Institute on February 8, 1957 on the referral of her personal physician as she was suffering from anxiety and chest pains. She was treated with LSD and other drugs by Dr. Ewen Cameron during her stay. She was discharged on April 3, 1957, and continued to be treated by Dr. Cameron in his office.

On August 20, 1959, Mrs. Langleben was readmitted to the Allan Memorial Institute, again under Dr. Cameron's care, to be treated for anxiety and chest pains. Between August 20, 1959 and November 6, 1959, Mrs. Langleben received 43 days of drug induced sleep, 15 electroshock treatments, 43 days of "psychic driving". That means being drugged and forced to

listen to taped messages for up to 16 hours per day. She was discharged from hospital on November 20, 1959.

At no time while she was a patient of Dr. Cameron's was Mrs. Langleben informed that she was participating in an experiment rather than therapy. Nor was she informed that these experiments were being financed by the CIA for non-medical purposes. She was not informed that these experiments would be unlikely to yield therapeutic benefits or that the experiments involved the use of dangerous drugs and hazardous techniques that could result in permanent physical and psychological injury.

Mrs. Langleben suffered such symptoms for 30 years. In 1977, the involvement of the CIA in funding Dr. Cameron's research came to light. The facts surrounding the CIA's involvement and the involvement of the Canadian Government are confused and incomplete. The Minister for External Relations (Mrs. Vezina) stated in November of last year: "Certain facts are not in dispute. What is not in dispute is that Canadian citizens were subjects of experimental psychiatric treatment which adversely affected them."

In December, 1980 a group of Canadians who had been unwitting participants in these experiments filed a suit against the U.S. Government in an attempt to receive compensation for their suffering. In January, 1985 the CIA offered to settle out of court. They offered $25,000 per plaintiff. The lawyer acting for the nine Canadians, Mr. Joseph Rauh, was outraged by the inappropriateness of this offer.

In late 1985, a U.S. Federal Court judge ruled that he would not allow CIA station chiefs to testify at a pre-trial hearing about an apology they allegedly delivered to the Canadian Government in 1977. Mr. John Hadwen was the Canadian liaison officer who received the expression of regret from the American operatives when the CIA financing of some of Dr. Cameron's research came to light in 1977. Mr. Hadwen has submitted a written statement to this effect. The Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) have given him permission to testify at the trial. The Secretary of State for External Affairs has raised the issue with the U.S. Secretary of State on three occasions. Ottawa has also been pressing Washington to make available documents relating to the case.

The Minister of Justice has appointed Mr. George Cooper as an independent counsel to determine whether the Canadian Government bears any responsibility for anything that occurred in connection with Doctor Cameron's research. Also, in early March of this year, the acting Assistant Deputy Minister of Public Law for the Department of Justice visited Washington to be briefed by U.S. Justice Department officials on the facts of the Canadian plaintiffs' case against the CIA as the U.S. sees them. I understand from recent press reports that a trial date has been set for July or August of this year in the U.S. District Court in Washington, D.C.

• (1805)

On the basis of the foregoing information I briefly summarized, it would appear that some progress has been made and that our Government has been assisting the victims where appropriate. However, much more needs to be done. Full disclosure of all the facts surrounding this tragic episode is urgently required. Too much time has passed already for those seeking justice. It is too late for Florence Langleben, but for the other victims, and for Wayne Langleben, these questions require answers.

I urge my colleagues to release Mr. Cooper's report when it is available, to continue to press the U.S. Government to release the informaton it has and to take action to ensure that this tragic and unacceptable incident is never repeated.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, no one in the House cannot be moved by the tragic set of circumstances with respect to the nine Canadians who were involved in this particular lawsuit. My colleague has indicated that Mr. George Cooper, who is a superb lawyer from Halifax, Nova Scotia, has been retained by the Canadian Government to prepare a report for the Cabinet to establish what gave rise to the facts of this case some 30 years ago. When those facts are established, they will be put before the Cabinet and a prompt decision will be made with respect thereto.

AGRICULTURE—CASH ADVANCE PROGRAM. (B) COMMITTEE REFERRALS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, a few days ago I raised a question in the House concerning the Nielsen task force report, particularly as it concerns agriculture in this country and such things as cash advances and the PFRA.

I have been to my constituency in Saskatchewan a couple of times since this report was tabled. I detect a lot of concern from local farmers about some of the recommendations by this task force, particularly as it concerns agriculture. What makes me very concerned and farmers very angry is that not one of the authors of this task force report on agriculture is a practising farmer. Not one is a farmer from western or eastern Canada.

There are eight study team members. The one who is closest to agriculture is Mr. A. M. Runciman, the former president of the United Grain Growers. He is now retired and lives in Winnipeg, Manitoba. Other task force members include a number of public servants. Others include Mr. Paul Stewart from the agriculture department of the Bank of Commerce and Mr. Stringham, who is Senior Vice-President of Ralston-Purina.

The study team does not include one practising farmer, yet when the Conservatives were in Opposition, they said that we needed more participation by ordinary people in the decision making of this country. There is not one farmer who is a member of this task force on agricultural problems. It is no wonder that it contains recommendations that go against the wishes of nearly every farmer in this country.

I want the Government to tell us which of these recommendations are Government policy. I also want Conservative Members from Saskatchewan to give us their views on the recommendations in this report. Let me refer to a few of those recommendations. The report recommends changing the tax system for farmers from a cash basis to an accrual basis. This would amount to an additional federal tax of $100 million a year from the farmers of Canada.

The report also recommends eliminating the farm fuel rebates, which are worth some $130 million a year. This would increase the tax by $1 million a year on one hand and eliminate the farm fuel rebate by $130 million a year on the other. That amounts to approximately one quarter billion dollars of increased payments by the farmers of Canada.

Another recommendation in the task force report is to increase the crop insurance premiums. Another is to change the cash advance system as we know it. Currently, a farmer receives a cash advance interest free. The recommendation by this particular task force is that the farmer pay the going interest rate on a cash advance. That will hurt not only farmers in my riding, but farmers right across western Canada. The Government is also talking about phasing out the Prairie Farm Rehabilitation Act which is, again, a popular and worth-while program. In a place like Indian Head where there are agricultural farms, eliminating this program will do tremendous damage, not just to the town and that community, but to a number of farmers in Saskatchewan.

• (1810)

Another recommendation is to prevent the creation of new marketing boards. Why this recommendation was made, I am not sure. Surely that decision should be made by the farmers of this country, not by some Government bureaucrats or private sector people who advise the Deputy Prime Minister (Mr. Nielsen). Another recommendation is the unprecedented "rationalization" of prairie rail network, the introduction of variable freight rates and the removal of guarantees and phase out of rehabilitation of the branch lines which are so important to the prairies.

Another recommendation of the task force report is to privatize the Farm Credit Corporation. Farmers in my riding are concerned about that because they have enough problems already with the private banks, let alone privatizing the Farm Credit Corporation. Another recommendation which concerns farmers is the closing down of the Port of Churchill for the export of grain. I know you, Mr. Speaker, are a member from the Toronto area, but I am sure even you would be concerned about some of these recommendations becoming law. My purpose this afternoon is to draw attention to the recommendations made in the Nielsen task force report and to make an appeal to my fellow Members of Parliament from Saskatchewan who sit on the Government side to speak out on these issues. We need the cash advance system as it is today for our farmers. We need the PFRA. It serves a very useful purpose.

We need the farm fuel tax rebate of $130 million because of rising farm input costs and falling farm income. We need to keep the tax system as it is rather than raising an extra $100 million from the farmers by changing the tax system. We do not want to privatize the Farm Credit Corporation. We do not want to close the Port of Churchill. These matters are very important to farmers in western Canada.

In the last 15 or 16 years, farmers in western Canada have seen three important task forces on agriculture. The first task force was in the early 1970s when the Hon. Otto Lang was Minister of Transport. That report recommended eventually phasing out about two thirds of the farms because they were, according to the experts, inefficient. The farmers of this country rallied forth and fought against the recommendations of that task force. Later on we had another task force which recommended abolishing the Crow rate, which was a very important rate for the movement of our grain to various ports in Canada. It was considered by many farmers in the West as part of our deal for coming into Confederation.

Now we have a third task force, which is again insensitive to the needs of the farmers of western Canada. It is written by a group of men—and they are all men—not one of whom is a farmer. They are all businessmen, bureaucrats or retired people who are not active farmers. I therefore call upon the Government to give us as soon as it can its response to the task force on agriculture because a lot of farmers are nervous about what is going to happen. They do not know that the future holds. They want to know where the Government of Canada stands. I appeal to the Government not to spread unnecessary panic among the farmers of Canada. If it disagrees with these recommendations, then tell us. If it agrees with some of them, then tell us in order that we can respond. That is all I am asking in this particular debate today.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in response to the question asked by the Hon. Member for Yorkton-Melville (Mr. Nystrom), we are not considering the cancellation of the cash advance program to western grain farmers. Currently, departmental staff are reviewing the program in order to bring forward proposals to amend the Prairie Grain Advance Payments Act. We plan to have the amendments in place prior to the commencement of the 1986-87 crop year.

Our long-term plans include a complete re-write of the Act. This will be accomplished by reviewing the basic principles and by assessing the future needs of the western grain industry. When completed, the new Act will be more responsive to the future development and requirements of the western grain industry.

• (1815)

[*Translation*]

As to the report mentioned by my colleague, the Government asked an independent committee to make recommendations. We have just received them, we will study them and seek advice. I would think that the hallmark of this Government has been to consult with Canadians on each legislative measure we have taken in the last 18 months. In that respect we have no lesson to take from anybody. We have done our work, we have done our duty.

What we have to do in the current economic context, particularly concerning the international trade sector, is to look to the future. What the New Democratic Party would have us do is to stand pat in the present, if not go back into the past. The only future they seem to envisage is inaccessible: extended services, increased public outlays, more grants, reduced taxes, fewer expenditures. It is impossible.

We are a responsible Government, Mr. Speaker, and we intend to study this report. Within the weeks and months to come we will decide what Government measures should be taken. We will not know that tomorrow morning, we have to study the report and, as we have always done, we will promote the interests of Canadian farmers.

[*English*]

YOUTH—JOB-CREATION PROGRAMS

Mr. Alan Redway (York East): Mr. Speaker, you will recall that on March 18 I asked the Minister of Employment and Immigration (Miss MacDonald) what programs, if any, her Department had in connection with youth. As well, I asked her to advise the House if there are in fact such programs. I asked her to advise us how many there are and how many young people are involved in them.

I asked the question at the time because I believe that the majority of the people of Canada are under a false impression at the present time. I believe that they are under an impression which has been given them by the Opposition and by the media to the effect that the present Government does not have any programs for youth. I believe they are under the impression that the present Government has not committed any money for youth programs and that, in fact, there are no youth participating in programs put together and in place by the present Government.

Mr. Speaker, you know and I know that that is not the case. We know that there are programs in place. We know that the Government has put a great number of programs in place. However, I am under the impression from what I read in the press and from what I hear in my constituency and across the country that there are a substantial number of our fellow Canadians who do not realize what the Government has done. They do not seem to realize that the Government shares the concerns of all Canadians with respect to the problems of youth. They do not seem to realize, or they do not remember, that during the last federal election campaign, one of the main issues was the whole question of unemployment and the economy. A major part of those issues revolved around the issue of youth unemployment. A large portion of the public do not seem to know or realize that when the Government took office, it put into effect a review of all of these programs, programs for employment, for youth employment and youth training.

● (1820)

The main focus of that review was to make sure that the money being spent to benefit the youth of Canada was being spent as efficiently and effectively as possible and would ensure that the youth of Canada got the most out of the money that was being spent to help them. The review focused on youth employment and how to get more jobs for unemployed young people. As a result of that review, all of those programs were redesigned. New programs were put in place. One of the major new programs was called Canadian Jobs Strategy.

You and I are aware, Mr. Speaker, that in this current fiscal year, something like $734 million is being spent on youth training and job-creation programs. We are aware as well that in this current fiscal year, something like 222,600 young people are participating in all of these various new government programs. As well, we are aware that more money is being spent and more people are involved than were involved under all of the previous Liberal Government programs, including Katimavik. Even at the height of youth unemployment, which peaked in 1982 at something in excess of 21 per cent, the former Liberal Government did not have anywhere near the amount of money committed to youth employment and training programs that is now committed by the present Government under these new programs.

In the years between 1980 and 1984, during what has now come to be called the great recession, 142,000 young people lost their jobs. They lost their jobs at a time when the former Liberal Government was in power and claiming to be helping young people and interested in them. We are aware as well that since September 1984, when the present Government came to power, 75,000 new jobs for young people have been created and that has helped youth unemployment to fall.

I believe that most Canadians are not aware of these facts. I believe that they feel that Katimavik was the only program for youth employment that was in place. They know that it was established as a training program for youth and to give youth life training experiences. What I do not think they understand is that though Katimavik was created and established by a very honourable person, Senator Hébert, when one establishes any program, one becomes personally attached to it and feels that it is a very special program that should be not changed in any way or eliminated. We know that everything in life changes, and hopefully for the better. In fact, what has happened since the new Government put its programs in place is that youth unemployment has been falling. More and more young people have jobs and are getting jobs. Not enough young people have jobs, but still youth unemployment has been falling.

Tonight I hope that the Parliamentary Secretary will make those points to the Canadian people and will make the Canadian people aware of what the present Government has been doing as far as youth programs, employment and training are concerned. I hope as well that he will give us some real examples of the types of people who have been benefiting from the new programs that have been put in place by the Government since September 1984.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I could say that what the Hon. Member said is absolutely true. On behalf of the Minister of Employment and Immigration (Miss MacDonald), I would

like to provide the Hon. Member for York East (Mr. Redway) with a more detailed reply to the question he put in the House concerning the number of programs for youth administered by Employment and Immigration Canada and the number of young people participating in these programs.

● (1825)

As the Minister has already informed the House, this year in excess of $700 million will be spent on job creation and training programs for young Canadians. As the Hon. Member indicated, in 1982, at the height of the recession, $100 million less was being spent. This $700 million expenditure for job creation and training falls into two main categories—programs specific to youth and programs not specific to youth but in which young Canadians may and do participate.

Under the Canadian Jobs Strategy, Employment and Immigration Canada assisted youth through Challenge '85 and will do so this summer through Challenge '86. More than 101,000 young people benefited last summer. That is many young people.

Under the entry option of the Job Entry Program, young Canadians experiencing difficulty entering the labour force can obtain up to 52 weeks of skill training and practical work experience. Under the co-operative education option, institutions are able to offer students formally integrated periods of academic study and work experience. In 1985, 65 co-operative education applications were approved which will assist up to 40,000 students in the coming four years. Again that is many young people. We have to think about that; it is very important.

[*Translation*]

Besides being responsible for employment planning, the Employment and Immigration Commission helps young people through employment services, Canada Manpower Centres, university campus employment centres, and eleven specialized units for young people having a particularly hard time to find jobs. Extension programs, international exchanges and summer employment related to studies also help a number of young Canadians.

I could go on for a long time, Mr. Speaker, but I think the Hon. Member has clearly shown that we have done a lot for young people, and we will continue today, tomorrow and next week to work hard for them. Rather than singling out one specific program, I think we should consider the Government's over-all youth strategy.

We have assumed our responsibilities, Mr. Speaker, and we will continue to do so thanks to the kind of policies I have just mentioned.

[*English*]

The Acting Speaker (Mr. Attewell): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, March 26, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

YOUTH

ANNOUNCEMENT MADE BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the announcement just made by the Minister of Employment and Immigration (Miss MacDonald) is an insult to young Canadians. There is a reference to the new role of the Minister (Mrs. Champagne), but everybody knows that the only job created today was a job for a "relocation" company in Ottawa. There was no announcement to show 700,000 young unemployed Canadians that this Government has a heart, that this Government has an interest in them.

[*English*]

We know the Minister of State for Youth (Mrs. Champagne) has proven herself to be incompetent and incapable of fighting for the young people of Canada. This so-called announcement by the Minister of Employment and Immigration (Miss MacDonald) is an insult to 700,000 unemployed young Canadians who want a program from the Government. The only job the Government is creating is a job for an Ottawa moving company.

As far as this Party is concerned, the Minister of State for Youth was incapable when she reported to the Secretary of State for Canada (Mr. Bouchard), she is incompetent when she reports to the Minister of Employment and Immigration, and she should be fired.

Mr. Speaker: Order, please.

* * *

[*Translation*]

SOCIAL SECURITY

BUDGETARY MEASURES ANNOUNCED BY QUEBEC GOVERNMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in recent months the federal caucus of the Official Opposition, in other words the Liberals and especially the social policy critic, have inquired a great deal about the injustice of Government cuts in social programs.

Mr. Speaker, that is why I was both shocked and disappointed today when I heard about the budgetary measures announced by the Liberal government in Quebec City, where social programs were cut drastically.

In Quebec City, despite their apparent social conscience, the Liberals have cut $35 million from health services, $52 million from post-secondary education and $10 million from manpower centres.

Mr. Speaker, there is a lesson here and it is simply: When they are in power, the Liberals are conservative. They act just like the Conservatives do when they are in power, and only in the Opposition do they act as reformers. So the only way to from post-secondary education and $10 million from manpower centres.

Mr. Speaker: Order. The sixty seconds are up.

* * *

• (1405)

INDUSTRY AND COMMERCE

BUILDING PERMITS—GOVERNMENT PERFORMANCE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, now that our economic recovery is well underway across the country, the same can be said for northwestern Quebec, in Abitibi-Témiscamingue.

Mr. Speaker, according to the figures published recently by Statistics Canada, there was a substantial increase in construction permits for northwestern Quebec during 1985.

In the residential sector, building permits for a total value of $44,794,000 were issued. In the industrial sector, the figure was $10,999,000; for the commercial sector, $16,371,000 and for the institutional sector, $5,823,000, giving a grand total of $77,997,000, which is an increase of 13.6 per cent over 1984.

Mr. Speaker, these are encouraging signs for my region's economy and clear proof of the climate of confidence created by this Government.

S.O. 21

[*English*]

ENERGY

SUPPORT FOR HEAVY OIL UPGRADER PROJECT

Mr. Alex Kindy (Calgary East): Mr. Speaker, current events in the Middle East—particularly the Libya-United States confrontation—sharply remind us again of the vulnerability of the Canadian oil and gas industry to events beyond our control.

The Oil and Gas Journal estimates that Middle East supplies of conventional oil will last 95 years while known inventories, in the North Sea will last only 19 years, 13 years in Canada, and 9 years in the United States. This will make us prisoners of other countries' resources and frankly, I for one do not wish to be anyone's prisoner, ever, let alone in 13 years.

Therefore, as an instrument of national policy, the Government must immediately take a decision in support of the Husky heavy oil upgrader and tar sands projects in western Canada. As well, it must push ahead vigorously in the development of new hydrocarbon sources in order to ensure an acceptable degree of Canadian self-sufficiency in this vital resource industry.

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENVIRONMENTAL AFFAIRS

TIMETABLE FOR ELIMINATING LEAD FROM GASOLINE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in order to protect human health, particularly that of children, industry in the United States has been directed to remove lead from gasoline by January, 1988. In Canada, however, we are phasing out lead between now and 1992. The Government should adopt the same timetable so that Canadians can draw the same health benefits.

In Canada the coming into effect of 29 milligrams in 1987 was announced before, in December, 1983. Consequently, the Minister of the Environment (Mr. McMillan) is trying to create the impression of giving leadership when, in reality, he is denying Canadians health benefits that are available in the United States as a result of their stringent timetable.

If the Environmental Protection Agency can impose a stringent timetable on U.S. industry, why can the Minister of the Environment not impose the same timetable on Canadian industry?

* * *

CANADA COUNCIL

MINISTER'S ACTIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, we are witnessing yet another manoeuvre on the part of the Minister of Communications (Mr. Masse) to control the Canada Council.

Canadians will remember his numerous attempts last year to amputate the arm's length relationship between the Government and independent cultural agencies. The Minister now appears to be wielding a knife instead of a hatchet, but the results may be no less harmful. He is threatening to deny the Canada Council the $10 million boost to its funding promised in the Budget. It seems that unless the Council accepts his dictates on how the money is spent, the funds may be diverted to another Department.

Happily, the Council is so far resisting this coercion and is asserting its right to autonomy. However, we saw its vulnerability to this kind of pressure last fall when it bowed to the Minister's demand to bail out the Vancouver Symphony.

The arm's length principle is essential to the operation of our cultural agencies. The Minister should not be directing funds within an agency's budget to one function or another, any more than he should be telling writers what to say or musicians what key in which to play.

* * *

● (1410)

CANADA POST CORPORATION

DISTRIBUTION OF EROTIC VIDEO FLYER

Mr. Joe Reid (St. Catharines): Mr. Speaker, a mail order flyer advertising the highest quality triple "X" erotic video movies is being distributed through the marketing division of Canada Post. The flyer promotes an "exclusive video offer" and is marked "for mature viewers only", almost an open invitation to our younger people to seize, open, and run with it.

Letter carriers have doubts about making the delivery of these materials, but senior officials took the position that it was not up to the Post Office to play censor. I do not think it is part of the Post Office's mandate to make it easy for others to send us down the road of moral decay and decadence. It is not first-class mail we are talking about. It is unsolicited pornographic literature, indiscriminately distributed as householder mail. It should be stopped now by the Minister responsible for Canada Post.

* * *

YOUTH

SUMMER EMPLOYMENT EXPERIENCE DEVELOPMENT PROGRAM

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, most of us remember our formative student years of summer employment. We often worked in small businesses gaining experience in life and business. With this in mind, I was very disappointed to hear the Hon. Member for Yorkton-Melville (Mr. Nystrom) say that our Government's Summer Employment Experience Development Program should not be

used for the hiring of young people as clerks, waiters, waitresses, labourers, farmworkers, cashiers and, in his words, "things of that sort".

The New Democratic Party seems to be saying that the Government and the private sector should not help develop the skills of young people by enabling them to have a real job for the summer. This position taken by the NDP does nothing for our young.

The Hon. Member for Yorkton-Melville also said that young people will take away full-time jobs. What kind of socialist nonsense is this? This summer thousands of young people will see first hand how Canadians make a living. Ordinary Canadians already know this. The Hon. Member for Yorkton-Melville and his Party obviously do not.

* * *

[*Translation*]

YOUTH

CHALLENGE '86—SIGNIFICANCE TO YOUNG PEOPLE

Mr. Nic Leblanc (Longueuil): In the riding of Longueuil, Mr. Speaker, more than 200 projects have been submitted under the Challenge '86 program.

Challenge '86 is a summer employment program for students who are anxious to gain practical experience in their field of study.

Last year 339 Longueuil youths found summer employment through this program. This year our Government has decided to increase the number of participants so that over 500 Longueuil youths will work and acquire an experience which is directly related to their studies.

This Government's objective is to enable young people to hold the kind of summer jobs in which they are interested. Challenge '86 proves that we show concern for young Canadians.

Mr. Speaker, I extend an invitation to all young people who want to work this summer, particularly the residents of Longueuil, to register right away for Challenge '86 at the nearest manpower centre.

* * *

[*English*]

INCOME TAX

AMNESTY PROGRAM ADVOCATED FOR PAYMENT OF BACK TAXES

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have read with great interest a report on the extraordinary success of an American program to collect back income taxes. This program provided amnesty from prosecution or fines if people voluntarily came forward and made arrangements to settle past debts. The money came pouring in. For example, the State of Massachusetts ran the amnesty program from October, 1983, to January, 1984, and, while optimistically expecting about $20 million, it actually received $85 million. As a result of this and the accompanying media blitz, the State of Massachusetts has now announced the largest tax cut in its history.

There are other States which have followed this example. The State of New York's Amnesty Program ended in January of this year. New York estimates that it will receive about $350 million in back taxes.

The purpose of this program is twofold; to acquire the additional revenue, and at the same time take the burden of revenue acquisition off the shoulders of the honest taxpayers. When evaders are made to pay, the tax burden is equitably shared. Perhaps an examination of this program—

Mr. Speaker: Order, please. Sixty seconds.

* * *

EMPLOYMENT

TRADES TRAINING PROGRAMS—NEED FOR FUNDING

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I would like to bring to the attention of the House the reduction in federal Government funding for trades training in Nova Scotia. In a letter last week to teachers and institutions offering trades training, the provincial Government Deputy Minister of Human Resources, Development and Training wrote, and I quote:

> A substantial reduction in federal funding is unfortunately resulting in a reduction of a number of training programs and related staff positions. The training program in which you are employed is part of this federal Government reduction and therefore the program which you have been teaching will not be able to be offered in the coming year and your position will be no longer funded.

Trades training plays a vital role in our society. Training is essential to assist Canadians to enter the job market. In these times of high unemployment and especially high youth unemployment, federal funding to these institutions and the students who need it should not be reduced. The Conservative Government continues to attack the least fortunate in our society. In cutting the funding for vocational training the Government again displays its cruel, senseless, and unfair conduct.

● (1415)

ORAL QUESTION PERIOD

[*Translation*]

YOUTH

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Right Hon. the Prime Minister. We have just witnessed

a shameful public relations exercise by the Minister of State for Youth and the Minister of Employment and Immigration.

Here is my question to the Prime Minister. How can he describe as a new initiative the revival of the Department of Employment and Immigration youth secretariat which was mothballed after he took office? Where is his new initiative?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very pleased that the Prime Minister has assigned the Minister of State for Youth to assist with job creation, employment and training programs in my Department.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Big sister Flora!

Miss MacDonald: Indeed, this is where the Government places its priority. I can also assure Hon. Members that the Minister of State for Youth will be doing much more in the Department of Employment and Immigration than the questioner did in the Government which preceded this one. I have looked, and I know what his mandate was. I can tell Hon. Members that the Minister of State for Youth will be doing much more than that individual did.

[*Translation*]

REQUEST FOR NEW PROGRAM

Hon. Jean Lapierre (Shefford): That is nonsense, Mr. Speaker, and she knows it! She knows that the Challenge '86 program—

Mr. Speaker: Order. Question, please!

Mr. Lapierre: Mr. Speaker, you too know it is nonsense. The Challenge '86 program which becomes the responsibility of the Minister of State for Youth has ended. Applications are no longer accepted, so just what is her responsibility? Where is the new program promised by the Prime Minister? If he has the nerve, let him stand up and tell us now in front of all Canadians.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I noticed that the Hon. Member said back in 1984 when he was Minister of State for Youth, that:

—existing make-work schemes, such as the $16 million Katimavik program, might have to be redrawn—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Miss MacDonald:

—and simplified so that participants receive actual job training "instead of just beautiful human experiences"—

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

ANNOUNCEMENT OF NEW PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. In her press conference this morning the Minister of Employment and Immigration probably reached new depths of cynicism.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The press conference was hyped at everyone in the House, and everyone in the country expected a new program. All we got were musical chairs, no new program and no new funds.

Mr. Hnatyshyn: How about a question?

Mr. Turner (Vancouver Quadra): There were no new programs with respect to the crisis affecting youth. Will the Prime Minister fulfill the undertaking he gave to the House and the country that he and his Government would announce new programs for our young people before the end of this fiscal year? Is that going to be lived up to?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker—

Some Hon. Members: Oh, oh!

Ms. Copps: Gutless!

Mr. Gauthier: How about having some guts over there?

Mr. Hnatyshyn: Look whose talking.

Mr. Speaker: Order, please.

Miss MacDonald: Mr. Speaker, at the present time the Government is spending $732 million on programs devoted to youth employment and training. This year that will involve some 218,000 young people across the country. These are young people who really need help, young people who have dropped out of high school, and young people who are disadvantaged. At the time when youth unemployment was running much higher than it is now, the previous Government did not put anywhere near that amount of money into such programs.

Mr. Axworthy: Oh yes, we did. You're wrong about that.

● (1420)

SENATOR'S HUNGER STRIKE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would hope that the Prime Minister would rise to

respond to this question and not my third question when I will not have a chance to reply.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Whatever the Prime Minister may think of the intensively personal gesture of Senator Jacques Hébert, the Senator has accomplished two purposes. He has focused the attention of the country on the deep crisis for our young people, and second, he has made it clear to the young people of Canada that they are going to have to fight for themselves unless the Government displays a commitment to them. When is the Prime Minister going to give some concrete evidence of a commitment on the part of the Government of Canada to young people who desperately need hope and opportunities for a courageous future in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition made two points. He referred to a deep crisis for young people. The headline in the *Toronto Star* yesterday was: "Lots of Summer Jobs are Waiting for Students"—

Mr. McCurdy: That's just in Toronto.

Mr. Mulroney: What? Are you opposed to jobs for Torontonians? The fact that they are from Toronto does not make them less Canadian.

Some Hon. Members: Hear, hear!

An Hon. Member: You're a phony, Mulroney.

Mr. Speaker: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Mulroney: The second point to which my Right Hon. friend referred is that young people will have to fight for themselves. Young people have had a terrible fight. From 1980 to 1984, 285,000 jobs were lost for youth. In the 18 months since we became the Government, 50,000 new jobs have been created. They will have to fight, but with the Government fighting for them.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister does not seem to understand that whatever recovery we have had has not been evenly shared across Canada. There are parts of the country that are having a very, very bad time.

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Here is my supplementary, Mr. Speaker. Apparently, we will be back in the House on April 7. Is Canada's youth supposed to wait until the House resumes sitting after Easter to find out what your Government intends to do for the youth of this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think this was made very clear by the Minister concerned today.

An Hon. Member: No program.

Mr. Mulroney: I am trying to answer . . . Some important action was announced today that will promote job creation, something we have been doing with substantial success during the past eighteen months. No one is trying to minimize the seriousness of unemployment among our young people. That is why we have been so active in this area, and I think that today's initiative with the Minister of State for Youth and the Minister of Employment and Immigration will further promote the creation of jobs for our young people.

[*English*]

ANNOUNCEMENT OF PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Prime Minister knows, we are dealing with a very serious situation here. It is the case that more jobs have been created for young people in recent months, and that is encouraging.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is also true that the most recent figures show that there are 485,000 young people out of work. That is a national tragedy. The Prime Minister has had access to those figures, and he promised in the House on March 3, March 11, March 21, and yesterday that there would be a program of action before the end of this month. Why has the Prime Minister not delivered on that promise?

● (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to the tragedy of youth unemployment, and I do not disagree. We inherited the situation, and we have been able to reduce youth unemployment by two full percentage points in just about 18 months. It is not perfect, but it is a major step forward. Were one to do that every 18 months, one would make a serious dent in that tragedy to which my hon. friend refers. We will continue to do so by initiatives such as those we announced today.

GOVERNMENT INITIATIVES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Prime Minister that the initiatives, as he described them, announced today simply consist of a promise to study recommendations which have been made by a Senate task force and by the New Democratic Party. That is not action. That is an argument by the Government for delaying action.

Young people want jobs. They want programs now. Since the Prime Minister is aware of the situation faced by young

people and that the Minister's announcement today does not consist of a single new program for action, why did he promise yesterday in the House that we would have new programs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, one of the programs the Government has brought in is Challenge '86. This year we will have some 60,000 applications before us for jobs for young people. Yesterday the spokesman for the New Democratic Party rose in the House and completely derided Challenge '86, which will offer hope and opportunity to some 100,000 young people. He said that that program was not a benefit to young people. I assure the Leader of his Party that young people across the country will find it beneficial. It is one of a number of initiatives which we are taking.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Minister and to the Prime Minister that there are still many Canadians who would like to take the word of politicians.

Mr. Clark (Yellowhead): They can take yours on any side of any question.

Mr. Broadbent: The Prime Minister had suggestions from the Senate and from my Party, as well as others. Why did he promise the House, as recently as yesterday and last Friday, that there would be new programs of action when he has not delivered on that? Do the words mean anything? If they do, why is there no action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that for the NDP and the Liberals—

Mr. Nunziata: Answer the question, Pinocchio.

Mr. Mulroney: —throwing borrowed money at a problem is supposed to make it go away.

Mr. Broadbent: You made a promise; you said there would be new programs.

Mr. Mulroney: I indicated that there would be continued action and initiatives—

Ms. Copps: You made a promise.

Mr. Mulroney: —such as, for example, what is referred to on the front page of *The Toronto Star*: "'This could be the summer of summers for job-hunting students. Not since the boom of 1981 has the metro job picture for graduating returning students looked that good', say local student counsellors."

Mr. Axworthy: That was a time when we were in government.

Mr. Mulroney: This is what is happening across the country, and we are going to cause youth unemployment to continue to go down, with government working—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Mulroney: —with the private sector.

Some Hon. Members: Hear, hear!

Mr. Speaker: May I ask all Hon. Members to refrain, please, from all the interjections. It is making it very difficult for me to hear anything, I must be honest.

GOVERNMENT POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who repeatedly promised the people of Canada open Government, responsive Government, and a Government prepared to enter into consultation and dialogue. In view of the fact that the Government still to this moment—

Ms. Copps: He is laughing.

Mr. de Corneille: —has not announced any new youth programs, will the Prime Minister respond to the communications from his former professor, Leon Dion, from Senator Hébert, from me, and from others, all of whom continue to wait for him to open the door on this critical issue?

Ms. Copps: Stop laughing, Brian.

Some Hon. Members: Shame!

Mr. Clark (Yellowhead): Have the courage to stand up, Sheila.

Mr. Gauthier: She has much more than you, Joe.

Mr. Hnatyshyn: Who is running your Party?

Mr. Crosbie: No one. We want Johnston.

• (1430)

Mr. Speaker: I am going to ask the Hon. Member for Hamilton East particularly to accept the Chair's request for no further interjections, please.

Mr. Crosbie: In other words, shut up, Sheila.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am going to ask particularly the Minister of Justice to do the same.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Withdraw.

Mr. Hnatyshyn: Look who is talking about withdrawing.

Mr. Speaker: Order, order!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Government has its agenda. It was elected to do certain things. One of them is to create jobs for young people, and that is exactly what we are doing.

With regard to places where young people have not had a chance before—because the previous Government's programs did not assist them—I can tell the Member that in Sydney, Cape Breton, 20 unemployed young people are now getting a chance to train in electronic and mechanical assembly. In northern Quebec young native people are getting a chance to train on jobs for the James Bay Hydro project. In Edmonton young people who are hearing impaired are getting a chance—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

Mr. Speaker: A short supplementary.

[*Translation*]

GOVERNMENT POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, the Prime Minister doesn't seem to understand in English. Considering the pressing need for a program for young people, does the Prime Minister intend to demonstrate his Government's open attitude by giving a clear response to the proposal he received from Professor Dion, both in public and in private, and to which he has yet to respond?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there have been numerous programs that have been introduced by Governments at different times and discontinued. The previous Government did that with the Company of Young Canadians and with the Opportunities for Youth programs. That Government felt it had a mandate at certain times to discontinue programs, and the former Minister of Youth thought that Katimavik should have been discontinued.

Mr. de Corneille: Answer the question.

Miss MacDonald: We feel that we have a mandate to do the best we can for young people in the creation of jobs. That is what we are doing, and we are doing it all across the country.

Mr. Nunziata: You do not have a mandate any more.

GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is addressed to the Prime Minister. If we can lay aside Katimavik and the strike by the Senator, does the Prime Minister not think that after International Youth Year, a Senate committee report, a New Democratic Party report, federal youth fora, and a promise, the Government has missed an opportunity for a reconciliation with youth, which the Government needs, by failing to live up to the P.M.'s promise? Does the P.M. not think he has missed a chance with a little shuffle to the same old tune?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think that 50,000 new jobs for young people is the beginning of living up to our promise.

Some Hon. Members: Hear, hear!

Miss MacDonald: We do not by any means say that it is complete. That is why the programs we are developing are directed toward those most in need, to those whom no one else might help, to those whom the Government has a responsibility to assist. That will be some 218,000 young people this year. Already the programs are showing tremendous success. They are not perfect. They will be changed from time to time, and I would invite the continuing participation and input of the Hon. Member.

SIZE OF GOVERNMENT FUNDING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, does the Minister not think, because $1.26 billion was spent in 1984-85 and $864 million in 1986, that to suggest $732 million this year is an improvement is to mislead the public and the youth of the country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not know where the Hon. Member is getting his figures. I can tell him they are wrong if the Member is applying them to youth only. We have a budget of some $2 billion; 44 per cent of which is going to youth programs. I think that that is a very commendable effort.

Mr. Deans: That is what he just said.

Miss MacDonald: It may be that that should be increased and I can tell you, Mr. Speaker, that I will be looking to the Minister of State for Youth to advise me in this whole field.

Mr. Gauthier: Don't hold your breath.

ANNOUNCEMENT OF PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, if you are having trouble in this House, it is due to the cynicism of the Prime Minister—

Mr. Hnatyshyn: Order.

Some Hon. Members: Order.

Mr. Speaker: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hnatyshyn: I am sick and tired of that kind of banter.

Mr. Althouse: Who are you?

Mr. Speaker: Order, please.

Mr. Nunziata: If you cannot stand the heat, get out of the kitchen.

Mr. Speaker: Order, please. The Hon. Member for Notre-Dame-de-Grâce-Lachine East has a question. He is an experienced Member and knows what should or should not be said in the House. Just a question, please.

Mr. Allmand: It was a short preamble. I think, even according to your own guidelines—

Mr. Andre: Next question.

Some Hon. Members: Order.

Mr. Speaker: Order.

An Hon. Member: Harvie, you are not the Speaker.

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce-Lachine East has a question immediately, please.

Mr. Allmand: Mr. Speaker, my question is for the Prime Minister.

On March 3 the Prime Minister clearly promised this House and the Canadian people a new youth employment program. Nothing else. He made that promise.

When is the Prime Minister going to honour that commitment to this House and the Canadian people? With that promise and nothing else, Mr. Speaker?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first, what the Hon. Member has just said is wrong with regard to March 3.

Second, his reference to cynicism deserves to be noted when he accuses us of being cynical. Here is the Liberal Party defending and asking for the resurrection of Katimavik. Here is the Member for Shefford a year ago telling *Maclean's* magazine:

> At the same time, Lapierre said that existing make-work schemes, such as the $16 million Katimavik program, might have to be withdrawn and simplified so that participants receive actual job training "instead of just beautiful human experiences" that are of little value to potential future employers.

There is the ultimate cynicism. You are a bunch of shameless hypocrites, the whole lot.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Shame on you.

Mr. Speaker: Order.

Mr. Speaker: I must ask the Prime Minister to withdraw the last remark.

Mr. Nielsen: Why?

Mr. Speaker: I thought I heard him call another Member a hypocrite.

An Hon. Member: No, Mr. Speaker.

Mr. Mulroney: Mr. Speaker, it was a collective reference. I will be happy to withdraw it if it is inappropriate.

Mr. Speaker: A short supplementary.

CABINET POSTINGS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, did the Prime Minister let the Minister for Employment announce this minor Cabinet shuffle today because he was so embarrassed to do so himself? Is that all he can leave to the Minister for Employment?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to tell you that what we have done today is no embarrassment. I want to make that very clear.

Some Hon. Members: Hear, hear!

Miss MacDonald: I do not know how the Liberals considered their previous Ministers of Youth, who were attached to the Department of Employment, but perhaps they are speaking from experience.

Some Hon. Members: Oh, oh!

Ms. Copps: Why is your face so red?

Miss MacDonald: On March 3 the Prime Minister said: "Our first obligation toward youth is to keep creating permanent jobs". That is exactly what we are doing.

We began with the creation of 50,000 jobs. The efforts today will build on that.

Some Hon. Members: Hear, hear!

● (1440)

ANNOUNCEMENT OF NEW PROGRAMS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister who said in the House on March 21:

> —at or about the end of the fiscal year, and in appropriate fashion, the Government would be announcing new programs, including programs that deal with the problems affecting Canada's youth.

Is this an accurate statement?

Right Hon. Brian Mulroney (Prime Minister): It is an appropriate initiative and approach which will be very beneficial to Canada's youth.

TIMING OF ANNOUNCEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the quote I read the Prime Minister said that new programs,

specifically, would be announced by the end of the fiscal year. It is the new programs I am asking about. Is the Prime Minister saying that new programs would be introduced at or about the end of the fiscal year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is on the record.

Mr. Nunziata: And so is my answer on the record.

Mr. Mulroney: The excellent statement of the Minister of Employment and Immigration today—

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know that unless you are throwing borrowed money at a problem, it does not constitute an initiative or anything of value to the Liberals and NDP. This is not our way of—

Mr. Blackburn (Brant): How much did you throw at Northland?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order! Order!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NETHERLANDS MINISTER OF THE ENVIRONMENT

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of Hon. Peter Winsemius, Minister of the Environment of the Netherlands.

Some Hon. Members: Hear, hear!

* * *

ENERGY

PRICE OF GASOLINE

Mr. Jim Jepson (London East): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I will direct my question to her Parliamentary Secretary, the Member for Brampton-Georgetown. The people of London East, and indeed Canadians right acrosss the country, are most unhappy with the slow rate at which oil companies are decreasing the price of gasoline at the pumps.

Can the Parliamentary Secretary tell this House when Canadians might expect a further decrease in gas prices reflecting the decrease in world oil prices which the oil companies have enjoyed over the past few months?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member knows, there have been two drops in prices—

Mr. Riis: Come on, Mickey Mouse drops, and you know it.

Mr. McDermid: —of 2 cents a litre, the first on February 20, and the second on March 12.

Mr. Blackburn (Brant): Big deal.

Mr. McDermid: I am pleased to announce that this afternoon a further 2 cent per litre decrease has been passed on to retailers by Petro-Canada. That amounts to a total drop of 6 cents per litre, approximately 27 cents a gallon, in the last month and a half.

Some Hon. Members: Hear, hear!

* * *

YOUTH

ANNOUNCEMENT OF NEW PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in response to my colleague, the Member for Notre-Dame-de-Grâce-Lachine East, the Prime Minister denied that he had made a commitment on March 3. In the quotation from *Hansard* of March 21 just read by my friend, the Hon. Member for Kamloops-Shuswap, the Prime Minister referred to his earlier statements of March 3 and March 11 in which he said that at the appropriate time, before the end of the fiscal year, there would be new programs introduced to help the youth of the country. Is he going to live up to that commitment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was responding to a very interesting question from the Member for Notre-Dame-de-Grâce-Lachine East with regard to a statement made on March 3. On March 3 I said:

> Our first obligation toward youth is to keep creating permanent jobs and this is exactly what we are doing. This will be linked in due time not only with other programs, but with very important initiatives that will create more jobs for our young people.

That is exactly what transpired today.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I invite the Prime Minister to turn to his statement of March 21 in which he referred to his earlier statements of March 3 and March 11 gave a distinct, clear, and unequivocal statement to the House.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that has been absolutely and fully responded to.

Some Hon. Members: No.

Mr. Mulroney: This from a bunch of people who caused almost 300,000 young Canadians to lose their jobs! That is an

absolutely disgraceful record, and they should be applauding the Government for the job creation success it has enjoyed.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Go to confession on Saturday. You will be there a long time.

[*Translation*]

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Youth.

Mr. Speaker, in her letter of January 6, the Minister mentioned a cut of $100 million in youth programs. She asked her Cabinet colleagues for a budget for the next financial year.

Could the Minister inform the House how she can have any impact on the problems of the youth of our country when she now has neither a department nor a budget?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I am very proud of the fact that contrary to what the Hon. Member for Ottawa Centre claimed, funding has been redirected to other programs in the Budget, and this money is again going to be used to create jobs. I did my job as a spokesperson for youth, and I did a very good job.

REQUEST FOR NAME OF NEW PROGRAM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary.

Considering the promises the Prime Minister chose to ignore only a few days after they had been made, could the Minister of State for Youth name even one youth program that has been set up since Senator Hébert started his hunger strike?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the House may wish to recall that throughout these discussions, we have been told repeatedly that many young people are in difficulty and are having a very bad time; for instance, many have to live on welfare benefits. In the last Budget we saw, for instance, that $100 million was earmarked for creating jobs for welfare recipients. And a substantial share of this money will, appropriately, go to Canadian youth.

ELECTION PROMISES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to tell the Prime Minister that there are hundreds of thousands of young Canadians who realize today that they have been hoodwinked by one of the most prominent leaders of this country.

I would ask the Prime Minister whether that is not just one more example of a policy which for months now has amounted to nothing more than making promises to electors, only to renege on them, disregard them and do the exact opposite?

Right Hon. Brian Mulroney (Prime Minister): Even coming from a Liberal, Mr. Speaker, this kind of cynisism is absolutely astonishing, totally astonishing!

As reported in *Maclean's,* his Liberal colleague and former Minister of Youth said this, and I quote:

[*English*]

But the youthful Minister—

That was a short-term affair.

—stressed that whatever method young people used to look for employment, it had to be practical.

Ms. Copps: What is your word worth, Brian?

Mr. Speaker: Order, order!

Ms. Copps: You wouldn't know the truth if it stared you in the face.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): John, show some leadership.

Mr. Clark (Yellowhead): We now understand why David Peterson threw her out.

Mr. Speaker: Again, I am going to ask the Hon. Member for Hamilton East to refrain from making interjections, and that will be the last time I will ask.

Mr. Blackburn (Brant): Good teachers don't make threats.

Mr. Mulroney: Mr. Speaker, I know that the Hon. Member for Hamilton East would want to withdraw many of the uncharitable comments she makes, so we will pass on it.

Mr. Nunziata: They were all deserved, Brian.

Mr. Mulroney: The then Minister of Youth concluded:

In the past we could afford to let our youth dream. But when you are hungry, you have to be pragmatic.

That is a quote from the then Minister of Youth. We are trying to ensure that Canada's youth are no longer hungry and that they have permanent jobs.

Some Hon. Members: Hear, hear!

[*Translation*]

ANNOUNCEMENT BY GOVERNMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I listened very attentively to the quotation of the Prime Minister and, in all seriousness, I would ask him whether quoting a statement made over a year ago will give food to young people who had faith in him, who took him at his word, and who are disappointed by today's announcement. Does he seriously think that it will solve their problems?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member used the word "seriously", so let us take an unbiased look at the figures.

Since the new Government was sworn in, 580,000 new jobs have been created in Canada—

An Hon. Member: By others—

Mr. Mulroney: By others, he says. The Government of Canada, yes but . . . be it good news or—

An Hon. Member: It is good, but it is done by others—

Mr. Mulroney: —well, it is good, but it is not done by "others".

Well, now, I understand.

When it is good for Canadians, it is good. When it is good for young Canadians, it is very good. That is the philosophy of the Conservative Government.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

EMPLOYMENT EQUITY LEGISLATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister. This morning he met briefly with some disabled Canadians from the Coalition Against the Employment Equity Bill. They also met for about half an hour with his assistant, Mr. Geoff Norquay, in the Prime Minister's Office. I met just recently with this group and they want to know whether or not the Prime Minister now agrees with their request that the Employment Equity Bill be changed to include a penalty for employers who fail to implement employment equity in the workplace?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this morning on my way to caucus I had an opportunity in the hall to meet with excellent representatives of the coalition who briefly explained their point of view to me. I have since had occasion to discuss it with the Minister, as well as with Geoff Norquay whom I asked to meet with the representatives of the coalition upstairs in the cabinet chamber. He is preparing a report for me, and when I leave the House I will meet with him.

HIRING ON TERM BASIS IN PUBLIC SERVICE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I thank the Prime Minister for the answer. The group also wanted to know if more disabled people will be hired on a permanent basis in the federal Public Service. As of today 76 per cent of disabled people who work in the Public Service are there on a term basis, and when there is a cut-back in spending they are often the first people laid off.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, from our first Throne Speech through our two Budgets there have been a number of measures specifically designed to assist the disabled. This is not enough. We recognize that these are people to whom we owe a great deal. The Government of Canada will continue to work very closely with them to see if we cannot meet some of their legitimate objectives.

* * *

INCOME TAX ACT

COMMITTEE HEARINGS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my question is directed to the chairman of the Standing Committee on Finance, Trade and Economic Affairs. Can he tell the House if simplification of the Income Tax Act is on the committee's agenda?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Standing Committee has broken itself into two panels. One panel has hearings commencing April 8 to delve into the Income Tax Act leading to recommendations on simplification of personal income tax and personal income tax forms.

* * *

YOUTH

FUNDING OF EMPLOYMENT TRAINING

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. He has said that he cares about the close to half a million young Canadians who have not yet found employment. If that is the case, does he not think it proper to restore the funding levels of two years ago when over $200 million extra and an additional 100,000 jobs were provided in our training institutions and direct employment programs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, two years ago the funding directed to young people from the Department of Employment and Immigration was $694.8 million. Even though the unemployment rate is much lower today, the amount now being contributed to training and employment programs for young people is $732.2 million.

AMOUNT OF FUNDING

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, when is the Minister going to hire a new accountant? The fact is that the figures for that year were $950 million and 270,000 jobs. It seems to me what is wrong with the Minister and her Department is that they do not know what is going on.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, all I can say to the Hon. Member is that he has a very selective memory.

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF PENSION AS INCOME

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. Why is a retiree in receipt of a pension and working and contributing to unemployment insurance treated differently from a retiree who also works and contributes to unemployment insurance but receives additional income from a retirement savings plan or from investments?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I realize the Hon. Member is raising the question of changes in regulations regarding unemployment insurance and how they impact on pensions and severance pay. As he knows, new regulations came into effect the first of the year. The whole question has been referred to the Forget Commission for examination in all aspects and we are waiting for its report.

REQUEST FOR REINSTATEMENT OF BENEFITS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Minister take the initiative afforded her by a recent ruling of an Unemployment Insurance Commission board and reinstate benefits, at least for those who have been deprived of benefits they otherwise would have received by virtue of retiring prior to January 5, without having to go back through the appeal process?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there have been many of these cases which have gone to appeal. Some boards have rejected the regulations and other boards have approved them. So there is divided opinion. The next step will be to have these adjudicated by an umpire. As this is a quasi-judicial process and I do not think at this point I should interfere.

* * *

ENVIRONMENTAL AFFAIRS

USE OF ALBERTA COAL TO PREVENT ACID RAIN

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of the Environment. Does the Canadian Government, along with the Ontario Government, have any plans to provide for the use of Alberta sulphur-free coals to prevent acid rain, instead of utilizing American coals containing ten times as much sulphur, and then spending millions of dollars to clean up the mess, much of which would never have occurred if Alberta sulphur-free coals had been used in the first place?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the coal is not sulphur-free but the Hon. Member is right that it is much lower in sulphur than the American alternative we are importing. I have always found that situation at best anomalous and, at worst, bizarre. My predecessor shared my view to the extent of setting up a task force of experts from across the country, with participation by the western provinces, except Manitoba, and Ontario to boot. The task force will report on June 1, 1986. I await its report with eagerness and with a very favourable disposition to the point of view that the Hon. Member has expressed.

* * *

FINANCIAL INSTITUTIONS

GENSTAR—ATTEMPTED TAKEOVER BY IMASCO

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance. He should be aware that last November's report from the Finance Committee expressed concern about concentration of ownership in the financial services industry and the implications of financial institutions being owned by non-financial interests. In light of the bid from the fast food and tobacco giant Imasco to take over Genstar Financial Corporation, which owns Canada's largest trust company and has 70 per cent of its holdings in the financial sector, will he tell the House what action the Government proposes to take before Imasco's takeover bid closes on April 25?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to take that question as notice and refer it to my hon. colleague, the Minister of Finance, who will be happy to answer it as soon as he returns.

* * *

AGRICULTURE

POSSIBLE EFFECT OF PROPOSED UNITED STATES FARM BILL

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Prime Minister said on Friday in this House that the Government's assistance to Canadian farmers would be an extremely high priority in light of the negative impact of the U.S. farm Bills. Can the Minister of Agriculture tell the House what specific assistance programs are being considered to alleviate the effect of these Bills particularly on grain producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member will recognize that Question Period is a very difficult time in which to respond with an answer in great detail. It might be of some help to him to know that my collegue, the Minister responsible for the Canadian Wheat Board, will be making two announcements in the very near future.

• (1500)

POINT OF ORDER

USE OF UNPARLIAMENTARY LANGUAGE

Mr. Speaker: The Chair is ready to rule on the point of order raised by the President of the Privy Council (Mr. Hnatyshyn) on Monday. The Chair, as the House would expect, has carefully examined all the similar cases that could be found. The procedural arguments are absolutely clear. A disorder or breach of the rules must be brought to the Chair's attention at the time of the occurrence. As a consequence, the Chair cannot accept on Monday, a point of order regarding Friday's proceedings which could have and should have been made on Friday, even if that means that certain words offensive to all parliamentarians and clearly unparliamentary remain on the record and unwithdrawn.

The Chair can only do what other Speakers have done in similar circumstances, which is to remind Hon. Members that in some similar circumstances in the past Hon. Members who felt that they had made the remarks that were reported chose to withdraw them voluntarily out of respect for the House and its traditions.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, since we are adjourning today until April 7, perhaps the Government House Leader could give the House some idea of the Government business he intends to call once the House resumes.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the question by the Opposition House Leader.

Mr. Turner (Vancouver Quadra): Give us the inside information, Ray.

Mr. Hnatyshyn: Well, the inside information is simply that we would like to carry on today with second reading of the Bill with respect to the new Competition Tribunal. If we can proceed with that today we may make progress, but there may be an inclination on the part of the Hon. Member for Burnaby (Mr. Robinson) to do something else. We will await for motions. I think there has been an indication that we might have a debate on that today.

In any event, the sequence of Bills I want to present to the House for consideration are Bill C-91, An Act to establish the Competition Tribunal, followed by Bill C-62, the report stage of the Employment Equity Bill which has finished the committee stage. I hope that we can address ourselves to the report stage of that Bill.

Following that, I propose that we move to Bill C-67, An Act to amend the Parole Act and the Penitentiary Act and Bill C-68, An Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code. I believe that will give us a start on Monday. If there is any time remaining we can carry on with other items of legislation.

Having said that, I should advise the House that since we will be adjourning for Easter there may well be Royal Assent for some legislation during the course of the afternoon.

Hon. James A. McGrath (St. John's East): Mr. Speaker, will the Government House Leader tell us if he intends to bring in a House order, in compliance with the recommendations of the Reform Committee that were agreed to by the House, to permit television and radio in the standing committees of the House which have now been struck?

Mr. Hnatyshyn: Mr. Speaker, as I mentioned to my distinguished colleague in caucus this morning, the fact is that the House Leaders will be meeting with representatives of the eminent press gallery immediately upon our return from Easter recess so that we can deal with the rules that are acceptable to all concerned. I hope that we will have television and radio broadcasting introduced to the committees at a very early period to at last allow the people of Canada to see what great work the Government is doing.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I wish to direct a question to the Hon. Government House Leader. Back on December 13, arising out of Private Members' Hour, a motion was passed calling for the establishment of a committee to deal with the price of domestic wheat.

On behalf of farmers of this country, I ask whether any progress has been made in establishing such a committee?

Mr. Hnatyshyn: Mr. Speaker, the Hon. Member and all Hon. Members generally will understand the importance of the Hon. Member's motion to grain producers in western Canada. Discussions are taking place and I think we have the concurrence of the Liberal Party to proceed with that motion. I am now in the process of discussing the matter with the New Democratic Party and hopefully we will be able to work something out that will allow us to get on with this important initiative, even before Easter recess.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the matter can be resolved right now. As I understand it, the Minister of Agriculture (Mr. Wise) is prepared to have both the two-price wheat resolution and the Parity Pricing Bill, which was introduced by my colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), considered by the committee at the same time in accordance with our understanding of the agreement.

If the House Leader can indicate that that is in fact acceptable to the Government, then we are quite prepared to have the motion brought forward immediately and the reference made.

Mr. Hnatyshyn: Mr. Speaker, I greatly appreciate the constructive suggestion made by the Hon. House Leader of the New Democratic Party. As he knows, we have attempted to

facilitate opposition initiatives in respect to these important questions. I will consult with my colleagues and the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) and get back to him. Perhaps we can deal with this matter later today.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I wish to raise a point of order relating to Question Period. During a reply by the Right Hon. Prime Minister, I distinctly heard what I consider to be an unparliamentary term spoken by the Hon. Member for Bourassa (Mr. Rossi). In view of the ruling that you just made, that a point of order must be raised immediately following the infraction, I want to raise this point of order. Furthermore—

Mr. Rossi: What did I say?

Mr. Gottselig: —regardless of whether *Hansard* picked up the word used by the Member, he knows that he made it. Other Members sitting in this area would have heard it.

Mr. Speaker: Could the Member for Moose Jaw tell me what he is saying the Hon. Member for Bourassa said?

Mr. Gottselig: I can't say it.

Mr. Prud'homme: Of course you have to say it if you want him to withdraw.

Mr. Gottselig: I am not going to say it.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker. I never said anything unparliamentary and I insist that the Hon. Member—

[*English*]

Mr. Speaker: Order, please. I take it that the Hon. Member for Moose Jaw is making a complaint to the Chair that he believes he heard an unparliamentary remark which he feels is inappropriate to repeat and is asking the Chair to check the records to determine whether that is true. I take it that is what he is doing.

[*Translation*]

Mr. Rossi: Mr. Speaker, if the Hon. Member for I do not know what constituency says that I made unparliamentary comments during the oral question period, he should have the courage to rise and repeat what I said because, for my part, I am positive that I did not.

We shall have to look at *Hansard* to see who said what.

[*English*]

Mr. Gottselig: Mr. Speaker, the term that I and other Members sitting here clearly heard him say is "bullshit".

Some Hon. Members: Oh, oh! Withdraw.

Mr. Speaker: Is the Hon. Member for Bourassa telling me he did not say it?

• (1510)

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, if that is what he means, I must say that I do not think these comments were unparliamentary because I was not addressing any Member of Parliament. I said that the comments made by the Hon. Member speaking at the time were "b.s.", and what the Hon. Member is now saying is also "b.s.".

[*English*]

Mr. Speaker: The Chair is now in some difficulty. There is no question—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. There is no question that to use that phrase with that word is unparliamentary language, absolutely. I need not refer Hon. Members to the rules about what language is or is not unparliamentary.

Could I ask the Hon. Member for Bourassa (Mr. Rossi) to simply withdraw it, if he thinks he said it. Otherwise I will check the "Blues".

[*Translation*]

Mr. Rossi: Mr. Speaker, my comments were not addressed to a Member of Parliament. I said that the comments made at the time were "b.s.", and I think that what the Hon. Member is now saying is also "b.s.".

I shall withdraw, Mr. Speaker.

[*English*]

Mr. Speaker: Thank you. The Hon. Member for Bourassa simply rose and withdrew it. I accept that.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order because I would like to get a serious ruling with respect to conversations which fly from one Hon. Member to another and are subsequently raised. There was a point of order raised some time ago regarding the Hon. Member for Nunatsiaq (Mr. Suluk) with respect to a statement he made clearly in the House. It was heard by other Hon. Members, and Hon. Members brought it to the attention of the Speaker at the earliest possible opportunity. It seems to me that the ruling of the Chair at that time was not to require a withdrawal from the Hon. Member because of the fact that it was not a recorded part of the—

Mr. Speaker: Order. The confusion I have here is that the Hon. Member for Bourassa (Mr. Rossi) rose to say what he

said. Having said he said it, I must ask him to withdraw it. That is what I just heard him do.

Ms. Copps: Mr. Speaker, I would ask the Chair to review the "Blues" with respect to the submissions made by the Hon. Member for Nunatsiaq because I think if the Chair does review—

Mr. Speaker: Order, please. I heard the arguments on that matter at the time.

An Hon. Member: Give her the general rule, at least.

Mr. Speaker: The rule is that if an Hon. Member—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps it would be simpler if I simply provided the Hon. Member with something.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Barry Turner (Ottawa-Carleton): Seeing as how we are exchanging Easter lilies, let me say that during Question Period I was sitting in the seat of the Hon. Member for Fraser Valley West (Mr. Wenman), and during the Question Period—I admit it was during the heckling part—I heard the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—and other Hon. Members heard him as well—call the Minister of Employment and Immigration (Miss MacDonald) a liar three times.

Some Hon. Members: Sit down.

Mr. Turner (Ottawa-Carleton): I appreciate that the Hon. Member is not in the House at the moment but when he returns to the House, at the earliest possible moment, I suggest, Sir, in the spirit of intelligent parliamentary practice, that he withdraw that statement.

Mr. Speaker: The Chair, following usual practices, would say to the Hon. Member that the Chair did not hear the remarks complained of and the Chair will conduct itself in the usual manner.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. William C. Winegard (Guelph): Mr. Speaker, I want to say to the House that this has not been a very distinguished hour for the House of Commons and Parliament.

Mr. Speaker: Is the Hon. Member for York-Scarborough (Mr. McCrossan) claiming a point of order? Could the Hon. Member give his point of order succinctly, please.

Tabling of Documents

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my point of order concerns the order of business today. I wanted to find out from the Speaker what the order of business was in the sense that I have a standing a request—

Mr. Speaker: Order, please. The Hon. Member should read the Notice Paper.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 84(1), I wish to lay upon the Table on behalf of the Minister of Finance (Mr. Wilson), in both official languages, copies of a notice of a Ways and Means motion to amend the Income Tax Act.

Pursuant to Standing Order 84(2), I ask that an order of the day be designated for the consideration of the said motion.

* * *

[*Translation*]

EXTERNAL AFFAIRS

TABLING OF FINAL REPORT OF CANADIAN CO-ORDINATOR OF EMERGENCY AID—FAMINE IN AFRICA

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to table in this House, in both official languages, the final report of the Hon. David MacDonald, Canadian Co-ordinator of the emergency famine relief services in Africa.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this is the first occasion we have had under the new standing orders to do so and I would like to state that, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition No. 331-2.

[*Translation*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Management and Members' Services.

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

* * *

[*English*]

PETITIONS

Mr. Speaker: I assume all Hon. Members are presenting only petitions which have been certified.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to present, on behalf of residents of Hull, Gatineau, and the surrounding areas, a petition humbly asking Parliament to reconsider its decision concerning the Katimavik program and to address the problem young Canadians are facing generally.

I have the honour to present another petition from the Sir Wilfrid Laurier School seeking the same thing.

I have also another petition seeking the same thing from a group of interested people who are visiting Parliament today.

I have the honour, Mr. Speaker, to present two similar petitions from the Nepean-Carleton riding, another from the Gatineau riding, and two others from ridings in the Ottawa region.

To conclude, Mr. Speaker, I should like to add that I had 97 other petitions which, apparently, the Clerk of Petitions has been unable to certify today. This is something I deeply regret, considering the seriousness of the problem. I have here 97 petitions signed by over 1,000 Canadians. We will have to wait, but I should like these people to know that we are already taking action—

[*English*]

Mr. Speaker: Order, please. That is exactly why I asked if the petition had been certified, and the Hon. Member knows that.

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I humbly wish to table a petition signed by residents from across Canada calling for the Government to re-establish the Katimavik program, who regret the Government's decision to cancel it, and who support the initiative of our colleague in the other place.

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have the honour to present a petition bearing 2,000 names from throughout Manitoba, from the communities of Brandon, Reston, Ste. Anne, Richer, Neepawa, Steinbach, Selkirk, Roblin and the city of Winnipeg. The petitioners are 2,000 young people who deeply pray that this House of Commons will raise its voice to reinstate the full funding of the Katimavik Program on behalf of the young people of Canada. These are 2,000 young people who do not believe Jacques Hébert is piggybacking on them.

PRICE OF GASOLINE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a petition from several hundred residents of New Westminster-Coquitlam, Burnaby, Surrey, White Rock, Delta, Port Moody, Richmond and Langley, all supporters of the British Columbia Automobile Association. The petitioners call upon Parliament to consider withdrawing the separate excise taxes on automotive fuel and reducing the federal sales tax applied on gasoline to a fixed level as it was prior to 1981.

• (1520)

Mr. Speaker, I have a second petition which has also been approved. It is from residents of the same communities in British Columbia who make the same request of Parliament.

Mr. Speaker, I have a third petition from residents of the same communities in British Columbia who also make the same request of Parliament.

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a petition from residents of Kelowna, British Columbia, and other parts of B.C., requesting once again that the House of Commons reinstate full indexation of universal family allowances.

PRICE OF GASOLINE

Mr. Jim Jepson (London East): Mr. Speaker, it is my honour to present a petition signed by 141 constituents of my riding who protest the excessive taxes on gasoline.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Jim Jepson (London East): Mr. Speaker, I also have the honour to present another petition signed by 215 constituents of my riding who protest the illegal operation of the Morgentaler Clinic in Toronto.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have here a number of petitions from residents of Sainte-Foy, Trois-Rivières, Quebec City, Charny, Lac-Beauport, Ville-de-Laval, Longueuil and Farnham, in the province of Quebec, as well as from Manitoba and Ontario, which, according to the Clerk of petitions, meet the requirements of the Standing Orders as to form. The petitioners ask the Government to reconsider its decision to cancel the Katimavik program.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a number of petitions from students of Ottawa and the surrounding area who ask that the Government take the situation back in hand and reinstate a youth program, either Katimavik or one like it.

I also have thousands and thousands of signatures in a number of petitions from La Promenade Secondary School in Hull, Quebec, asking that Parliament and the Government reconsider their decision, revise the Katimavik program and have it reinstated.

[*English*]

Mr. Speaker, I also have several petitions signed by people from Carleton University, Sir Wilfrid Laurier High School, and several other high schools in the Ottawa area, who petition the Government to reinstate full funding for Katimavik for the young people of Canada.

[*Translation*]

Finally, Mr. Speaker, I also have a petition from people residing on Daly Avenue and elsewhere in my constituency of Ottawa-Vanier asking that the Government reconsider its decision to cancel the Katimavik program and humbly pray that this Government reinstate the Katimavik program.

Mr. David Berger (Laurier): Mr. Speaker, I also have a petition concerning the Katimavik program. About a hundred people living in Orleans, Pointe-Gatineau, Cantley and Gatineau ask that Parliament reconsider its decision to cancel the Katimavik program. Those people point to the program's success in respect of youth training and the opportunity to become familiar with our country and its two official languages.

I also have another petition to that effect from the City of Longueuil, Brossard and Chambly on Montreal's South shore.

I have a third petition from the constituency of Drummondville, signed once again by about a hundred people who ask for the reinstatement of the Katimavik program.

[*English*]

Mr. Speaker: They were all certified.

Petitions

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO—REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a petition from residents of the neighbouring riding of Don Valley West. It has been examined and found to be in order. The petitioners protest the continued operation of the Morgentaler Clinic in the City of Toronto. They call upon Parliament to require the Government of Ontario to remove any restrictions which may have been placed on the Metropolitan Toronto police force in regard to the laying of charges under Section 251 of the Criminal Code, and to express to the Government of Ontario the displeasure of this House at such lack of enforcement.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

Miss Aideen Nicholson (Trinity): Mr. Speaker, I also wish to present a petition signed by about a hundred Canadian residents, who submit that the Katimavik program has been a success both in respect of the training of 20,000 young people who were involved over these last ten years, and of the significant community work done by those young volunteers in Canadian communities during that period.

Mr. Speaker, for those reasons the petitioners ask that the decision to kill the Katimavik program be reconsidered.

[*English*]

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have just returned from my constituency where a youth delegation asked me to table a petition in accordance with Standing Order 106(4). Therefore, I have the honour to submit to the House of Commons assembled a petition signed by 1,231 young people from the communities of Kapuskasing, Opasatika, Val Rita, Fauquier, Harty, and Moonbeam. The petition asked that the House of Commons asembled reinstate full funding for the program Katimavik.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO—REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Mr. Elliott Hardey (Kent): Mr. Speaker, I have the honour to present another petition from my people in the riding of Kent which has been examined and found to be in order. They request that Parliament require the Government of the Province of Ontario to remove restrictions placed on the police force of Metropolitan Toronto so that charges may be laid against those operating the premises known as the Morgentaler clinic.

PRICE OF GASOLINE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour and privilege to present a petition from 161 residents from the ridings of Thunder Bay-Atikokan and Thunder Bay-Nipigon. The petition has regard to the price of gasoline in northwestern Ontario. The petitioners call upon the

Government of Canada to use Petro-Canada as the tool to drag down prices.

REINSTATEMENT OF KATIMAVIK PROGRAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have several petitions. The first is addressed to—

[*Translation*]

—that the Katimavik program has been a success both in respect of the training of 20,000 young people who took part over these last ten years and of the significant community work done by those young volunteers in Canadian communities during that period.

[*English*]

It is asking the Government to reinstate this program.

I have another petition which humbly sheweth that in the opinion of the Friends of Katimavik the federal Government's decision to cancel the youth program Katimavik is a short-sighted budgetary measure taken at the expense of Canadian youth and that the Katimavik Program helped thousands of young Canadians develop social skills and employment options while providing an opportunity to do useful community work in different regions of Canada.

I have another petition signed by several dozen friends of Katimavik. It states that all Canadians will be the lesser for the loss of a program that gave young men and women a chance to fulfil their potential and show leadership while helping others. "Wherefore the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate with full funding the Katimavik Program for the young people of Canada." I think it is particularly appropriate on the last day of the House before Easter that it states—

Mr. Speaker: Order, please.

Mr. Hnatyshyn: It was not signed by the Hon. Member for Shefford (Mr. Lapierre).

PRICE OF GASOLINE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, thank you for recognizing me a second time. I have two further petitions which have just arrived. They have been duly certified. One of the petitions is from the community of Nakina, Ontario. It has 25 signatures and asks that the House assembled take action regarding the unprecedented high level of gasoline prices in view of the change in world prices for petroleum.

WATERCRAFT LICENSING FEE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the second petition I have is signed by 324 residents of northern Ontario who ask the House assembled to reconsider that part of Bill C-75 which will impose a licensing fee on individual watercraft whereby no services are being provided by federal Government with respect to these watercraft.

Mr. Speaker: Do I have the unanimous consent of the House to revert for one moment to Presenting Reports from Committees?

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Member for Lévis (Mr. Fontaine).

* * *

[*Translation*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present the Third Report of the Standing Committee on Communications and Culture on Bill C-19, an Act respecting the reorganization of Bell Canada, in both official languages.

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

* * *

[*English*]

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, I have five petitions signed by several hundred Canadian citizens. The petitioners call the Government's cancellation of the Katimavik program a short-sighted budgetary measure as a result of which Canadians in general will be the losers. They are calling upon the House of Commons to reinstate full funding to the Katimavik program.

● (1530)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also have the honour to present a whole set of petitions dealing of course with Katimavik.

To be brief, I have divided the petitions into three groups. The first group includes petitioners from the Montreal metropolitan area who praise the excellent results of the Katimavik program and would like it to be restored.

I also have a group of petitions coming from the metropolitan area of Quebec City and once again the signers ask for the restoration of the Katimavik program which has proved successful during the past ten years.

And, finally, Mr. Speaker, I have a group of petitions coming from the Ottawa area and here again hundreds of

signers are asking that the program be reinstated since it has been so helpful to many young people in the past and could help others who would also like to take advantage of that excellent program.

[*English*]

ABORTION LAWS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have three petitions to present, all from the constituency of Essex-Windsor, all expressing concern with the abortion laws in this country and indicating their unhappiness with the state of implementation of those laws in Ontario.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

M. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I also have eight petitions from hundreds of people throughout Quebec who ask that the decision to cancel Katimavik be reconsidered. These petitions have been certified and they are in order.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I also have nine petitions with many signatures. The petitioners state that the Katimavik program has been a success, both as concerns the training received by the 20,000 young participants in the program during the last ten years, and the major community projects undertaken by these young volunteers in Canadian municipalities during this same period.

The petitioners ask the Parliament of Canada to reconsider the decision to cancel Katimavik.

[*English*]

I have as well four other petitions containing the names of approximately 130 or 140 petitioners. The petitioners state that in the opinion of the friends of Katimavik, the federal Government's decision to cancel the youth program Katimavik is a short-sighted budgetary measure at the expense of Canadian youth. The petitioners request the Conservative Government of Canada to reinstate with full funding the Katimavik program for the young people of Canada.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I was just counting the pages and found that there are over 30 pages with 30 signatures per page in one petition which has been duly authorized. I have the privilege to present this petition which deals with the fact that the cancellation of the Katimavik program which helped thousands of young Canadians develop social skills and employment options while providing them an opportunity to do useful community work in different regions of Canada has brought serious concern to parents and they ask Your Honour to please consider reinstating the Katimavik program.

[*Translation*]

I have a petition from the undersigned who humbly state that the Katimavik program gives young Canadians an opportunity to become more familiar with their country and the language and culture of its citizens. They therefore humbly ask Parliament to reconsider the decision to cancel Katimavik. The undersigned come from Sainte-Claire, Île-des-Sœurs, Matane, Beauceville, Lac-Beauport, Stanton, Saint-Nazaire, Saint-Camille, Saint-Georges, Saint-Odilon, Richelieu, Saint-Malachie, Saint-Léon, Kitchener, Waterloo, Orangeville, Sidney, Vernon, St. John, Moncton, Calgary, Vancouver, Kitchener, Île-d'Orléans—

[*English*]

The petitioners all request consideration of this drastic measure as do the people of Antigonish, Springfield, Halifax, etc.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I also have the honour to present a few petitions from residents of Buckingham, Pointe-Gatineau, Touraine, Ottawa, Hull, Rural Road No. 2, Belcourt, Riverview, New Brunswick, Wolfville in Nova Scotia, Kemptville in Nova Scotia, Liverpool in Nova Scotia, and Sussex in New Brunswick. Mr. Speaker, the petitioners deplore the Government's decision to end the Katimavik program and humbly call upon the Government to reconsider its decision.

[*English*]

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have several petitions signed by hundreds of Canadian residents from various parts of the country pointing out that the cancellation of the program Katimavik was a short-sighted measure by the Government and calling on the Government for full restoration of the program Katimavik on behalf of young people all across Canada who are in very grave danger of becoming a national tragedy.

* * *

COMMITTEES OF THE HOUSE

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT—
AUTHORIZATION TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there are three items that I would ask to be dealt with by the House now and these items will be dealt with on the basis of discussions between Parties. Agreements have been arrived at with respect to the orders.

The first deals with an order with respect to the Standing Committee on Aboriginal Affairs and Northern Development, and I think you would find a disposition to receive by unanimous consent and have passed without debate the following order:

That the Standing Committee on Aboriginal Affairs and Northern Development be empowered to travel to the Sechelt Indian Reserve in the Northwest Territories and the Yukon during the period April 20, 1986, to May 2, 1986, and that the necessary staff accompany the committee.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

CHANGES TO MEMBERSHIP OF COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the second order deals with the membership of Standing Committees, and again I think you find a disposition to receive the following order by unanimous consent and to have it passed without debate:

That the following changes be made in the membership of the Standing Committees:

Aboriginal Affairs and Northern Development, Pietz for Nickerson;

Consumer and Corporate Affairs, Nickerson for Lawrence;

External Affairs and International Trade, Johnston (Saint-Henri-Westmount) for Gray (Windsor West);

Finance and Economic Affairs, Nicholson (Trinity) for Johnston (Saint-Henri-Westmount);

Human Rights, King for Pietz;

Multiculturalism, Jacques for Lesick; and

Transport, Dantzer for Belsher.

● (1540)

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

DESIGNATION OF MEMBERSHIP OF LEGISLATIVE COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, having had consultations, I should like to draw a third item to the attention of the House. I think Your Honour will find disposition to receive the particular order and to have it passed without debate, by unanimous consent. It reads:

Notwithstanding any previous reports of the committee appointed to prepare and report lists of membership to compose the legislative committees, that the membership of the following legislative committees be as follows:

Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof—Althouse, Binns, Blais, Cardiff, Clark (Brandon-Souris), Foster and Fraleigh.

Bill C-45, an Act respecting employment and employer and employee relations in the Senate and the House of Commons—Cassidy, Copps, Crouse, Ellis, Grisé, Lewis and McGrath.

Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof—Blackburn (Jonquière), Boudria, Bradley, Daubney, Duguay, Hovdebo and Stewart.

Bill C-88, an Act to authorize the acquisiton of Marine Atlantic Inc. and to provide for other matters in relation thereto—Angus, Cochrane, Forrestall, Gray (Bonaventure-Îles-de-la-Madeleine), Nowlan, O'Neil and Tobin.

Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof—Attewell, Cadieux, Domm, Howie, Kempling, Orlikow and Ouellet.

Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act—Champagne (Champlain), Gagnon, James, MacLellan, McDermid, Sparrow and Waddell.

Bill C-94, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments—Johnson, MacLellan, McDermid, O'Neil, Price, Sparrow and Waddell.

Bill C-249, an Act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario—Kempling, Malone, Penner, Plourde, Reimer, Rodriguez and St. Germain.

Bill C-250, an Act to amend the Auditor General Act—Hovdebo, Kempling, Malone, Nicholson (Trinity), Plourde, Reimer and St. Germain.

Bill C-251, an Act to amend the National Anthem Act—de Corneille, Kempling, Malone, McDonald, Plourde, Reimer and St. Germain.

Bill C-252, an Act to amend the House of Commons Act (estimates)—Deans, Gauthier, Kempling, Malone, Plourde, Reimer and St. Germain.

Bill C-253, an Act to amend the Bankruptcy Act (farmers and fishermen)—Althouse, Foster, Kempling, Malone, Plourde, Reimer and St. Germain.

Bill C-254, an Act to amend the Criminal Code (legal counsel for unborn child)—Kaplan, Kempling, Malone, Plourde, Reimer, Robinson and St. Germain.

Bill C-256, an Act to register lobbyists—Boudria, Kempling, Malone, Orlikow, Plourde, Reimer and St. Germain.

Bill C-257, an Act respecting the conservation, export and diversion of water resources—Blaikie, Foster, Kempling, Malone, Plourde, Reimer and St. Germain.

Bill C-259, an Act to amend the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act—Kaplan, Kempling, Malone, Plourde, Reimer, Robinson and St. Germain.

Bill C-260, an Act to amend the Identification of Criminals Act (publication of cards)—Kempling, Malone, Nunziata, Plourde, Reimer, Robinson and St. Germain.

Bill C-262, an Act to change the name of the electoral district of Nunatsiaq—Guilbault (Saint-Jacques), Kempling, Malone, Murphy, Plourde, Reimer and St. Germain.

An Hon. Member: Dispense with the rest.

Mr. Hnatyshyn: Mr. Speaker, I would be glad to dispense.

Mr. Speaker: The House has heard the terms of the motion which requires unanimous consent for its introduction. Is there such consent?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I wonder whether the Government House Leader would read the last paragraph of that motion because it is very important.

Mr. Hnatyshyn: It continues:

And that the proceedings relating to the Twenty-seventh Report of the Striking Committee be declared null and void.

That is the operative part.

Mr. Speaker: There being unanimous consent for the introduction of that motion, shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

EQUALITY RIGHTS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Svend J. Robinson (Burnaby) moved:

That the First Report of the Subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs, presented to the House on Friday, October 25, 1985, be concurred in.

[*Translation*]

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: Yes, Mr. Speaker. I sent you notice that I wanted to seek leave to hold an emergency debate under Standing Order 29. I would like to know—

[*English*]

Mr. Speaker: As I indicated to the Hon. Member for York-Scarborough (Mr. McCrossan), the Hon. Member might want to read the Order Paper. Applications under motions under Standing Order 29 come after Questions on the Order Paper, which come after motions. We are now at motions, and the Hon. Member for Burnaby (Mr. Robinson) has the floor on his motion.

Mr. Robinson: Mr. Speaker, it is an honour to rise at this point to move concurrence in the First Report of the Subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs.

On April 17, 1982, Parliament took an historic step toward full equality for all Canadians by adopting Section 15 of the Charter of Rights and Freedoms. Of course Section 15 is the section dealing with equality rights. In adopting Section 15, Parliament took the position that where Governments, and in particular where parliamentary majorities and legislative majorities, are prepared to trample on the rights of minorities, or where they refuse to move to protect the rights of minorities, there must be some recourse to an independent tribunal. When those fragile freedoms about which Tom Berger wrote so eloquently are threatened, "the courts of the land must offer a means of recourse to citizens whose rights are violated".

Of course it is true that recourse to the courts of the land can be costly and time consuming, and that ultimately we must look at the composition of the judiciary in deciding important questions of social and economic values. We in the New Democratic Party and our predecessors in the CCF have fought for decades for the principle of an entrenched Charter of Rights and Freedoms, a statement of certain fundamental values and beliefs in our democratic society, a statement of a commitment by the country to full equality.

It was with considerable sadness that we noted that Parliament saw fit as well to include Section 33 of the Charter of Rights, the section which in effect allows parliaments or legislatures, at the stroke of a legislative pen, to override the most fundamental and basic of human rights.

I mentioned the date of April 17, 1982. At that time Governments, both federal and provincial, were given three years before Section 15 of the Charter of Rights and Freedoms came into effect, three years to enable them to bring their laws, their policies and their practices into compliance, three years to ensure that the equality on paper in Section 15 would become equality in reality for Canadian men and women.

Three years passed and at the end of that time those Canadians who were affected most strongly by the denial of equality observed that very little had changed. There had been no real legislative change, no real change in policy. Indeed, the only change in respect of the status of women in Canada was an amendment to the Canada Shipping Act to allow women as well as men the right to send wages to their families offshore. The only change in law by the Government of Canada affecting the rights of the disabled was again an amendment to the Canada Shipping Act which changed the word "lunacy" to the words "mental disability". That, after three years, was the sum total of the Government's response. I emphasize that we are talking about the previous Government as well as the current one. That was the level of their commitment to full equality for all Canadians.

[*Translation*]

Mr. Speaker, I notice here that the Prime Minister (Mr. Mulroney) himself said: Since we are the children of freedom, it is up to us to defend the cause of human rights and minorities every time they are threatened, and threatened they are indeed!

[*English*]

In January of last year, the Minister of Justice (Mr. Crosbie) appointed a seven-member parliamentary committee to examine the implications of the coming into force of Section 15 of the Charter of Rights and Freedoms. That section came into full force on April 17 of this year. I had the honour of serving on behalf of the New Democratic Party on that committee. At this time I want again to pay tribute to the outstanding work done by my colleagues from all Parties on that committee. There were five members of the Conservative Party. The committee was chaired very ably by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), as well as the Hon. Member for Mount Royal (Mrs. Finestone) representing the Liberal Party, and myself.

I note initially that the position taken by the Official Opposition, by the Liberal Party, as expressed by its justice critic, was unfortunately to suggest to Canadians that they should have nothing whatsoever to do with this process. Indeed, he went so far as to send a letter to all of the groups who appeared before the constitution committee urging them

to boycott this committee and the process. Fortunately, Mr. Speaker, that letter was ignored, and the committee did its work. The committee worked incredibly hard. We had hearings across this land for many months. We heard from over 250 organizations and individuals. We received well in excess of 500 written submissions.

● (1550)

Incredibly, and I say incredibly, the committee was able to arrive at a unanimous report after vigorous debate and discussion, a report which reflected our views of the importance and the need for fundamental changes arising from the coming into force of Section 15 of the Charter of Rights and Freedoms.

We recommended sweeping and major changes to federal laws and policies in a whole range of areas touching many aspects of Canadians' lives. In all, in our report, we made some 85 recommendations. As I say, many of these recommendations would fundamentally alter the social and economic fabric of the nation. It would, in effect, put flesh on the bones, the skeleton of Section 15. Were these recommendations to be implemented, it would ensure that Canadians would not be forced into the courts of the land to fight for their fundamental rights and freedoms.

That landmark report was tabled by our committee in October last year. We awaited with great interest the response of the Government to these recommendations. That response was finally tabled by the Government this month on March 4, and it is interesting to note the title of the Government's response. Our committee report was entitled "Equality for All" and that was our objective. The response of the Government was entitled "Toward Equality". I suggest that that accurately reflects the failure of the Government to move with respect to a number of very key and critical recommendations of the sub-committee on equality rights.

There is no question that in a number of significant social areas in particular the Government has in its report, in its response to our committee, made significant advances on paper. The words are there. The Government is saying very clearly that it is prepared to commit itself to important changes in response to the unanimous recommendations of this report. My colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald) is going to speak on a number of areas of concern as well as colleagues from all sides of the House, I hope, in support of this motion of concurrence, and I would hope we could have a unanimous vote of support for this important report which, after all, was concurred in unanimously by members of the committee.

I intend in the few minutes remaining to me to highlight some of the areas that we as new Democrats are most concerned about in the Government's response. In many ways the Government response, in underlining time and time again the need for further action and study, falls far short of what we as a committee have recommended.

The committee recommended, for example, major changes in the area of the Canadian Human Rights Act. We recommended concrete, specific amendments. What is the response of the Government? It says it will give careful consideration to the fundamental question as to whether the Canadian Human Rights Act should be amended in the direction recommended by our committee.

The Government talks about study, consideration and further consultation. That was to have been the purpose of our committee. We do not need further study, further consultation and further consideration. What we need in the area of equality is action. That was precisely what the Equality Rights Committee recommended.

Let us look at some of the groups most affected by the recommendations of the Equality Rights Committee. A majority of citizens in this country, 52 per cent, are women. Yet in many respects women are still second-class citizens in the social and in the economic sphere in particular. What were the recommendations of our committee, and how did the Government fall short? With respect to important changes in the area of unemployment insurance, the Government has said: "More study. Wait until the Forget Commission has released its reports before our recommendations in the area of maternity and parental benefits are going to be adopted."

In the area of pensions, the Government has rejected a number of our key recommendations for improving pensions. After all, Members of this House know well that it is elderly women who are the poorest in our society. It is elderly women who must have improved pensions. The Government has refused to accept a number of our key recommendations in this area.

Let us look at one of those recommendations. We said that it was wrong and discriminatory for the Government to extend a spouse's allowance to the poor between the ages of 60 and 65 and that that extension, which did not apply to single poor or to the divorced poor between the ages of 60 and 65, was in breach of the law of the land, that it violated the Constitution in Section 15.

The Government says: "Yes, we acknowledge that there are a significant number of poor men and women", and I say, Mr. Speaker, particularly poor women between the ages of 60 and 65, "but we cannot afford equality for these poor people between the ages of 60 and 65".

You cannot put a price tag on equality, Mr. Speaker. It is fundamentally wrong for the Government to say: "Yes, we acknowledge that the Charter calls for equality in this area but we are not prepared to accept it because it will cost us too much". Where are the priorities of the Government when it is prepared to extend a half a million dollar capital gains tax exemption to the wealthy and at the same time says it cannot afford basic economic equality for poor men and women in Canada between the ages of 60 and 65?

The Government has failed to act on our recommendations with respect to amending sex based mortality tables and to replace them with unisex mortality tables. The Government has failed to act with respect to our strong recommendation that women to give full access to all trades and occupations in the Canadian Armed Forces, that women be judged as

individuals and not be lumped together as a group, discriminated against and denied access to some 40 trades and occupations, which they are quite capable of doing. We studied this question as a committee. We heard representations of the Armed Forces and others and we unanimously came to the conclusion that this denial of equality for Canadian women within the Armed Forces must end.

The Government again, on paper, has said "Yes, we are prepared to move. Yes, all trades and occupations will be opened" but when push comes to shove, there is no action. The Government says: "We are going to have a task force." Guess who will be on the task force? It will be the male generals who will decide whether or not women can operationally handle all trades and occupations. What we have is more study and more task forces.

In the area of part-time work, the Government says "Wait and see". We may do something but we are not sure yet exactly what we are going to do. We should explore more options". We have explored these options long enough. The systemic discrimination against women who are part-time workers must end. Seventy-two per cent of all part-time workers are women and they are discriminated against in the workplace.

On the question of employment equity, the Government has said Bill C-62 is good enough. This is the employment equity legislation before this House. In a really quite remarkable step, the Equality Rights Committee said: "No, you must go further. There must be effective enforcement mechanisms. There must be penalties. There must be an assurance of contract of compliance for companies doing business with Ottawa and major federal Government departments and agencies must be included. The Government says "Forget it. We are not prepared to move on this employment equity question," which is of such fundamental concern to women, to visible minorities, to the disabled and to native people in particular.

● (1600)

The Government rejected our proposals with respect to broadening the Human Rights Act to make equal pay for work of equal value a reality. There was no mention in its response to the issue of child care. The Government says it will study the question further. It will further examine the issue of maternity benefits for women in the Canadian Armed Forces, but has taken no action. There is no action with regard to political rights for spouses of members of the Canadian Armed Forces who live on bases as the committee recommended. There has been no action on many other important recommendations as well.

It is no wonder the Canadian Advisory Council on the Status of Women has said that it is extremely disappointed in the Government's failure to address the principle of equality betwen the sexes. As the Council says, women will not accept any further deferral of implementation of their hard-fought constitutional rights.

We made important recommendations in other areas as well, Mr. Speaker. In the area of marital or family status we suggested that in Canada today we must recognize that a significant number of Canadians are involved in common-law relationships. The discrimination which currently exists against those involved in such relationships must come to an end. Those relationships should be recognized under all federal statutes.

With regard to the area of religious observance, we recommended a system of statutory holidays which would respect the religious diversity of the nation. The Government says there will be more study and more deliberation, but no action. There are approximately two million Canadians who are physically and mentally disabled. The Government says that it likes our recommendations, but needs more time for study and research. The disabled community in the country is insisting that the time has come for action, rather than for more study.

We were pleased with the Government's commitment to amend the Canadian Human Rights Act to deal with the principle of reasonable accommodation. There will be more study in the area of political rights for public servants. We were pleased with the Government's response in the area of mandatory retirement, and we emphasize that we are studying the possibility of retiring at an age of less than 65. That flexibility, with a reasonable pension, is our objective.

With regard to women in the Armed Forces, I mentioned the hurdle which has historically existed and the attitudes which have been such a barrier to women. An example is the comment of the Member for Calgary East (Mr. Kindy) who said: "Physically it's a tough game. Do you see a woman changing a big tire? You have to have the physical strength".

Finally, in the area of sexual orientation, the Committee on Equality Rights made strong recommendations for specific changes. It recommended amending the Canadian Human Rights Act to include sexual orientation. The Government has made no commitment. The committee recommended that the Armed Forces and the RCMP, two of the most homophobic employers in the country, should amend their policies to end discrimination against gays and lesbians. The order which continues that discrimination in the Armed Forces remains on the books today. It has not been amended, and another task force has been struck to study that important question. We recommended that the security clearance guidelines be changed, and the Government said there is no need. We called for a uniform age of consent and the Government said that it does not have to act on that at this point, but will study it further.

I want to pay tribute to the gay and lesbian community across the country which made very eloquent submissions in response to Private Member's Bill C-225, which was referred to committee. It talked in very real and personal terms about the implications of continued discrimination. I want to pay tribute to the equality rights group here in Ottawa which initiated a national campaign to urge the Government to act on our important recommendations.

Finally, I want to voice my concern with respect to the Government's refusal to move forward with legislative change. When I spoke on this issue three weeks ago one of the Tory

dinosaurs who is opposed to these recommendations yelled out: "Don't hold your breath". He said that we should not hold our breath because we will not see the changes in reality. Mr. Speaker, I am calling upon the Government to make equality a reality for all Canadians. The Standing Committee on Human Rights will have the mandate to ensure that the recommendations of this report become a reality, and we will continue to press for full implementation of the long overdue recommendations.

Mrs. Finestone: Mr. Speaker, it was my pleasure to share this experience with my colleague, the Member for Burnaby (Mr. Robinson) and five members of the Conservative Party. Does the Member not have some sense of hope that as a result of this report we will move toward equality in any way?

Mr. Robinson: Mr. Speaker, many of us were pleasantly surprised by a number of the more progressive suggestions made by the Government in a number of areas. The committee had hoped that the Government would move forward, and the commitment is on paper.

In response to the specific question, I am considerably concerned by the suggestion by a number of Conservative Members of Parliament, including the Hon. Member for Calgary East and the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), in the areas of the role of women in the Canadian Armed Forces and putting an end to discrimination on the basis of sexual orientation, that while the words are there, these changes will not become reality.

As an example, on the issue of sexual orientation, the Member for Calgary East said that he, along with over 50 per cent of the Tory MPs, opposes the recommendations. The recommendations are not for special rights, but for ending discrimination. They are opposed to recommendations for helping to put an end to an atmosphere of intolerance, oppression and pain which can lead to violence, as we saw in the tragic death of the young teacher in Toronto. The Member for Calgary East said: "We are condoning a third sex, somebody who is not exactly normal. We are changing the moral fabric of the nation this way. We are sending out a dangerous message".

I regret to say that the Liberal Member for York South-Weston (Mr. Nunziata), the critic of the Solicitor General for the Liberal Party, has said that he is opposed to the recommendations with respect to sexual orientation. He believes that the recommendations with respect to the RCMP should not be implemented. He said he would consider it an invasion of his personal privacy if he had to be searched by a homosexual Mountie. For heaven's sake, if that is the kind of attitude we have in the House we must ask ourselves how this particular Member would feel about women in the RCMP. Does he have an aversion to being searched by women? Would he keep women out of the RCMP as well?

In response to the question of my hon. friend from Mount Royal, I acknowledge that progress has been made. If nothing else, the squeals of outrage from the more reactionary forces within the Tory caucus gives some indication of that. Nevertheless, I await, as I am sure many other Members of the House and women and minorities across the country do, specific and concrete proposals for legislative change.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it gives me a great deal of pleasure to rise in this House on behalf of the Liberal Party to comment on the Government's response to the report, *Equality for All*. I wish I could feel a great sense of joy, and I wish the name of the report had been "Equality for Real". Nonetheless, I believe that a small step toward equality has been achieved. I will, however, indicate the areas in which I feel disappointed.

Four years ago the Liberal Government and its provincial counterparts brought to Canada the guarantees which are so vital to life in a democratic society such as ours. They express, in legal terminology, the values which we hold dear, the values we proudly stand for on the world stage, the very values we wish to protect and pass down to our children and our children's children. Those are the kinds of values which are in this very wonderful constitution and the Charter. We entrenched, for the first time, in this constitutional document of rights, rights which are indispensable in a world in which oppression can much too easily overwhelm democracy and justice.

As the representative of the Liberal caucus on the parliamentary committee established to study the equality section of our Charter of Canadian Rights and Freedoms, I was part of that very special group of parliamentarians asked to propose ways and means to implement the intent of the law so that all Canadians would benefit fully from Section 15 of our Charter. This was to ensure that our laws and institutions, our judicial system, contain the appropriate safeguards to meet the constitutional requirements set out in Section 15 of the Charter. A difficult task for our committee? Monumentaly difficult when you consider the depth and extent of Section 15.

• (1610)

I want to take this opportunity to express to my confreres and our staff my respect and admiration for their commitment to the task. To all those groups who exercised their democratic rights and fulfilled their obligations to the sector of society whose interests they addressed we all owe a debt of gratitude. They brought many issues of discrimination to our attention for consideration. In a sense the true partnership, the linkage between the voluntary sector and Government initiative was concretely demonstrated, in the best interests of our society. I would like to quote the full extent of this section.

[*Translation*]

Section 15 reads as follows:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

At first blush, Mr. Speaker, this statement would seem so straightforward and so basic to any fair and charitable individual that, hopefully, its implementation should be nothing more than a mere formality. After all we live in a free and

civilized country where all Canadian men and women enjoy equal opportunities to succeed and share their national wealth. But the truth about such equal opportunities has been warped to a certain extent, if we are to believe the witnesses and the evidence we heard.

We also live in accordance with personal and institutional codes of behaviour which mirror the spirit of freedom, initiative and equality in which we all believe. Those are principles to which my Party fully subscribes and which have always been particularly dear to me.

[*English*]

Therefore the opportunity to participate in the process of bringing the Charter even closer to all Canadians was a great personal challenge. However, I would be less than honest if I did not tell you that there were moments during the consultation process when I wondered if there was any humanity at all in our behaviour towards individuals and groups in our society. The reality of those words "systemic discrimination" came home again and again, particularly from highly identifiable groups. I hope that even though I personally have a sense of disappointment with the resolutions the Government placed before us in its response, the report *Toward Equality*, we sensitized people to the fact that they are not being discriminated against individually but as a collective; that together we must find the means to resolve the problem. If we can do that, then we have accomplished something.

While we did encounter certain complex legal and jurisdictional questions which must be addressed, it was also frustrating to be studying issues which should have been resolved years ago. These issues have been shuffled from one committee or study group to another because they were political hot potatoes, economically costly, or did not fit the mould of society from a business perspective. The Government's response is a reflection of the fact that those considerations were more important than individual equality and the removal of discrimination.

Why are people in wheelchairs still prevented from entering certain buildings, visiting museums, art exhibits or theatres, or travelling on aircraft or by rail because of inadequate facilities? Why do we add insult to injury by telling these people that their lack of mobility makes them ineligible for certain jobs? Why do we continue to look at people based on their disability rather than on their ability? That is a key to our moving forward. Why are women still coming before committees like ours pleading for some semblance of equal treatment in the workplace? Why are their jobs and salaries in jeopardy when they choose to have a baby and wish to take maternity leave? Why is it so outrageous that a father would want to take time off as well to spend with his baby? Why does he have to pretend he is sick or that there has been some family tragedy which prevents him from coming to work? Why do our laws not reflect what we say? If they did, then maybe we would have a more humane approach to our problems. Why are energetic and enthusiastic people automatically stripped of their dignity at age 65 with no recourse? We must look at individuals, not the collective. That was the thrust of our action. Why are certain jobs all right for women in the Armed Forces when others are restricted to men only? When are we going to get rid of that stereotype thinking which prevents us from looking at a situation as a whole and basing our decisions on individual capacity, and the role, function and task of a job clearly defined? Why are gay people still encountering discrimination in the workplace or when they are trying to find a place to buy or rent?

I was proud of the way our committee dealt with the mandate we were given. We took a broad and very generous view of Section 15 of the Charter. In our view the prohibition grounds of discrimination listed are simply illustrative and do not exhaust the forms of discrimination prescribed by the Charter. We are well aware that equality is an elusive concept. We gave very careful consideration as to why equality does not necessarily mean equal treatment. The focus is, rather, intended to achieve equality of results. The words of Mr. Justice Brian Dickson, which we selected to introduce our report, express in the most succinct way the reasons we anticipated formal Government initiatives to remove inequality through legislation, obviating the judicial approach where possible. It bears repeating as a constant reminder to all of us. If I had my druthers, and I just might, I would send a memo to every Member of this House to be tacked up on their desk and read once a day. He said:

> A constitution . . . is drafted with an eye to the future. Its function is to provide a continuing framework for the legitimate exercise of governmental power and, when joined by a . . . Charter of Rights, for the unremitting protection of individual rights and liberties . . . (It is not to be read) "like a last will and testament lest it become one".
>
> —while the courts are guardians of the constitution and of individuals' rights under it, it is the legislature's responsibility to enact legislation that embodies appropriate safeguards to comply with the constitution's requirements.

I suggest that if we really want to do our job as legislators, we will first write laws that can be understood without consulting a million lawyers on whether it is black, white or grey. As well, the laws enacted should be capable of being enforced. Do not make laws which are unenforceable. That is what this is all about.

Our report contained 85 recommendations. If enacted, these recommendations will put us at the leading edge of change in a proactive rather than a reactive way.

● (1620)

Our Parliament is the most effective vehicle for dealing with inequality and discrimination. It is my understanding that some of the recommendations have not been politically popular in the Tory caucus and there are a few members in my caucus who do not find them politically popular or satisfactory from a personal viewpoint. That is not acceptable. It is not one's visceral reaction that dictates the right to equal treatment and equal opportunity in our society. I know that these Members have been working against certain recommendations and have suggested sending them back for further study. This causes me great pain and sorrow. Section 15 is the law of the land and we should no longer think in terms of what is politically popular.

Let our principles, rather than the latest Decima polls, be our guide.

In the time I have remaining let me summarize my Party's stand on the recommendations of the *Equality for All* report. With respect to employment equity, we believe that one of the basic building blocks for someone to be well integrated into society is equal opportunity in the employment market. Therefore, we believe that as a constitutionally enshrined right, no person should be denied employment opportunity or benefits for reasons unrelated to ability. The only limits deemed acceptable to guaranteeing rights and freedoms under our Charter are those enunciated in Section 1 which calls for such acts to be demonstrably justified in a free and democratic society. In other words, rather than a magic age limit or an opinion, there must be cause and concrete judgment before making a determination that someone cannot have a job.

Bill C-62, the proposed Employment Equity Bill, does not meet the intended goal of equal opportunity for the handicapped, visible minorities, native people or women. A law that has no mandatory enforcement mechanism is a law with no teeth. It is a sham, and I ashamed that any member of the Government would put a signature to a Bill that has no way of being effective. It is totally inadequate for the Minister to provide a ministerial citation for excellence rather than mandatory operation and enforcement mechanisms. It is a law with no effective force. It has no sanctions, outside of moral suasion. We have had many years of experience with moral suasion, with very little results. It is time to take steps that will bring about the needed results.

It is regretable that the amendments so carefully considered and proposed by my colleagues fell on the deaf ears of Tory legislators. Time permitting, I will read the very succinct recommendations Nos. 62 and 63 which we put forward at page 51. I suggest that Government Members read them again.

The ground of reasonable accommodation should be added to the Canadian Human Rights Act. That is, such special provisions as would not cause undue hardship to the employer but is in response to the needs peculiar to classes of employees who are protected from discrimination by the terms of the Act. If I have time I would like to talk about Mr. Binder whose case was determined in the court. His brother has suffered from discrimination because of the same lack of application of the rule of reasonable accommodation and the right to work under our laws. The application of that rule was a specific request from the Chairman of the Canadian Human Rights Commission which has been ignored in this report.

Our Party endorses the report's recommendations with respect to the participation of women in all trades and occupations in the Canadian Armed Forces. It is my Party's belief that sexual discrimination within the Armed Forces is intolerable. During our committee hearings we were told by the opponents of female participation that there was the potential for adverse social and sexual relationships. Such arguments are specious and highly reminiscent of the reasons used formerly to justify keeping women out of the paid workforce. They were not valid then and they are less valid now.

I find it astonishing that arguments for the limitation on the role of women in combat-ready roles are based on such notions that combat work is man's work. That is just the pattern of thinking that our Charter was intended to displace. If cultural acceptance is the litmus test for enforcement of a right, no one has any rights except at the discretion of the majority. Women are in combat-ready roles in other countries and have proven that they can do the job. To deny women who wish to serve their country the right to combat-ready roles is to deny them the right to valuable employment opportunities, training, education and promotion within the Canadian Armed Forces. Furthermore, it denies them their full rights as equal citizens of this land. My Party believes that such treatment is unjustifiable. As a mother, I am not anxious to have my children, sons or daughters, choose the Armed Forces for their career but if that is what they want, that is their right.

With respect to mandatory retirement, I remind the Minister of Justice (Mr. Crosbie) that the use of age as a factor of discrimination is now illegal. The Minister should fix his laws. The argument of normal age of retirement is no longer valid as a rule of thumb defence for everyone. This Act respects the ability of individuals to meet the requirements of the task as the yardstick of measure, not an arbitrary age. We must not substitute a retirement policy for a personnel policy. Rights are not an administrative convenience. Decisions must be made on bona fide occupational requirements, not on industry standards. The Canadian Human Rights Act should be so amended without delay.

We on this side of the House are ready to fight for the right of older people to contribute to our society and country for as long as they are able. Certainly, there will be some jobs in which retirement age is justifiable, as has been covered in Section 1. When a person is dismissed from his or her job simply because he or she has reached the age of 65, that person has suffered profound discrimination. It is a senseless judgment of a person's worth that is based on age alone. Such inequality no longer has a place in Canada's work ethic.

Although the Government has indicated that mandatory retirement will be banned, I am not convinced that the federal Government has given it thorough consideration. There were no proposed amendments to the Unemployment Insurance Act which currently denies benefits to workers over the age 65.

The present rules restricting maternal benefits to the female parent are not adequate. Fathers also have an interest in being involved in the care of their newborn children, yet the present law does not give them the same opportunity afforded mothers to provide that care, as maternity benefits are available only to women. We gave a very good analysis in our report, and the Canadian Human Rights Commission recommended that the Unemployment Insurance Act be amended to ensure that the portion of maternity leave relating to social adjustment or infant care be available to either parent. I am pleased to say that my Party endorses this recommendation, unlike the Government that says this area requires further study.

Let me deal with the area of child care. The last thing the Government needed at this time of fiscal restraint and concern over the deficit was to spend hundreds of thousands, perhaps a million dollars on another task force. The need for a variety of child care services has already been demonstrated and we simply need to find a mechanism to put it into place. This does not involve simple economics but a creative approach to how we will look after our youth who are the future of this country. I hope the Government will realize that our youth are the future of this country, and becomes aware of what it is doing to our youth, even up to the age of 25 and 30.

If the Government is going to spend this amount of money on a task force which will result in this protracted delay, I am tempted to encourage mothers to take Mila Mulroney's advice and begin bringing their children to the office.

Sexual orientation must be specifically added to the list of prohibitive grounds for discrimination in employment, housing and accommodation, contracts and services. People whose sexual orientation is gay or lesbian ought not to be excluded from the protection afforded all other citizens, either through the neglect or failure of Government to develop the legislation that would provide that protection. To leave one group in society without such protection and open to discrimination is a dangerous precedent. In a democracy it is equally dangerous to leave the decision about the inclusion or exclusion of any particular group from human rights safeguards to the will of the many at any moment in history.

● (1630)

Homosexual people, like everyone else, deserve a fair chance, not a special chance. I know that this is a difficult thing to understand but it is something we must remember.

With respect to religious holidays, we have not gone far enough in our efforts to amend laws which result in religious minorities being discriminated against. The Minister of Justice (Mr. Crosbie) says he will try to "reasonably accommodate" people whose days of religious observance do not fall on Sundays or other statutory holidays, possibly by allowing them to take alternate holidays. The Government must not stop short of adopting the Justice Committee's recommendation that it enshrine this principle in amendments to the Canada Labour Code.

We heard moving testimony about the existing inequalities which persist in our society. They serve as a clear reminder to all Canadians that the protection of equality rights cannot be taken for granted. Constant vigilance and monitoring by all concerned citizens is necessary. Let us do the right thing now and make the needed changes. This is a progressive report, let us not be faced with a regressive answer.

My Party has endorsed the report and I hope we will see forward movement and an application of Section 15. Let us ensure that individual minority rights are not the subject of majoritarian views. All of us together must be prepared to fight for our Charter of Rights. In clear human terms we wish to make Canada a real bastion of equality, humanity and decency for all Canadians. With these Charter revisions, we will have advanced to the point at which many deficiencies will have been redressed and we stand quietly proud as a role model in our world global village.

Mr. Speaker: We will have a question and answer period in one moment.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

March 26, 1986

Sir:

I have the honour to inform you that the Honourable Gérard V. J. La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 26th day of March, 1986, at 4.30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Leopold H. Amyot
Secretary to the Governor General

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills: Bill C-101, An Act granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986; Bill C-102, An Act granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1987.

[*English*]

Bill C-85, an Act to amend the Petroleum Incentives Program Act (without amendment), and Bill C-100, an Act to amend the Army Benevolent Fund Act, the Children of War Dead (Education Assistance) Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act, without amendment.

* * *

EQUALITY RIGHTS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Robinson that the first report of the Subcommittee on Equal-

ity Rights of the Standing Committee on Justice and Legal Affairs, presented to the House on Friday, October 25, 1985, be concurred in.

Mr. Deputy Speaker: Are there any questions or comments on the speech of the Hon. Member for Mount Royal (Mrs. Finestone)?

Mr. Redway: Mr. Speaker, I found the remarks of the Hon. Member both interesting and ironic, particularly her remarks with respect to the fact that her Party endorses wholeheartedly all of the recommendations in the *Equality for All* report.

The Party of which the Hon. Member is a member formed the Government of this land for some 20 years after this House passed the Canadian Bill of Rights, which was introduced in this House by the Right Hon. John George Diefenbaker, a former Prime Minister of this country. After that introduction, the Hon. Member's Party formed the Government for some 20 virtually consecutive years.

If the Hon. Member's Party so emphatically endorses all of these recommendations, why were they not implemented during those 20 years?

Mrs. Finestone: Mr. Speaker, it gives me a great deal of pleasure to answer my hon. colleague and perhaps refresh his memory. First, the Constitution is a brand new Constitution.

An Hon. Member: Oh, oh!

Mrs. Finestone: Yes, it is, Mr. Speaker. We brought back the Constitution and put into that Constitution a Charter of Rights and Freedoms. In that Charter, which will have a very profound effect on our society, was Section 15. I do not wish to give the Hon. Member a history lesson but I will take him all the way back to see who brought in the progressive undertakings with respect to women. It was certainly not his Party. The Hon. Member laughed about the Constitution I would like to remind him that we had to fight with the Conservatives about the flag, the Constitution, to maintain our Canadian independence, and we are still fighting the Government to have Canadian independence with respect to free trade.

With respect to equality, I would suggest to the Hon. Member that the report which was undertaken by the Advisory Council on the Status of Women, the application and the foundation of the Advisory Council, moved to undertake the first study of the situation of the handicapped, moved to take a look at equality for visible minorities, and first talked about Indian nationhood. Tell me, Mr. Speaker, were those the moves of the Conservative Party? They were not. They might have been signed in by the Conservative Party, but it inherited what it could not avoid.

Mr. Schellenberg: Mr. Speaker, I listened with interest to the comments of the Hon. Member about women in combat roles. I wonder if she could tell us whether the purposes and needs of the Government, and of Hon. Members in this Chamber, would not be better served if we spent less time discussing the roles of women in combat, how they can get into combat, and perhaps more time discussing ways to keep men out of combat?

Mrs. Finestone: Mr. Speaker, I agree 100 per cent with the Hon. Member's observations. If I had my druthers, we would not have combat. Second, as a mother of only sons, I would be most anxious not to have them anywhere near the combat field. More important, the question really is, should we not be concerned at all about women's rights because essentially men have had those rights? What women want is equal opportunity and equal access. Those people who wish to serve their country in that ways, God bless them, we need them, both the men and the women.

Mr. Attewell: Mr. Speaker, I would like to make a comment and perhaps ask a question of the Hon. Member for Mount Royal (Mrs. Finestone). The report may cover it, I honestly cannot recall where it is covered, but several months ago I decided that we would try to hire a disabled person in our constituency office. I telephoned the Employment and Immigration office on Yonge Street. I was very pleased to find that it had a separate section and a supervisor who helped in placing disabled people in jobs within North York and the surrounding area.

I outlined my specifications. We needed someone who was able to type and do some telephone work. Within two weeks a young women in her mid-twenties was referred to us. Her name is Eva Kron. A bus picks her up at her apartment because she is on crutches and she works two full days a week mailing citizenship certificates, when I receive the lists from Ottawa, with a covering letter and doing other work.

I know there is a separate section in the report on access to the physically disabled, but I wonder if the committee in its deliberations dealt with this subject? I used this young woman as an example. I wonder whether the Government should be doing more in this area to help the disabled in terms of finding full-time and part-time jobs? As I say, I may have overlooked the section in the report. Would the Hon. Member for Mount Royal care to comment on that? I have had good experience myself.

• (1640)

Mrs. Finestone: Mr. Speaker, the Hon. Member has just given living testimony in support of that which we heard across the land. That is to say: Look at our abilities and not at our disabilities. Those employers, such as the Hon. Member, who are willing to look at people for what they can bring to the task and for their competence and skill are doubly blessed because they obtain a very good and sound employee. The *Obstacles* report, and the two follow-up reports, indicate that many people are not using the full talents of the handicapped in our society because they do not know any better. Some of it has to do with education. Some of it has to do with the fact that they have no access. That has to do with the dollars which we need to reorganize our buildings.

The area about which the Hon. Member is concerned is dealt with in Recommendations No. 41 through 57. I would

also suggest that the Hon. Member speak to the Chairman of the Parliamentary Committee on Equality Rights who, I understand, now chairs the Standing Committee on the Disabled and the Handicapped. He is very well informed in this area. I know he is doing everything he can to ensure that the recommendations of the committee are put into action so that these people will be better served in our society.

[*Translation*]

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, I may say I am somewhat astonished at the nature of the motion before the House today. Although I share the concern expressed by the Hon. Member for Burnaby (Mr. Robinson) for achieving concrete and effective recognition of equality rights, I still believe that it is a denial of the facts to maintain that the Government's response to the report of the Sub-Committee on Equality Rights does not constitute a clear and unequivocal step in the right direction.

Considering the controversial nature of the issues on which the Government had to take a position, it is to be congratulated on its progressive and balanced response to the concerns expressed by a large number of Canadians. Mr. Speaker, the Government has made a clear commitment to abolish the principle of a mandatory retirement age within the Public Service. The Government's commitment in this regard cannot be called ambiguous. The President of Treasury Board (Mr. de Cotret) has promised to ask the Treasury Board forthwith to revoke the provisions of the Public Service Superannuation Regulations which prescribe mandatory retirement at the age of 65. Concrete steps have already been taken in this respect.

The Government's commitment regarding mandatory retirement is not limited to its own institutions. Indeed, it has recognized the need for extending the principle of voluntary access to retirement to the private sector businesses that come under its jurisdiction. Thus, Mr. Speaker, we have made a commitment to amend the Canadian Human Rights Act so that when an employee feels he has been discriminated against because of his age, the employer can no longer use the argument that he has to retire because he has reached the normal retirement age.

However, while being firmly convinced of the legitimacy of this reform, the Government must be alert to the impact it will have on labour relations in the private sector. Mr. Speaker that is why the Government has a duty to consult with employers and labour organizations to determine the most effective way of implementing a flexible retirement policy.

Moreover, the Government must ensure that the proposed amendments to the Canadian Human Rights Act with respect to mandatory retirement are coherent and consistent with the in-depth review of this legislation by the Government which is now under way. The purpose of this process is certainly not to delay official recognition of the principle of voluntary retirement.

If we could make instantaneous and coherent changes in the present system with a wave of a magic wand, so that the system would reflect the Government's commitment with respect to mandatory retirement, the desired reforms would already be in place. However, since we do not have that magic wand, we have to come to grips with reality.

After this process we will bring before Parliament a Bill to amend the Canadian Human Rights Act and various other Acts as a consequence thereof.

The Sub-Committee pointed out that about thirty Acts or regulations set a maximum age varying from 65 to 75 for persons holding positions in the Public Service. It may also be necessary, Mr. Speaker, to amend the Unemployment Insurance Act, to allow premiums and benefits under the Act to be paid beyond the age of 65.

We hope to be able to introduce around the end of the year the various amendments which we would like to make to the Canadian Human Rights Act. The Government will in this way recognize that flexible or gradual retirement is tomorrow's answer. The Government recognizes that most senior citizens can no longer increase their purchasing power in the same way as active workers. Generally, the welfare of a senior citizen depends entirely on his former earnings and public assistance, and his income is constantly being eroded by inflation.

A worker in good health is suddenly and traumatically forced to become idle by compulsory retirement. This practice is rather dehumanizing since it does not take into account the health of the worker, his desire to continue to work or even his economic needs. Many retirees therefore feel useless and have serious economic problems.

According to the American Medical Association, compulsory retirement can even lead to a deterioration of health if not to premature death. Finally, from the aspect of our national economy, we shall be able to stop wasting the talents of a manpower with a great wealth of experience.

Abolition of compulsory retirement is also likely to favour women, young people and visible minorities.

Indeed, Mr. Speaker, workers seem to have a tendency to retire as soon as their financial resources allow them to do so. The proposed amendments to the Canada Pension Plan this year should therefore have an impact in this regard. It is proposed that contributors to the plan will be able to receive reduced benefits as soon as they reach the age of 60 or to continue to accumulate retirement credits until the age of 70. In fact, the public service pension plans already allow workers to retire at 50 with a reduced pension.

The Government is also trying to come to an agreement with the provinces to provide a pension for homemakers. This is another action which could have a major impact. If a couple can be certain of receiving two pensions under the Canada

Pension Plan instead of only one, this couple will have greater financial security and tend to retire earlier.

Abolition of compulsory retirement will be of undeniable benefit for women and all other workers whose career has been interrupted or who joined the labour market later in life. If they so wish, those people will have an opportunity to work longer in order to accumulate enough retirement credits to have a decent pension.

On the other hand, doing away with compulsory retirement may help reduce poverty among senior women whose remuneration is not enough for them to be entitled to adequate benefits from a private retirement plan. We have the example of the woman who has chosen to stay at home and raise her children and who is widowed at age 50. Because of inadequate income from her husband's estate, she has to return to the labour force. If she is forced to retire at age 65, she will not have enough time to contribute towards an adequate pension that will cover her needs. Our intent is not to force her to work, Mr. Speaker, but as long as pensions are not provided for women who have chosen to raise a family, that choice should be made available to them.

● (1650)

Moreoever, available data show, Mr. Speaker, that doing away with compulsory retirement should not result in a loss of jobs for younger employees.

Since 1981, when the policy in respect of work continuation over age 65 was extended, deputy Ministers were instructed to grant extension applications. The number of employees on extended service has increased, but not as much as might have been expected. For instance, in 1981-82, there were 186 jobs extended beyond age 65. In 1984-85, the number was 567. However, if we compare that figure with the total number of pensioned retirements at age 65 or before, 7,032 in 1984-85, the percentage of job extensions at 8.6 per cent only is not that significant.

Statistics for year 1984-85 also show that the majority of Public Service retirements occur at age 65, namely 1,022, and at age 64 and 65, 1,256 and 1,292 respectively, which apparently indicates that public servants want to retire at an age where they can get full their pension together with social security benefits. You will also note, Mr. Speaker, that the average retirement age in the Public Service in 1984-85 was 61.99 years, a decline relative to year 1983-84 when the age was 62.22 years. However, the average retirement age over the past six years has been 61.85 years. This also shows clearly that the majority of public servants want to retire at an earlier age. Besides compulsory retirement, the Government has also made a clear commitment with respect to recommendations dealing with immigration matters. Thus, concerning the recommendation on permanent residents and assisted relatives, I remind the Hon. Member that the immigration regulations have been amended so that a person who has been a permanent resident in Canada for three years can offer his or her support thus providing to the assisted relative the same advantages as provided by the support given by a Canadian citizen. This amendment which was passed on October 31, 1985, was implemented on January 1, 1986.

Some would perhaps take the Government to task for having turned down an immigration regulation allowing the entry into Canada of common law couples as being legally married. It shows that the Government did not try to evade the issue when for basic considerations, the implementation of some recommendations did not seem proper. Then in the case of a common law couple, the Government, while acknowledging that such recognition would effectively remove any obstacle to their being admitted, has nevertheless recognized the serious hazard in granting entry to applicants who might falsely state that they are cohabiting to gain admission into this country.

Mr. Speaker, as indicated by the Government, in its response to recommendation 35, it is extremely difficult to check abroad whether two persons are actually cohabiting.

Likewise, the Government did not hesitate to state openly its position concerning the recommendation dealing with Public Service competitions. The Government has clearly indicated that it felt that the preference now granted to Canadian citizens is a reasonable and justified restriction under the Charter and the International Agreement on Civil and Political Rights.

The main purpose of this step is to recognize that all of us, you and I and every other Canadian, cherish and appreciate our citizenship which involves some duties such as the promotion of welfare within the community. It also includes a number of rights, including the right to vote, Mr. Speaker. And one of the legitimate benefits of Canadian citizenship must be the right of priority access to jobs within the federal Civil Service. It is only reasonable that we should thus recognize the value and particular importance of Canadian citizenship.

If permanent residents wish to acquire the same rights and duties, they have the possibility to do so by applying for Canadian citizenship. After all, we only ask them to wait three years before they can say they are Canadians and proud of it. Any Canadian citizen has the right to claim certain benefits resulting from Canadian citizenship due to the status which Canadian citizenship confers to citizens. Moreover, Canada is not the only country which feels that its Civil Service should be made up entirely of its own citizens. As a matter of fact, countries such as the United States, France, Great Britain and Australia go even further than Canada, making citizenship a *sine qua non* condition for joining their Civil Services and not merely a criteria for preference as in this country. I should emphasize that, through an international agreement, whoever serves in the foreign service or diplomatic corps of a country must be a citizen of that country.

Also, Mr. Speaker, the government has made specific commitments concerning mental retardation. Recognizing that the mentally handicapped should have the right to cast their votes at federal elections, the government is considering how it could grant them this right without their being taken advantage of or jeopardizing the integrity of the electoral system. Early in 1986, the government will introduce amendments to the Criminal Code to remove any possibility of handicapped people not being entitled to equal protection and benefits before the law.

• (1700)

THE ROYAL ASSENT

[*Translation*]

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

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this Honourable House in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-76, An Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners—Chapter No. 10.

Bill C-65, An Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof—Chapter No. 11.

Bill C-70, An Act to amend the Family Allowances Act, 1973—Chapter No. 12.

Bill C-55, An Act to amend the Immigration Act, 1976—Chapter No. 13.

Bill C-85, An Act to amend the Petroleum Incentives Program Act—Chapter No. 14.

Bill C-100, An Act to amend the Army Benevolent Fund Act, the Children of War Dead (Education Assistance) Act, the Compensation for Former Prisoners of War Act, the Pension Act, the Veterans' Land Act and the War Veterans Allowance Act—Chapter No. 15.

Bill C-255, An Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof—Chapter No. 16.

Bill C-101, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986—Chapter No. 17.

Bill C-102, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1987—Chapter No. 18.

• (1710)

ROUTINE PROCEEDINGS

[*Translation*]

EQUALITY RIGHTS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Robinson:

> That the First Report of the Subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs, presented to the House on Friday, October 25, 1985, be concurred in.

Mr. Cadieux: Mr. Speaker, I hope the interruptions will be as pleasant every time I speak, and I wish to thank my hon. friends.

Mr. Speaker, I will now proceed with the last part of my speech.

Furthermore, as far as pensions are concerned, the Government has taken concrete action. For instance, Bill C-90, the Pension Benefits Standards Act, 1985, which the Government introduced in the House, contained measures that would allow men and women retiring under the same circumstances to receive the same pension.

The same Bill would also allow part-time workers earning at least 35 per cent of maximum annual pensionable earning for the purposes of the Canada Pension Plan, to contribute to the employer's pension plan.

Furthermore, Mr. Speaker, according to an agreement concluded with the provinces, in 1986 the Government will table legislation providing for automatic sharing of benefits acquired under the Canada Pension Plan, in the case of marriage breakdown.

Mr. Speaker, I therefore find it hard to understand how, in the light of these commitments, anyone could accuse the Government of failing to take concrete action to make equality a reality. It is precisely because this Government recognizes the importance of its commitments that it wants to ensure they are implemented in an effective and consistent manner.

[*English*]

Mr. Robinson: Mr. Speaker, I would like to ask the Hon. Member for Vaudreuil (Mr. Cadieux), is it the intent of the Government to amend the Canadian Human Rights Act, as was requested by the Equality Rights Committee unanimously, to include sexual orientation as a prohibited ground of discrimination?

[*Translation*]

Mr. Cadieux: Mr. Speaker, I am afraid I might not quote the Minister of Justice (Mr. Crosbie) properly on that issue. I would therefore refer my colleague to the official report of the debates of the House where he will find the eloquent answer of

the Minister of Justice on this matter, which is the position of the Government.

[*English*]

Mr. Robinson: I have one other question if I may. Mr. Speaker. At the present time, Canadian Forces Administrative Order 1920 remains in effect, as I understand it, within the Armed Forces and requires any individual who is homosexual to lose this job automatically.

The Government has said it will take all steps necessary to implement fully equality within the Armed Forces, the RCMP and at all other levels of federal jurisdiction. Is it the intent of the Government to repeal immediately this Canadian Forces administrative order?

Mr. Cadieux: Mr. Speaker, on that particular point, I think it was clearly indicated in the House that the Government would do what it has to do in accordance with certain criteria that will be implemented as soon as possible.

Mrs. Finestone: Mr. Speaker, I would like to thank the Hon. Member for Vaudreuil (Mr. Cadieux) for participating in today's debate. It is most regrettable that the Tory Members of the committee, both the Chairman and its members, are not here. I would sincerely hope they are away on government business and are not avoiding being present to respond to their own Bill.

Some Hon. Members: Oh, oh!

Mr. Cadieux: Mr. Speaker, I have a point of order. I think it is quite improper to refer to the presence or absence of Hon. Members in this House.

Mr. Deputy Speaker: The Chair does not believe that the Hon. Member for Mount Royal (Mrs. Finestone) specifically referred by name or by constituency to any particular Member.

Mrs. Finestone: Mr. Speaker, I am sorry if I broke a rule of the House. It was a general observation meant with some degree of regret.

Has the Hon. Member for Vaudreuil any idea whether the revisions to the Canadian Human Rights Act, which were recommended in our report, are in process, and where are they in the government bureaucracy with respect to the justice process? Does the Member have some indication, as he is an active member of that committee, when we might expect some kind of report, which would include the strong recommendations of the Chairman of that Human Rights Committee?

Mr. Cadieux: Mr. Speaker, with respect to the reference to Conservative Members on that committee, I am sure that, should they be absent from the House, they have a good and valid reason.

With respect to the specific question of the Hon. Member, I think the Government has an excellent record as far as putting Bills through this House with respect to justice is concerned. Yes, I am a member of that committee. I am sure that we will do whatever has to be done as quickly as possible.

Mrs. Finestone: Mr. Speaker, I was a member of that committee and I recognize that Members worked very hard and very diligently. It was a pleasure to work co-operatively on that committee.

But my question was more specific: Does the Hon. Member have some indication of a time line? That is all.

Mr. Cadieux: Mr. Speaker, as I mentioned in my speech a little earlier, we do intend to amend that law and quite a few other laws that apply to this question.

The committee referred to about 30 to 40 other laws which had certain paragraphs or articles with respect to this subject. It takes a little time to look into everything but it will be done as soon as possible.

Mr. Attewell: Mr. Speaker, we tend, when we are looking for equality for all, to think that there are truly various disadvantaged people. Just this past Monday I had appointments with two people in my office. One was a woman, 61 years of age who was divorced a few years ago. She contracted cancer which is in remission now. She is a woman with good energy, attractive and has good abilities but really feels discriminated against. Time and time again an employment officer jokes about what she is going to do about her gray hair and this type of thing. She was divorced when the divorce laws were not as good as we now see them in terms of payments and support. She is working aggressively at attempting to find a job. What does the Member suggest she might do?

● (1720)

I also saw a 34-year old married man who was going to night school in an attempt to improve his job opportunities. He has applied to dozens and dozens of employers without success. He suggested that there may be too much emphasis put on some of the other sectors while there is a great deal of hardship for people of his age, which is also the problem of that married woman. What would my hon. colleague suggest to them?

Mr. Cadieux: Mr. Speaker, the question was with regard to two specific cases. As a practising lawyer before I came to this House, I had experience with cases in which divorcees had various problems, including employment. I am sure that with all the legislation put forward by the Government since 1984, and with the 580,000 jobs which have been created, jobs will be found for those individuals as well. We are doing everything in our power to facilitate that.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. You may recall that earlier this afternoon the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) raised an issue with regard to the pricing of domestic wheat and its products, particularly those raised in western Canada. At that time the Hon. Member for Hamilton Mountain (Mr. Deans) indicated that he had a suggestion with respect to the wording of the

reference. We have now had the opportunity of discussing that among the Parties and I think you would find a disposition at this time to proceed to motions in order to have this motion brought forward by unanimous consent and passed without debate.

Mr. Deputy Speaker: Is there unanimous consent to allow the President of the Privy Council (Mr. Hnatyshyn) to proceed to motions?

Some Hon. Members: Agreed.

* * *

COMMITTEES OF THE HOUSE

ESTABLISHMENT OF COMMITTEE ON WHEAT PRICING

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, to ensure that I have the correct wording, I will read the motion, and I think you will find a disposition to pass it without debate. It reads:

That further to the order made on Friday, December 13, 1985 and notwithstanding Standing Order 94(1), a special committee be appointed to act as a Parliamentary Task Force to examine the pricing of domestic wheat and its products from the farm gate through to the retail market-place, in order to provide wheat producers with higher returns for the sale of wheat for human consumption, while avoiding undue hardship to processors, consumers and other wheat users, and to examine parity pricing—

Those words were added at the request of the New Democratic Party, Mr. Speaker. The order continues:

That the Committee be composed of seven members;

That the Committee have all the powers granted to Standing Committees pursuant to the provisions of Standing Order 96(1);

That the Committee or members of the Committee be empowered to adjourn or travel to Montreal, Toronto, Saskatoon and Edmonton if the Committee deems necessary, and that if it deems fit the required staff accompany the Committee or members thereof, as the case may be; and

That the Striking Committee be empowered to consider and report on the Membership and that this report be deemed adopted when tabled in the House;

That the Committee report, on the pricing of domestic wheat, not later than Friday, May 9, 1986.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

EQUALITY RIGHTS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion of Mr. Robinson:

That the First Report of the Subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs, presented to the House on Friday, October 25, 1985, be concurred in.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am very pleased to take part in today's debate on the measures proposed by the Government to promote equality within Canadian society.

The Canadian Charter of Rights and Freedoms acknowledges equality rights and bans discrimination. This major amendment to the Canadian Constitution enables citizens to take court action. Well, it is more effective and indeed more equitable not to force people who are victims of discrimination to hire lawyers, file a complaint or something else, and appear before the courts. The Government is dutybound to remove discriminatory legislative provisions and take the measures required to ensure equality.

The process is often time-consuming. A subcommittee was struck to study the question and it recommended a number of legislative amendments. The Government is now responding, favourably in most cases. It endorses 46 report recommendations and does not agree on ten others. Generally speaking, the Government more readily accepts the measures where it is only a question of removing barriers. When it comes to more concrete and more costly measures, the Government would rather discuss, study or consider instead of taking action.

[*English*]

I would like to discuss some of the particular measures in the report *Equality for All*, and the Government's response to it. I will begin with the abolition of mandatory retirement in the federal sector, the issue which has been the most discussed and the most appreciated. The Government agrees with the recommendation of the committee to abolish mandatory retirement and will work to ensure that there is no adverse impact on women, youth, and minorities. One could applaud the first part of this measure, but I must be more critical about the lack of action to ensure that there is no adverse impact.

There has been no action with regard to provisions for flexible retirement to allow those who wish to retire early to do so. Obviously, that is a key factor if jobs are going to be available to young people and to women re-entering the labour force. If people are going to be able to stay longer, it is very important that those who want to leave early have adequate pensions to enable them to do so.

This will require changes in the Canada and Quebec Pension Plans, and federal and provincial Ministers have agreed in principle to prorating the Canada and Quebec Pensions Plans for retirement down to the age of 60 and up to the age of 70. We welcome that news. However, until better pensions are paid, there will not be adequate inducement to early retirement. The adequacy of pensions must be a real consideration. A recommendation by the labour movement to double the level of benefits in the Canada and Quebec Pensions Plans has not been acted on.

Continuing in the area of pensions, a recommendation was made to end the provision of Canada Pension Plan benefits when the surviving spouse remarries. This is, of course, a provision which we have had for a long time which causes terrible hardship to couples. Couples are forced to live together

without being married because the livelihood of one partner would be lost upon entry into a legal marriage. The federal and provincial Governments have agreed on this for implementation in January, 1987, and it comes not a moment too soon. This provision should hold for all other kinds of pensions as well.

There is a recommendation that credit splitting become automatic upon divorce or marital breakdown. There is an agreement now to make it automatic upon divorce, but it is still on application for marriage breakdown. There is also the problem of the adequacy of the pension. Half of a pension, which will be prorated for the number of years of marriage, is not very much. There will be no real equality in Canadian society until all women have pensions in their own names, including homemakers.

There is a recommendation to broaden the spouse's allowance to include all persons in need of it between 60 and 65 without regard to marital status. The Government says "no" on account of restraint. We wonder why restraint should be considered here when it is not considered in a lot of less important measures. The Government did not say "no" to the billion-dollar bank bail-out on grounds of restraint. However, on a matter of nondiscrimination, restraint is used as an argument.

There is a recommendation that unisex mortality tables be established for the calculation of annuities. The Government says it has met the spirit of the recommendation through other measures, but I am a little more skeptical.

I have to be a little more critical in the area of employment equity than I was in the area of pensions. *Equality for All* recommended very aggressive application of equal pay for work of equal value. The members of that committee, in their unanimous report, were very clear on the need for vigorous, strong action. Unfortunately, the Government response is one of complacency. The status quo is acceptable and the Government says it will continue to pursue enforcement of existing provisions. However, these existing provisions are very inadequate. Bill C-62 is not adequate and has been condemned by the organizations concerned with women's rights, native rights, and the rights of the disabled and of visible minorities. The recommendation of the Subcommittee on Equality Rights was very clear. Legislation on employment equity should contain enforcement mechanisms to provide for the review of special programs by the Canadian Human Rights Commission. That commission should be given additional funds and person years to accomplish these tasks. Yet the Government is very wishy-washy in its reply:

● (1730)

"The Government is of the view that the reporting requirements in Bill C-62, together with making such reports available to the public, are sufficient to ensure compliance".

I say bunk to that. There is a requirement for reporting but no penalty for failing to make any improvement in access to jobs for women, natives, the disabled and visible minorities. Adverse publicity has not worked in the past. It has not worked in the private sector for a very obvious reason. There is money to be made by discriminating and paying people less than what they should be paid. Even in the case of Crown corporations where making a profit is not the object, such as the CBC, there is ongoing discrimination against women. There has been public criticism for more than a decade on precisely this point and it has not moved the Government to act.

Let me quote further regarding the complacency of the Government: "The risk of adverse publicity that an employer would face unless progress in implementing employment equity is demonstrated in the reports, as well as the possibility that such reports will provide the Canadian Human Rights Commission with information upon which to initiate an investigation, will provide adequate inducement to employers to achieve the desired results".

Unfortunately, this is wishful thinking. The Bill is the first step towards the Government's goal of employment equity. It attempts to balance the needs of the designated groups against the Government's desire not to interfere unduly in the operations of employers. Unfortunately, it does not balance these two concerns evenly at all. It is weighted heavily to the desire of employers to move slowly, to continue discriminatory practices, and to be less than vigorous in pursuing equality goals.

Regarding physical and mental disability, we see some improvements. Again, not quite as many as we would like to see. The Government has not acted on several important proposals of the committee, for example, on Recommendation No. 41 on interpreter services for the hearing impaired at federal public hearings so that these people can participate fully in this aspect of public life, and Recommendation No. 42, to implement the recommendations of the *Obstacles* report. That is a good report with a host of very strong and constructive proposals to admit disabled people into Canadian society and the workforce. Yet there is no immediate action, only further consideration. There is only further consideration on recommendations for amendment to the Canadian Human Rights Act, and further study on child care, although we just had a major study chaired by Doctor Cooke which provided a massive plan to provide child care services. It was a very thorough response to precisely the concerns raised by the subcommittee, and yet further study is called for by the Government.

Regarding immigration, we have some important recommendations and good progress. One recommendation is that the Act be amended to ensure that there is no discrimination, as in the Charter of Rights. The Government accepts that recommendation. It also accepts that medical requirements be more flexible in the determination of eligibility for immigration. We have seen enormous hardship with very rigid criteria being applied, and many Canadians have suffered difficulty in family reunification, because of overly rigid health requirements. We are pleased to see that there will be some flexibility and reason prevailing here.

Recommendation No. 33, concerning elimination of the distinction between citizens and permanent residents and spon-

sorship, has already been acted on. We favour the recommendation to include children adopted under the age of 13. On language instruction, I have to be more critical. The committee recommended that instruction in English or French be made available to all immigrants, regardless of sex, marital or family status. This is how it should be, but unfortunately the Government is content not to take action. It merely points out what is available and notes the complaints of immigrant women's services that there is discrimination in access. It is not just immigrant women's groups who have been complaining, it is all women's organizations who have been complaining about the Catch-22 situation. The immigrant woman goes in to get language training and she is told she is not the chief breadwinner so she cannot get it. She goes out and gets a job anyway, and she is told she does need language training because she managed to get a job. Yet it may be very poorly paying because she does not have English or French and is not able to compete for jobs which require one of our official languages. Unfortunately, the Government is unduly content with the *status quo.*

We have seen considerable improvement over-all. The Government has accepted a number of important recommendations. However, I want to refer to a few areas which various ciizens' groups have been raising as concerns with us. The Evangelical Fellowship of Canada is concerned that the religious diversity we have is not being considered at all. The report is far too much oriented to individual rights and does not take into account the fact that individuals live in communities. They are not isolated, but their status and the contribution they make to our society is very much influenced through collective action by people with common beliefs, not just as isolated atoms in society.

Religious beliefs in institutions have not been taken seriously enough for the concerns of value groups. For example, it is not just that employers must make provision for employees' beliefs; there should be recognition that some employers themselves have religious beliefs collectively. They provide social services, missions, public interest groups, publishers, children's aid societies. They are concerned, for example that Jewish Family Services be able to continue to place children in Jewish families. They are worried about their legal status.

Bona fide occupational requirements sometimes miss the point that it is not that an exception should be made, but that it should be understood that a particular community is making a real contribution and it is a reasonable expectation that the people working in it share those views.

Citizens For Public Justice raises a number of similar concerns for collective community rights. It calls for religious agencies to be treated equally in their differences, that they have equal status with secular agencies, not just the right for individuals to be free of discrimination. They argue that freedom of association, freedom of conscience and freedom of religion should be guaranteed not just on an individual level but upheld and recognized at the collective level.

In cases such as funding for non-governmental organizations for economic development projects, art projects, refugee relief, or social services, they should not be required to sacrifice their values or beliefs as a condition for funding. It should be seen as part of the contribution they make. I must say that as a social democrat and sociologist by background I have some sympathy with the fact that we do not pay enough attention to the needs of communities. We are sometimes too oriented to the individual in isolation. Yet we have communities which are part of the fabric of Canada and their needs must also be respected.

Before closing I want to turn to another question which is really not treated adequately in this report, that is economic equality. The thrust of the recommendations of the subcommittee is towards the removal of barriers. It is much more modest on positive measures to catch up.

• (1740)

Our society is still one with enormous differences between income and wealth. For example, there are enormous differences between the native woman who does not have a job and looks after her children—and many of these women live in absolute destitution—and the white male professional or business executive who has a very high income. The differences between these groups are actually increasing in our society today. There is no way that the children of such a native woman can compete on an equal basis with the children of the much more favoured white male.

These differences are reflected in measures which increase sales tax and deindex the family allowance and the child tax credit, while the capital gains exemption provides substantial additional privileges to those who do not need them.

There are significant sectors of our society still living in poverty and there are enormous economic barriers preventing those people from developing their talents and achieving a decent standard of living. We are faced with 10 per cent unemployment and low wages for the working poor. There is the welfare trap that keeps people on the welfare rolls even though they want to work.

Many people are homeless and must line up at food depots for their food. There is a serious shortage of affordable housing. The provisions in this report do not deal with these questions.

One misses the point by suggesting that a poor person who is sleeping at a shelter will not be discriminated against when looking for a job the next day. That person will not have the same strength to look for a job when living such a life.

We will not deal with the problems of those who suffer greatly in our society by simply removing these legal barriers and setting up programs for them.

The *Towards Equality* report attempts to present a bright future but we must realize that the sun does not shine on all of our citizens equally. There are a million poor children in Canada. There are poor elderly women and natives whose livelihood has been destroyed by pollution.

We must take the next and far more difficult step toward equality by attacking the economic barriers so that all children

will grow up being provided with the necessities of life, so that the elderly will not live in destitution, working people will be able to support themselves adequately, and housing will mean the right to real, permanent homes rather than a shelter for the night. There will be adequate support for the disabled and unemployed so they will not have to line up at food depots.

Furthermore, this does not necessarily represent the kind of equality we are discussing, but can be achieved without the legal equality, as such. We are witnessing increasing inequality while those at the bottom are still suffering enormously.

While I share in concurring in this report, I believe we still have a long way to go to achieve real, legal equality and to establish the programs that will advance that equality so that we may address the much more difficult questions of economic barriers that keep some of our Canadian citizens a far distance from sharing in all the benefits of being part of this country.

Mr. Redway: Mr. Speaker, I listened very carefully to the Hon. Member. The Hon. Member is a strong advocate of equality for women and a strong advocate of equality itself. Her comments covered many topics, one of which the legislative committee on the Pension Benefits Standards Act is struggling with right now. It is the question of unisex annuity tables.

The committee has heard evidence on unisex annuity tables to the effect that, if such a program is instituted, it will represent discrimination against men with the money purchase type of pension because women would then receive a benefit which they are not receiving now and men would receive less of a benefit than they are receiving now under the present annuity table. Perhaps the Hon. Member could help me in struggling with this deliberation.

The Pension Benefits Standards Act also deals with the defined benefit type of pension. The testimony we have heard indicates that that discriminates against women because men and women receive an equal benefit and if they make the same contribution, women will not benefit to the same extent as men.

Will the Hon. Member give us her opinion on the subject, particularly with respect to the defined benefit kind of pension? How could we solve the problem of having no discrimination against women in that situation?

Ms. McDonald: With respect to the question of unisex annuity tables, recommendations in favour of them have been made by women's organizations for at least two decades.

I believe the Hon. Member's point is that women live longer than men. That is why we are given a lower pension. The principle was that equality could be achieved by giving women a smaller pension over a longer period.

However, we do not discriminate on any other basis. There are differences in expected life span by race and occupation, but there is no discrimination on those bases and we would consider it quite inappropriate to discriminate on those bases.

It seems ridiculous that we should discriminate on the basis of sex. People often do not understand that the main reason for differences between women and men in life expectancy is that women are more sensible in their lifestyles. They do not booze it up as much, they do not smoke as much, they do not drive race cars and they do not shoot their friends on hunting trips.

There are behavioural differences. One would have to discriminate on the basis of behaviour and have different pensions for drinkers and non-drinkers, smokers and non-smokers, people who drive fast cars and people who drive slow cars. If one took those behavioural differences into account there would probably not be much difference between men and women.

I simply say that we should eliminate those factors. For instance, people whose religion does not allow them to drink or smoke are not given a smaller pension because they will live longer. Why should there be that distinction on the basis of sex?

Mr. Redway: The Hon. Member certainly dealt quite fully with the issue of the money purchase type of pension in the unisex annuity tables.

What is her comment with respect to the argument that the defined benefit pension discriminates against women? Does she have any suggestions as to how we can get around that problem without doing away with the defined benefit type of pension? Would she suggest, perhaps, that we should scrap the defined benefit kind of pension and only have a money purchase kind of pension?

Ms. McDonald: Mr. Speaker, I have not received representations as to the nature of the discrimination. Therefore, there would be no point in my trying to respond to objections which I have not received.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I would like to take this opportunity to emphasize what the Government has done and what it proposes to do to provide opportunities to Canadians and implement an equality and social justice program for all.

I also want to emphasize at the outset that the Government recognizes in its response paper that Governments cannot do it all. Governments cannot by themselves achieve equality. It is Canadians and groups of Canadians who establish our priorities. It is Canadians themselves who set the mores of society and what is acceptable and what is not.

• (1750)

May I point out that it is now three years since April of 1982. Those years have passed rather quickly. They have also passed without any preparation by the previous Government for the day when Section 15 would become law. I point that out specifically for those Hon. Members sitting opposite. The delay of time was intended to give Governments time to review and amend the already existing laws on the books, to reflect and prepare for the compliance of this provision, namely Section 15. All of us at the time of implementation of the Charter of Rights wanted Canada to become a leader in the world in individual rights and freedoms. It was left to this

Government, and to the present Minister of Justice (Mr. Crosbie), and I want to pay tribute to the Minister of Justice whose initiative led to the release of a discussion paper on *Equality Issues in Federal Law* and subsequently to the appointment of a parliamentary task force on equality rights.

The task force undertook its task boldly and aggressively. It knew, as we all knew, that while the Canadian Charter of Rights and Freedoms had raised Canadian expectations to a new high, it was the assurance of equality and non-discrimination as referred to in Section 15 which would touch all of us at home and in the workplace. It was to open the door to anyone and to help others less fortunate to take advantage of their potential.

As the task force travelled across the country to hear from Canadians on the issues raised in the discussion papers as well as on other issues, it took a broad and generous view of Section 15. It had no inhibitions in its approach to the subject of equality. Those persons appearing before it did not care about jurisdictions or the niceties of language. This was their forum, and the task force responded in the 1985 recommendation report entitled *Equality for All.*

Section 15 in fact provides for guarantees; equality before the law, equality under the law, equal protection of the law and equal benefit of the law. The Government has interpreted this to mean that inequality can be found not only on the face of the law but also in the way the law is administered. The Government recognized in its early discussion paper that the provisions of the Charter might be breached by systematic or adverse impact discrimination. Seemingly neutral laws which have an adverse impact on individuals because of their race, sex or religion, for example, have been found by the courts and the Canadian Human Rights Commission as well as the Ontario Human Rights code, to be contrary to the provisions of Section 15 of the Charter of Rights.

There appears to be no doubt either that while Section 15 expressly enumerates certain prohibitive grounds of discrimination; race, national or ethnic origin, and so on, other non-enumerated grounds worthy of constitutional protection would also come within provisions of this section. Thus it was that sexual orientation, marital and family status, were referred to in the Department's discussion paper and addressed by the parliamentary task force.

At the time of the constitutional debate there were those in the country and in this Parliament who felt that the incorporation of the Charter of Rights and Freedoms into our Constitution would give the courts too much power and authority. The task force emphasized the flexibility of Parliament and pointed out that this was the preferred means of dealing with inequality and discrimination.

It is this open and progressive attitude of the Government which has defined its approach to equality for all. The Government cannot and does not approach equality issues on the basis of doing the legal minimum. Instead, it has addressed these issues in the context of policies on equality and social justice.

One area in which it is clear the Government has dealt with equality issues as part of larger policies on equality and social justice involves disabilities. The Government is moving on a number of fronts to ensure that persons with mental and physical disabilities can participate fully and equally in Canadian society, that they can participate and make contributions to the economic as well as social goodwill of our peoples. The Government has announced that Canada will participate in the United Nations decade of disabled persons, and Canada has adopted the world program of action concerning disabled persons. In doing so, the Government has recognized that respect for the dignity of individuals with disabilities means that they must be afforded equal opportunities. The Government has also recognized the loss to the Canadian economy when the full potential and abilities of persons with disabilities are not utilized.

Ms. Copps: I hate to interrupt the Hon. Member for St. Catharines (Mr. Reid) because I believe he has raised a number of good points. I would like to ask the Speaker, given that there are a number of Hon. Members, including the Hon. Member for York (Mr. Kaplan) and myself, who are most interested in this issue, and given that there are only a couple of minutes left in the sitting today, I wonder if we could have the unanimous consent of the House to continue the debate for one more hour so that we might explore these issues? It is a very important issue.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the suggestion made by the Hon. Member but I am afraid I cannot give unanimous consent.

Mr. Deputy Speaker: The Hon. member for St. Catharines (Mr. Reid) has the floor for debate.

Mr. Reid: Thank you, Mr. Speaker. I was hoping that unanimous consent of the House could be given to me to finish this very well prepared speech.

As part of the broad concern with improving opportunities for disabled persons, a parliamentary Subcommittee on the Disabled and the Handicapped was established last year. This committee will provide a continuing and public forum for issues relating to disabled persons. That will be another influential voice in the development of programs and policies affecting disabled persons.

Last December, the Secretary of State (Mr. Bouchard) announced new resources for improving the status of disabled persons. The Government has said that so far as it is concerned, persons with mental retardation or impairment, learning disabilities and mental disorders are, and must be, protected from discrimination. In this connection, I note that the Treasury Board of the Government, as the employer for the Public Service, has revised its definition of disability to reflect this very comprehensive approach in its affirmative action policy and programs.

The Government as well has launched several other initiatives. For instance, last year the Treasury Board directed that

federal facilities be upgraded to meet the barrier-free design standards adopted by the Department of Public Works.

Mr. Deputy Speaker: Order.

Mr. Prud'homme: Mr. Speaker, on behalf of everyone, I would like to wish you a very Happy Easter.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: It being six o'clock, pursuant to Standing Order 4, this House stands adjourned until Monday, April 7, 1986, at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Monday, April 7, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 331-1, 331-4, 331-5, 331-6, 331-8, 331-10, 331-21, 331-22, 331-25, 331-26, 331-31, 331-32, 331-35, 331-36, 331-38, 331-39 and 331-41.

For the information of the House, these deal with the Morgentaler Clinic petitions.

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is my honour to present a petition signed by 34 residents of the national capital region as well as some from Montreal who are opposed to the National Capital Commission's proposal to convert the Mile Circle into embassies.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present four petitions from the Prince Albert region and other regions in Saskatchewan. All of them refer to the Government's inability to deal with the problem of youth skills and employment options for youth in Canada. They recommend that the Katimavik program be reinstated fully.

ACCEPTABILITY OF TESTIMONY OF CHILDREN

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the honour to table petitions bearing over 1,000 names. The petitioners seek amendments to the Criminal Code, the Canada Evidence Act and the Young Offenders Act to allow children's testimony in cases of sexual abuse.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I also have petitions from Windsor, St. John's, Corner Brook, Gander, Toronto, Sydney and Glace Bay, Saskatoon, Winnipeg, Summerland, Kelowna and Vancouver. All of them are protesting the cancellation of Katimavik and seek to have it restored.

* * *

LOAN COMPANIES, TRUST COMPANIES BANK AND QUEBEC SAVINGS BANK ACTS

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-103, An Act to amend the Loan Companies Act, Trust Companies Act, the Bank Act and the Quebec Savings Banks Act in respect of certain regulatory matters.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 413 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 413 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

TOURISM CANADA

Question No. 413—**Mr. Robichaud:**

1. Does Tourism Canada have a research program on tourism and, if so (a) what amounts were allocated in (i) 1984 (ii) 1985 (b) following the November 1984 economic statement, how many persons were laid off in the (i) research bureau (ii) library?

2. Are private firms hired under contract to do research and, if so, in (a) 1984, how many firms were hired and what were the names of the firms and, in each case, the amount of the contracts (b) 1985 (i) how many firms will be hired and what are their names if known (ii) what type of research will they undertake (iii) was the reseach bureau of Tourism Canada considered for the complete research and, if not, for what reason?

3. Were Camp Advertising, Foster Advertising and Hayhurst Advertising invited to submit to the Cabinet Committee on Communications a tender for advertising contracts from Tourism Canada and, if so, were other firms also invited?

4. Did the Cabinet Committee select Camp Advertising and, if so, on what basis and for what reasons were the other firms not selected?

Return tabled.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post) moved that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am quite pleased to rise in the House today to acquaint Hon. Members with a very important piece of legislation in the eyes of this Government, which I would even describe as a major economic policy measure.

Bill C-91 to amend the Combines Investigation Act will also give Canada a market charter, a new charter better suited to current conditions. Mr. Speaker, the view of the Government is that the private sector or the market place must be the real driving force behind the most equitable sharing of resources, economic growth and job creation. We do know that the market system within a competitive framework paves the way for a dynamic and flourishing economy. We also know that a sound economy is absolutely essential if we are to maintain and improve the social programs which are the hallmark of Canadian society. To sustain and spur our economy, we have to revamp our major economic statutes and gear them to the requirements of a modern market place. They must also reflect an economy which is and will be ever more closely linked to international trade of goods and services.

When legislation on competition was first drafted in 1889, Mr. Speaker, Canada was barely entering the industrial age. With the passage of time, however, we became leading players on the international scene in such sectors as raw materials, energy, aluminum, newsprint and telecommunications. Our exports now account for about 30 per cent of our Gross National Product.

The report of the Commission on the Economic Union and Development Prospects for Canada underlined the importance of international trade for the Canadian economy by saying that, as much as possible, Canada should use international trade to ensure a continued and aggressive competition on the domestic market.

Mr. Speaker, economically oriented major statutes, such as the laws on competition, bankruptcy, corporations, copyright and trademarks provide the essential tools for orderly trade as they establish the basic rules for a competitive and fair market-based economy. However, most of these instruments are old, inoperative and out of date. Our rules are obsolete, inadequate, and in some cases, more an obstacle than an incentive to productivity. Canadian businesses will have difficulty in taking up the challenge to claim their fair share of international markets and facing the impact of international competition on the domestic market if they are paralyzed by inadequate legislation. Moreover, if our businesses are disadvantaged, all Canadians will suffer.

I therefore believe, Mr. Speaker, that the Members of this House have a clear and pressing responsibility. They must update these statutes, eliminate such obstacles to growth and economic prosperity and see to it that businesses and consumers are treated fairly on the market.

• (1110)

[*English*]

Hon. Members of this House are well aware that Parliament has tried several times before to enact amendments to the Combines Investigation Act. Each attempt has ended in failure. This time the proposed Competition Act enjoys an unprecedented degree of support throughout the business community, especially with small businesses, consumers and labour interests. The *Financial Post*, for one, in its editorial of February 1, 1986, stated, and I quote:

> This is, after all, the best opportunity yet after 16 years of seemingly endless debate to bring in much needed reform. The chief virtue of Bill C-91 is that it's a sensible, pragmatic document that will do the job without going overboard . . . like highway speed limits, it simply sets a reasonably clear and enforceable standard of conduct that reflects a broad social consensus.

[*Translation*]

As for the publication *Les Affaires*, Mr. Speaker, it concluded that Bill C-91 maintains a fair balance between free competition and the need for businesses to re-organize to become competitive on international markets.

Some interested parties will probably want to express specific concerns to the committee responsible for considering this bill. Nevertheless, they accept both the need for change and the main thrust of the bill. What is important, Mr.

Speaker, is that they recognize the need to take this opportunity, to roll up their sleeves, to amend the Act and to put an end to the uncertainty and the frustration this Act has caused them during the last 18 years.

[*English*]

As the Consumers' Association of Canada stated after I tabled this Bill in December: "The new Competition Act promises real progress for consumers and is a major improvement over current legislation".

The purpose of Bill C-91, as stated in the purpose clause in the Bill, is to maintain and encourage competition in Canada. However, the clause makes it abundantly clear that competition is not to be considered an end in itself. Rather, competition is sought for its effects on the Canadian economy.

There are four main objectives set out in the Bill. The first objective is to promote the efficiency and adaptability of the Canadian economy. This law will help the expansion of the economy and ensure that it can adapt to changing market conditions and create new jobs.

The second objective is to give us a law which allows Canadian companies to compete effectively in world markets and better meet foreign competition in the Canadian market. The Government is committed to making the Canadian economy world competitive.

The third objective in maintaining and promoting competition is to ensure that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy, and there is an urgent need for this, Mr. Speaker.

The fourth but not the least objective is to provide consumers with competitive prices and product choices. As such, this objective becomes the common denominator in what we are trying to achieve. This is the ultimate objective of the Bill.

It is a law which will benefit all Canadians. A competition law which measures up in these respects will benefit every sector of our economy. It will benefit small business by promoting fairness in the marketplace. It will benefit larger businesses by placing greater emphasis on efficiency and international competition. It will also benefit consumers by giving them a marketplace where there is a choice, which will result in better service, products and prices.

We do not have this kind of competition law now and there has been no such law for a long time. As I said when I tabled this Bill we now have before us, the existing law belongs in a museum, certainly not in the marketplace. Canada has changed tremendously since 1910, but not the Combines Investigation Act. Except for a few alterations, it is the same Act our predecessors passed in this House 76 years ago.

[*Translation*]

As for being different, Mr. Speaker, the world certainly was at that time, at least from an economic standpoint, as well as from all others, when the present legislation was originally developed. For instance, the population of Canada was only seven million, that of Montreal, 470,000, that of Vancouver, 124,000, and Canadian exports totalled only $274 million compared with $91 billion today.

However, Mr. Speaker, the economic context is not the only thing to have changed. There is also the legal environment. There was no Canadian Charter of Rights and Freedoms at the time.

In short, Mr. Speaker, that Act is now obsolete with respect to a number of important aspects, and this has become a very serious problem. Our prosperity as a nation depends on the quality of our economic participation in both domestic and external markets. We cannot afford the handicap of an "out of sync", inadequate Competition Act.

Those are the reasons why, Mr. Speaker, this Government has decided to revise the Competition Act, as indicated in the Throne Speech, in the budgets brought down by my colleague the Minister of Finance (Mr. Wilson), and in the statement made by the House Leader on regulatory reform. This legislation is the cornerstone of the Government initiatives designed to make Canada competitive internationally. For the first time, we will have a Competition Act that will reflect the special importance of international trade to the Canadian economy.

Canada is first and foremost a trading nation, and we must make sure that the Act accurately reflects that fact. This is why, Mr. Speaker, the preamble to Bill C-91 clearly states that the purpose of the Act is to expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada. The importance of international competition is also emphasized in the proposals concerning mergers and specialization agreements. Moreover, unnecessary constraints resulting from the provisions relating to conspiracy would be abolished to encourage rather than hinder the establishment of export consortiums. Big is not necesseraly bad. In fact, when debating international markets and related goals, the bigger the stronger, the bigger the better.

Although they are strong in relation to the size of our economy, many Canadian businesses when involved on the global stage do not have the clout to compete efficiently with their foreign counterparts. The new provisions would indeed help Canadian businesses face up to their foreign competitors, both domestically and internationally. I would now like, Mr. Speaker, to turn to the major amendments put forward in this legislation—

• (1120)

[*English*]

In an area of law that relies so heavily on economics and business judgment it is very important to have a decision-making body that has the expertise to deal with complex competition cases while still providing the necessary legal protections. We propose to create an entirely new adjudicatory

body, the competition tribunal. The purpose of this tribunal will be to adjudicate non-criminal competition matters. Its membership will comprise judges and lay experts in the areas of business, economics and public affairs.

This proposal addresses one of the problems that we have recognized and have had to live with for many years, the complexity of competition cases. Typically, the questions concern probable effects—future effects—and implications of various business activities, questions which have to be considered in their full commercial and economic context. For example: Is a given practice likely to reduce competition in the years ahead? Is this a situation where small market size makes it desirable to permit companies to specialize or to rationalize their production? Would a particular merger result in efficiency gains which would offset any negative effects on competition? Answers to questions of this type usually require the application not only of legal expertise but expertise in how the market-place functions.

I should add that these difficulties have been recognized and commented upon publicly by distinguished members of the judiciary itself. For instance, some 25 years ago Mr. Justice Spence expressed his view that: "A court is not trained to act as an arbitrator of economics." This problem has been addressed in other countries as well. Similar tribunals exist in both Sweden and in the United Kingdom.

Our proposal is based on a recognition that two needs have to be addressed. One is to draw on relevant expertise. The other is to do so in a process that is, and is seen to be, fair, open and independent. I believe the tribunal meets both requirements. Its membership will be balanced. It will include judges appointed from the Federal Court. It will also include people appointed from the world of business and economics.

To ensure fairness and consistency the tribunal will be chaired by a judge. All law appointments will be vetted by an advisory council appointed by Order in Council and made up of representatives of big and small business, consumer groups, the legal community and labour. This body will ensure that all lay members have the necessary expertise to carry out their statutory duties.

The tribunal will adjudicate. It will not have the powers now held by the Restrictive Trade Practises Commission to authorize searches and subpoenas or to conduct inquiries of its own. On matters of law there will be a full right of appeal from the tribunal to the Federal Court of Appeal.

[*Translation*]

Mr. Speaker, this Bill also provides for a comprehensive change of approach in the area of mergers and their impact on competition. In the first place, those moves would be considered as coming under civil law rather than criminal law, as is now the case under the present statute.

For years we have had the opportunity to realize that the criminal law is quite inappropriate where that kind of operations are concerned. Its inherent principles, procedures and penalties are simply out of place. Mergers and other relevant practices are trade practices in the normal course of business activities which, under examination, may or may not affect competition. Our objective is not to mete prison terms nor to levy fines but to protect public interest by setting out specific game rules based on realities and enforce them strictly thereafter.

Criminal law is not only an inadequate tool for analyzing the consquences of amalgamations but again such a procedure, Mr. Speaker, has been shown to be entirely ineffective.

As the Hon. Members know, in criminal law, it has to be proven beyond any reasonable doubt that there has been a violation. It is really asking too much, Mr. Speaker,to assess the prospective consequences of an amalgamation. In other words, how can it be stated beyond any reasonable doubt that a takeover will have effects detrimental to public interest?

It has often been said, that economics is not an accurate science. In spite of this, under the present legislation, a violation has to be proven beyond any reasonable doubt. This is truly inconsistent. Therefore, we should not be surprised that, in the past 75 years, there has never been any conviction on the grounds of amalgamation challenged under the present legislation.

The new legislation surely provides a better procedure for solving our problems. It empowers the Competition Tribunal to prohibit amalgamations or to set specific conditions whenever they are deemed to restrict competition without increasing efficiency.

For the first time, still with respect to amalgamations, the rule of international competition in the Canadian economy will be specifically recognized in the legislation. In 1910, the year when the present legislation was passed, Canada was protected in different ways against international competition either through customs tariff or tariff barriers. Today, many of our industries are directly exposed to international competition both on our domestic and foreign markets.

Thanks to these amendments, Mr. Speaker, when the time comes to rule on the legality of a merger or take-over, the Tribunal will be bound to take into account the extent of foreign involvement in our domestic market.

The new legislation provides also for an exemption in the case of joint ventures which do not limit competition in any way, including research and development projects and natural resources development. Agreements of this kind are especially important for this industry. Most joint ventures do not lessen competition in any way. On the contrary, they bring about gains in efficiency by allowing temporarily joined corporations to share the high risks involved in projects requiring major investments. Joint ventures likely to generate benefits of this kind will be expressly exempted from the provisions of this Act. On the other hand, joint ventures suspected of limiting competition will be subjected to a review by the Competition Tribunal which can then order any remedial action deemed necessary.

Finally, we propose to amend the legislation to make it necessary for merging corporations to submit a prior notice when their assets or gross revenues exceed $500 million. We would then be in a position to examine the pros and cons of major mergers which are most likely to limit competition substantially, before they become a reality. Such a prior notice is provided for in competition legislation in many other countries including Japan, West Germany, Australia and the United States. The omission of such a clause in our own legislation would constitute in my view a major flaw.

In short, Mr. Speaker, these proposals will provide Canada with a legislation which will adequately govern mergers, a workable instrument which will encourage competition while not unduly affecting the activities of Canadian corporations abroad.

• (1130)

[*English*]

We also propose to repeal the existing criminal law provisions that deal with monopolies and replace them with civil law provisions dealing with the abuse of market power. The reasons for this change are in large part the same ones that apply to our proposals on mergers.

As written, the Act can now deal only with the most blatant and absolutely serious abuses of market power. Even within such stiff parameters, it does not work well. This is an area in which competition law must be effective if there ever was such an area.

Nevertheless, the law must explicitly recognize that in a small, open economy such as ours, some firms may well achieve a market dominance. The law must allow those who are doing a better job to continue to succeed. The problem arises when a dominant firm abuses its power and takes action to prevent or lessen fair and healthy competition. Small businesses which provide so many Canadian jobs are especially vulnerable to this type of behaviour.

The new Act will serve as an effective deterrent to these practices and will give small businesses protection and the fair chance they deserve. First, the law must be clear. As Hon. Members will see, the sectors regarding abuse of dominant position will clearly spell out what constitutes anti-competitive behaviour and will provide examples. At the same time, we will have a law that can be applied more precisely.

We must be able to distinguish between market success based on superior performance and success built on unfair market muscle. No public interest is served, for instance, by preventing businesses from reducing prices and gaining a larger market share because they have found ways to keep their costs down. However, we do have an interest in acting against dominant firms that use predatory practices to wipe out an inconvenient competitor. To make this distinction and others like it, the new law provides for a defence based on superior competitive performance.

[*Translation*]

Under the new provisions, Mr. Speaker, any conspiracy to limit competition will remain a major crime. Unfortunately, the current legislation is again quite inadequate. First of all, it is of doubtful effectiveness, because it does not always discourage real conspirators. Also, its wording is so vague that it could stop agreements, especially in the export industry, which, in the final analysis, would prove beneficial to our economy. Obviously, Mr. Speaker, we need legislation to block these two loopholes. Any price fixing or competition limiting agreement would weaken the economy. It is therefore necessary to provide for sufficiently severe penalties to discourage people from concluding competition limiting agreements. On the other hand, we also need legislation which does not stop Canadian corporations from concluding agreements that are desirable to tackle international markets.

As a solution to the first problem, we propose to increase the severity of the law by increasing the maximum penalty in the case of a conspiracy from $1 million to $5 million. We will also make it clear both to businessmen and the courts that any conspiracy to restrict trade is intolerable.

We also propose to amend the legislation with a view to eliminating the uncertainty surrounding the *mens rea*, the intention to commit a crime that must be proven and the agreements the existence of which is inferred, that is, the weight the Courts should give for instance to circumstantial evidence in such cases.

To deal with the second problem, we propose to amend the legislation in such a way that it could adapt to particular circumstances. We do not want to interfere with corporations which are anxious to sign agreements that are clearly in the public interest. Several examples come to mind: agreements between corporations operating within a tight market for the purpose of specializing in different lines of products, or agreements for the purpose of exporting goods to foreign countries. The new legislation provides that the Competition Tribunal may allow specilization agreements for the purpose of increasing efficiency. These exemptions would apply both to services and manufactured goods.

Mr. Speaker, another amendment deals with the status of banking institutions and Crown corporations with respect to competition legislation. At the present time, agreements and interbanking mergers are governed only by the Bank Act. As far as Crown corporations are concerned, they are not, as a rule, submitted to the provisions of the legislation governing competition. A question is constantly raised: Why should banking institutions and Crown corporations enjoy a status different from that of other industries? So far, I have not heard any satisfactory explanation.

Under our proposed amendments, all agreements and interbanking mergers would come under the Act governing competition. Crown corporations which are competing with the private sector would also be subject to this new legislation. Because of these new amendments, Crown corporations would

have to abide by the same regulations as the private corporations with which they compete. Of course, regulated activities would not be affected by these changes.

Another one of the main thrusts of the reform proposed in this Bill is the transformation of the enforcement mechanisms. If we want the Act to meet its objectives, it must be possible to enforce it, and to enforce it efficiently, powers of investigation are essential. Many Members will recall the famous Southam affair which established a precedent a few years ago. At the time, the Supreme Court declared inoperative the powers of search and seizure conferred by the present statute. The Court came to this conclusion partly because the fact of conferring to a single organization, namely the Restrictive Trade Practices Commission of Canada, the power both to make decisions and to authorize searches and investigations meant that the organization did not fulfill the requirement for impartiality prescribed in the Act.

As I have already said, the tribunal proposed in the Bill will have only decision-making powers. The regular courts will be empowered to issue search warrants and summonses. We believe that these changes will protect the individual rights enshrined in the Canadian Charter of Rights and Freedoms while providing the tools required to enforce the law properly.

• (1140)

[*English*]

In conclusion, I am not the first Minister in this portfolio to come before the House with a Bill to amend this Act. I am not even the second or the third, but I hope I will be the last to do so for quite a while. Indeed, I am optimistic that Parliament will make these proposals law. I am optimistic for several reasons. One reason is the consensus which exists over the need to put an end to the long process of reform. I am optimistic because we are not starting from scratch. All the time and work spent in attempting to change the legislation over the years has not been wasted. The problems and options have been studied in depth and in detail by this Government and by previous Governments.

While there was a good foundation, there were some pieces of the puzzle which still had to be put in place. I believe they are in place now. There is much in the Bill that is new. It is a Bill which bears the imprint of the Government's belief in the free market economy. However, in formulating these proposals, we do not intend to reinvent the wheel. Where the previous work was sound, we have built upon it.

[*Translation*]

Finally, Mr. Speaker, we did not prepare the provisions of this Bill with undue haste. The amendments tabled before the House were discussed, prepared and finalized through a series of consultations which began as soon as this Government came to power in September 1984. Those concerned know about these amendments. Organizations representing Canadians from all spheres of society, including business, consumer groups, unions, universities and jurists have been informed of all planned changes. We ensured that this would be done. In response to the working paper distributed in March 1985, we received over 100 submissions from groups and individuals throughout the country. We also requested and received the input of an advisory committee including representatives from business, economic and legal circles created for this purpose in the spring of 1985. Mr. Speaker, the work carried out by this group was very useful in enabling us not to lose sight of our objective during this entire process.

I would like to take this opportunity to thank sincerely the members of this Committee for volunteering their time and for their major contribution to this Bill on competition. I would like to give the names of the members of this Committee. First, Mr. Thomas Kendell, corporate lawyer in Newfoundland, Mr. Marcel Côté, President of Secor Inc., analysis consultant, Mrs. Diane Cohen, well-known journalist, Mr. William McKeown, partner of the Stephens, French & McKeown firm, Mr. Brian Finlay, partner of Weir & Foulds, Mr. Ron Atkey, partner of Osler, Hoskin & Harcourt, Mr. Grant Murray, Vice-President of IBM Canada Ltd., Mr. Alan Cooke, senior partner of Cook & Shandling, and Mr. Eric J. Rice, partner of Campbell, Froh, May & Rich.

Mr. Speaker, one of the aims of that consultation was to locate disagreements. We succeeded. Another aim was to try and settle those disputes and there again we were successful. Unanimity can seldom be reached but in my opinion, we have come as close as possible to a consensus. This has been achieved because many people have worked to develop it. It was attained through various reasonable and well-balanced proposals. The Bill protects the interests of all parties concerned in Canada, that is business people, unions and consumers.

Mr. Speaker, we are celebrating a dubious anniversary in 1986. Twenty years have already elapsed since the Economic Council of Canada examined the Combines Investigation Act.

The need is urgent and time is running out. We know what should be done. More than ever before, we agree on the steps to be taken. It is now time to act. This is, Mr. Speaker, what I am now proposing to this House today.

Hon. André Ouellet (Papineau): Mr. Speaker, I am very pleased to rise in the House today to talk about a matter which is of great interest to me, the competition policy. Of course, I am doing so on behalf of my colleague from Saint-Michel—Ahuntsic (Mrs. Killens) who is still convalescing and who would certainly have a lot to say in response to the remarks of the Minister.

As everybody knows, many Members of the Liberal Party who now sit on this side of the House have worked hard over the past 10 or 15 years to bring about a reform of the competition legislation.

Indeed, my desk mate, the Hon. Member for Windsor West (Mr. Gray), my colleague the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and I have all had our say in these concerted efforts to improve Canada's

competition legislation. All three of us have tabled bills which came up for debate, and in one case in the mid seventies an affirmative vote enabled us to take a giant step towards improving the competition legislation.

Two more of our colleagues, first the Leader of the Official Opposition and Member for Vancouver Quadra (Mr. Turner), and my colleague from Grand Falls—White Bay—Labrador (Mr. Rompkey), were also Ministers of Consumer and Corporate Affairs at one time or another. In fact, the Leader of the Opposition was Canada's first Minister of Consumer and Corporate Affairs.

The Official Opposition has no fewer than five Members who have held that portfolio, so we are quite prepared and qualified to analyse this admittedly very complex measure introduced by the Minister, Bill C-91.

And I want to say that we intend to analyse this Bill because, unfortunately, there have been too few successful attempts to reform this legislation, and it has always been a rather laborious process.

That is why I share the Minister's view that, for a number of reasons, this reform is long overdue and we must act without further delay. The Minister said earlier that he would like this Bill to be adopted quickly. Why did he wait 16 months before introducing the legislation? The consultation process surely was important. We recognize that the Minister as soon as he took office had to do some sort of consultation. But consultation is no excuse for inaction. And now, 16 months later, we are faced with a Bill that has its origin in the legislation that was carefully prepared by myself early in 1981-82 and introduced in this House by my colleague, the then Minister Judy Erola, as Bill C-29.

[*English*]

Let me say very clearly and unequivocally that Bill C-91 is a welcome Bill. However, we must look at it and ask ourselves whether it is better than the present legislation dealing with competition. In many respects, I believe it is. In many other respects it is not adequate. We need to do the job in order to deal effectively with true competition in the market-place This legislation is far from being adequate to deal and to cope effectively with the current situation.

[*Translation*]

I find it unfortunate that Mrs. Erola's Bill has been "toryfied", if I may use the term. It is my feeling the Minister bowed before big business pressures and recommendations. The Bill he is introducing today does not really meet the needs of consumers and the multitude of small Canadian businesses that are constantly being bullied and crushed by big Canadian businesses.

• (1150)

[*English*]

Considering that Bill C-91 is better than nothing, but not enough to do the job effectively, we, the Liberal Party of Canada, will seek to improve and to strengthen the Bill by amendments based on proper analysis within the framework of the legislative committee. We are committed to the improvement of Bill C-91 and we will react negatively to all amendments that could weaken the Bill even further. Our objective will be to strengthen this legislation substantially.

Why is there a need for such a piece of legislation, Mr. Speaker? Competition is the basis of the private enterprise system. Economic theory states that the more competition there is in the market-place, the better it is for everyone: prices are lower due to the wide choice of firms producing the same products and small business, provided it can face the competition, can assume its part of the market and improve its products and services. Consumers will then benefit from low prices and a wide variety of products from which to choose.

[*Translation*]

The healthier the competition, the better it is for everybody. For instance, in the '60s we started to relate competition and efficiency. Logic would have it that the competition legislation should help and encourage maintaining conditions conducive to efficient competition. As a consequence, competitive and therefore efficient markets were considered to be those that could allocate those resources that are the most urgently needed by Canadian society with the utmost efficiency. From there flowed the principle that efficient allocation of resources results in the highest possible level of material life. Of course the highest possible level of material life for all Canadians was the goal in the '60s, and as far as this party is concerned it still has to be, more than ever, our first and foremost goal. This points to the significance of efficient legislation in the area of economic competition.

[*English*]

On the other hand, when there is little competition product choice is poor and, in general, prices are high, sometimes excessively high. Consumers and small businesses are hit the hardest. I know the Government has what we call—

[*Translation*]

—favourable preconceived opinion for Canada's oil industry.

[*English*]

But whatever this Government thinks, for the majority of the people the prime example of an non-competitive sector in the economy is the oil industry. There is little competition, choice is poor and prices are absurdly high. In a country such as Canada, where many of us depend on gas to travel the great distances that separate different communities, the high price of gas is a true scandal. Consumers and the Canadian economy as a whole are hurt by the oil industry.

[*Translation*]

Mr. Speaker, when world oil prices go up, that increase is reflected at the pumps the same day or the day after. But when oil prices decline, as it is now the case, we have to wait for weeks or months before prices go down at service stations.

Mr. Speaker, the situation now prevailing in Quebec's oil industry is sheer madness. How can it be explained that a refinery is taken over in order that it will not be operated afterwards by its buyers? That flies in the face of logic. It is clear that the purchase of such a plant is normally aimed at operating it. But we know the Ultramar Corporation bought the Gulf refinery in Eastend Montreal, not to operate it, but to shut it down. Well, the Gulf-Ultramar deal is a downright political scandal which weighs heavily on the back of the present Conservative Government.

Why the present Minister of Consumer and Corporate Affairs (Mr. Côté) did not back his Director of Investigations to prevent that deal is incomprehensible. I maintain that the Minister did not do his duty. He has lost the confidence of Canadian consumers. And the Bill he is introducing today is another example of his subservience to the large Canadian companies. What reason did he have to defend Ultramar instead of the consumers of the Montreal area?

The concentration in that industry is so real and important that the Canadian Oil Products Marketing Association claims that Canadian consumers paid $302 million more than they should have for gasoline just for the month of January 1986. Yet, independent companies in that field are not afraid of competition and have indeed long been calling for a better competition policy to protect them from oil multinationals. Why is it the opposite in the case of multinationals and other large producers which do not want good competition legislation in Canada? And why is the Minister of Consumer and Corporate Affairs protecting oil multinationals?

When the former Combines Investigations Director, Mr. Bertrand, tabled his report incriminating oil companies, I was Minister of Consumer and Corporate Affairs, and I publicly backed the Investigations Director, Mr. Bertrand. I was in attendance when he gave his press conference and charged the large oil companies of Canada on the basis of vast and bulky information. I never failed in my duty to back the Director of Investigations. But what about the present Minister who went in hiding for weeks, who refused to make public the O'Farrell report, written by the present Director of Combines Investigations? When this civil servant, Mr. O'Farrell, published his report, the Minister simply said that it contained personal views and that he himself did not want to get involved. Now, it is an absolute shame for a Minister of Consumer and Corporate Affairs to refuse to back and defend the Director of Combines Investigations. If the Director is no good, let him go, let him be given the sack, let him be replaced. But if the Director is doing his job in a decent and conscientious way, then the Minister must back him publicly in his action. And I insist, Mr. Speaker, that the Minister did not do his duty and chose to protect multinational companies rather than backing his Director of Investigations and protecting Canadian consumers.

As it stands, our competition law is excessively weak compared to those of other coutries. Let us take the American situation as an example. The Americans have one of the best competition laws in the world, which the oil companies in the United States must obey, a far cry from what exists here in Canada. We should therefore not be surprised, Mr. Speaker, to see that gas prices are much lower in the United States than they are here and that any reduction in the world prices is immediately passed on to American consumers. We hope that situation will finally prevail in Canada. A thorough study of Bill C-91 makes one realize, unfortunately, that this legislation is toothless and will not fill the bill and protect Canadian consumers.

• (1200)

[*English*]

I would also ask the Minister if he believes that the lack of competition in our country has been beneficial to the Canadian economy. For example, in 1978 Canada's top one hundred non-financial enterprises owned 48.6 per cent of all the corporate assets in the country, compared to 30.6 per cent owned by the top one hundred firms in the United States. Canada has gone through a major recession and, consequently, the 100 largest corporations control more than half of the business assets of our country. Furthermore, there is no proof that these very large companies are now better or more efficient because of their size. In fact, they can be either better or worse, but, unfortunaely, there is no documented proof of their efficiency. However, it is certain that their size gives them a tremendous degree of power.

If you define power as the ability to say no, then these very large companies have a definite power, for they have been saying no to competition policy for over 15 years.

[*Translation*]

The attitude of the Canadian Chamber of Commerce in the '70s, in particular, was almost ludicrous. The paranoiac reaction of its leaders to any amendement to the competition legislation completely discredited that body at the time. That is why other groups emerged as adequate and rational representatives of the interests of all business people in Canada. And I seize this opportunity of a debate on Bill C-91 to pay a tribute today to the Business Council on National Issues, particularly to Mr. Tom D'Aquino whose more realistic approach allowed a freer, more serene and serious debate on that matter. I do not hesitate to say that the BCNI has made considerable efforts to better understand the objectives of the Government and those of the Department of Consumer and Corporate Affairs and to explain to various representatives of the business community that once and for all they had to reach an agreement with the Government with respect to competition legislation. I know quite well that the Minister has resumed the dialogue and carried on consultations with the business community.

[*English*]

I understand that Bill C-91 was drafted in collaboration with the Gang of five: the Business Council on National Issues, the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Grocery Products Manufacturers

of Canada, and the Canadian Bar Association. I have no objection to these associations being consulted. I think it was natural and that they should have been consulted.

Mr. Orlikow: Consulted? They wrote the Bill. They weren't consulted.

Mr. Ouellet: I share my colleague's fear in this regard. I would like to be assured by the Minister that the present amendments reflect not only their concerns and interests, but also those of the Canadian economy as a whole, of the small businesses of Canada and, more particularly, of the consumers of Canada. If the Minister is telling us that the business community is ready to accept the Bill because it is of their own making, I will be very uncomfortable, because if their participation has been, in large part, overwhelming, I would be afraid that Bill C-91 is strongly biased in favour of big businesses.

I am not the first one to acknowledge that a bias exists in favour of business communities in any country of the world. I am not saying that is always necessarily bad. However, we must be aware of the limitations this imposes upon us and acknowledge them. I want the Minister to be open, frank, and honest in this regard and to tell us who drafted the Bill.

As far back as the 18th century Adam Smith wrote in *The Wealth of Nations*:

> People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices. It is impossible indeed to prevent such meetings by any law which either could be executed, or would be consistent with liberty and justice.

More recently Mr. Justice Wyzanski of the United States Federal Court stated:

> Concentration of power, no matter how beneficially they appear to have acted, nor what advantages they seem to possess, are inherently dangerous.
>
> Their good behaviour in the past may not be continued; and if their strength were hereafter grasped by presumptuous hands, there would be no automatic check and balance from equal forces in the industrial market . . . . Dispersal of private economic power is thus one of the ways to preserve the system of private enterprise.

In view of the circumstances, Mr. Speaker, the manner in which the Bill was drafted, and the historical perspective of Canadian competition policy, a serious examination of Bill C-91 in committee is of the utmost importance. The effects of concentration on the Canadian economy are already very serious. The economic sectors of the oil, publishing, newspaper, food, and retail industries have all seen less and less competition and increased, although subtle in some cases, control of markets. This is practically always to the detriment of the consumer. This is obvious. One need only look at what happened in some cases to conclude that it is abundantly clear that consumers have not benefited from this era of concentration in Canada.

It is also to the detriment of our Canadian economy. For example, mergers do not necessarily create more jobs, they often decrease the prices of shares. Neither is a merger guaranteed to bring about more productivity or efficiency. The simple truth is that in some cases it does, but in many other cases, unfortunately, it does not. Our approach and vision of the problem is greatly enhanced when we consider the real motor of the economy, that is small and medium businesses, and also the spending power of the consumers.

• (1210)

Small businesses create the bulk of jobs that exist in Canada. Therefore, we have an obligation to encourage and protect competition and fair trade practices in order to ensure the best conditions for an active and healthy market-place. The reality is that it is not consumers or individual consumers who complain to the Department of Consumer and Corporate Affairs about unethical competition. The vast majority of requests that come daily to the Department come from small businesses, entrepreneurs that are squeezed out by the big ones, that are badly treated by the large dominant firms in Canada.

Therefore, once again Adam Smith's perspective can help us in our endeavour. He states as follows:

> Monopoly—is a great enemy to good management which can never be universally established but in consequence of that free and universal competition which forces everybody to have recourse to it for the sake of self-defence.

The Liberal Party will be looking for indications that small businesses are protected from unfair competition by Bill C-91. We will not take only the word of the Minister, we will ask small business representatives to come before the committee and test this legislation as to whether it is efficient. If it is not we will have to amend it, because I believe it must be the essence of fair competition in the market-place; legislation that allows small businesses to prosper in Canada and multiply themselves, not to be squeezed out of business by the big ones.

I would now like to address briefly some of the aspects of the legislation, and the first has to do with the tribunal. Certainly the establishment of a tribunal can be said to be a positive step, since its members will be able to develop a certain expertise, but the issue of composition needs readdressing.

The judge on the tribunal will have great power in the decision-making process since he alone would be deciding on questions of law, and with lay members on questions of law and of fact. These lay members will be sitting on a part-time basis, opening the door to uncertainty as to their constant interest and commitment to the job, not saying anything of their total integrity. I do not think this system has been carefully considered and analysed.

[*Translation*]

I know that in Quebec, the tradition is that a judge is appointed to sit on some administrative courts. For instance, the chairman of the Workmen's Compensation Board is a judge sitting full-time on that administrative court for a five-, six- or seven-year term. And once he has completed his term, he returns to the bench, his independence as well as the security of his professional life being assured but we do not have this rather paradoxical mixture of the judiciary and the non-judiciary.

I just cannot believe that Canadian judges of the Federal Court are prepared to sit on such a hybrid body. Asking a justice of a Canadian Superior Court, a Federal Court or a provincial Supreme Court to sit on the Competition Tribunal for four, five, six or seven years would be an excellent idea, but I cannot accept that this justice should continue to exercise his responsibility in his own court, to which he has been appointed and with which he is expected to work. I find it absolutely inconceivable that those justices should be asked to do double duty as justices of both the Federal Court and the Competition Tribunal. And also that they should be asked to lead a panel, not of other judges but of business experts. It is my view that the Minister made an excellent move when he decided on setting up a tribunal, but also that he erred when he turned that tribunal into some half-judiciary, half non-judiciary body.

I also wonder whether that would not be unconstitutional, and it is my view that we should have legal opinions on that before proceeding with legislation that could lead to tremendous difficulties with the Supreme Court of Canada a few years down the road.

But what is more important still for us is who will be appointed to that tribunal. We feel it is essential that people of absolute independence and integrity be appointed to that tribunal, because they will have to pass judgment on economic matters involving millions, if not billions of dollars. And if people are asked on occasion to sit temporarily on a tribunal that will have to decide whether the takeover of two big Canadian corporations should procced or not, I feel that we will thus be exposing those people who in due course will be going back to their own fields of activity to earn an honourable living. It is my view that failing to provide for a fixed term of office and some employment stability in the case of those men and women who will be called upon to sit on that tribunal is a very serious blunder on the part of the Minister, one which I hope he will straighten out.

[*English*]

In addition, the appeal procedures are very broad and could go on for a very lengthy time. In economic matters, where time is of the essence, we must examine ways of speeding up, or limiting the time spent before our judicial institutions. Otherwise, opportunities may be missed both for companies and consumers.

[*Translation*]

Moreover, our party, the Liberal Party, is concerned that Bill C-91 will not allow third parties to appear directly before the Competition Tribunal. In my opinion, this represents an obvious lack of access to the tribunal in the context of a growing bureaucratization of the whole process.

I think that it is important for the Minister to accept an amendment which would allow third parties with a competitive interest to appear before the tribunal to express their views and present their arguments before this tribunal makes any decision which could impact on these third parties, who are not directly involved, but who, indirectly, could be very much affected by a transaction sanctioned by the tribunal.

• (1220)

[*English*]

The legislative committee would also want to look into class action as introduced in both Bills C-42 and C-13, to see once again if this would be a good way for third parties to seek redress, or if procedural rules cover this kind of action sufficiently.

[*Translation*]

Mr. Speaker, I would like to say in closing that it is important in my opinion that the part of the Act dealing with mergers be as strong as possible because it is obvious that it is the weak point of the existing statute. The proof is obvious. Since 1910, there has only been one conviction under this section of the Act.

I believe that we are right to transfer jurisdiction for mergers from criminal law to civil law. However, Bill C-91 has been weakened if we consider that its predecessor, Bill C-29, listed twelve factors to determine whether there had been a contravention of the Act.

I do not understand why the Minister has made these changes. The bill introduced by Mrs. Erola was much more important, serious and useful to prevent mergers which would be detrimental to Canadian economic interests.

Bill C-91 omits several considerations, as I have just mentioned. For instance, the difference in size between the business planning a merger and its competitors. There is also the past behaviour of a company to prevent competition, for instance, as well as the potential elimination of a solid competitor, any evidence of the intention to prevent or reduce competition, the possibility that the merger will result in a substantial decrease in supply or distribution sources, as well as the nature and the degree of change and innovation in the specific market, and finally, any possibility that the merger will promote competition. Why have these factors been eliminated from the legislation which Mrs. Erola had introduced? It seems to me that the legislator should provide a text which is as precise as possible to better inform the judges of his intentions. Is it that the Minister does not feel these factors are important? Is it that the Minister wants to instruct the Competition Tribunal not to take these factors into account? If such is the case, it would be quite unfortunate, because we would have run the complete circle. While trying to tell us that the legislation would prevent unfortunate mergers in Canada, the Minister has come forward with a toothless legislation which will not prevent mergers which are detrimental to the Canadian economy.

In my opinion, there are too many loopholes in this legislation. Especially because of this defence of economic efficiency and the obligation to demonstrate a lack of competition, the legislation introduced by the Minister has so many loopholes that major corporations will be able again to get away with it.

Mr. Speaker, I am extremely disappointed that the Minister had to give major companies these concessions to gain their support for his Bill.

Finally, I hope the Minister will understand his mistake and realize that this is a toothless legislation, that it is no good as drafted, and that he will accept the amendments which committee members may suggest to him to strenghten his legislation so that it truly ensures free competition in Canada, in the interest not only of Canadian corporations, but also of Canadian consumers and, on top of that, of the Canadian economy as a whole.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the Minister of Consumer and Corporate Affairs (Mr. Côté) introduced this Bill a short time ago he said it had the support of the business and financial community. A little later he gave us the names of the advisory committee that worked on this Bill. It then became very obvious to anyone who has an interest in this why the Bill had the support of the business and financial community. All the members of the advisory committee came from the business community or from law firms which represent the business community. The advisory committee had no representatives from farm organizations, labour organizations, consumer organizations or the academic community.

If we are going to be fair, we must say that this Bill is better than its predecessor. I say that only because the legislation we have had until now has proven completely useless. Previous Bills have failed to do anything to control mergers or see that we have real competition.

This Bill is light-years short of what we really need and I want to tell the Minister that the New Democratic Party intends to oppose it as much as we can, for as long as we can. If and when this Bill passes second reading we will insist that there be the most detailed discussion in the committee and that the fullest opportunity be given for input and testimony from witnesses who come from all those areas of the community to which the Minister has not listened.

There has been no sadder page in Canadian history than the failure of governments, Liberal and Conservative, to deal with the whole question of competition reform. That is not just the judgment of the New Democratic Party, it is the written assessment of one of the leading competition economists in Canada, Professor Irving Brecher of McGill University, who wrote a study in 1981 entitled "Canada's Competition Policy Revisted". Professor Brecher knew where to place the blame when he added in that article:

> This judgment is made all the more painful by the realization that, contrary to often-expressed belief, the outcome was not inevitable or beyond the control of Governments determined that it be otherwise.

He was talking about Liberal Governments which failed to deal with the question and he could well say that about the present Conservative Government which is not now dealing with the real issue.

This is a story of continuing failure over a long period of time. The Economic Council began their deliberations about what we need in a modern competition policy in 1966. Their interim report was completed in 1969 and the then Government brought forward its conclusions, drawn from that study, in Bill C-256 which was tabled in 1971. As of today, none of the studies, the commitments, Bills or speeches have produced a law which would reform our simplistic, judicially hamstrung and grossly ineffective competition law. Only one modest Bill was passed.

Today we are being asked to accept Bill C-91 as the ultimate development in competition policy. This Bill is hardly that at all. It is a fifth (and poor) generation descendant of a Bill that has been before the House, but not passed, since 1971. There were in earlier years Bill C-256, Bill C-42, Bill C-13 and Bill C-29. All of these Bills were attempts to reform the Competition laws and all of them failed.

• (1230)

Anyone who believes that competition law reform was or is a priority for this country should approach Bill C-91 with a good deal of suspicion. The question is not what is in the Bill, it is what is not in the Bill. Why did those earlier Bills not pass Parliament? It was not because they were blockaded by Opposition Members of Parliament. It was essentially because they only gave the business community 90 per cent of what it wanted.

In order to introduce this legislation today, the Minister of Consumer and Corporate Affairs (Mr. Coté) had to pay a price. He had to give them 99 per cent of what they wanted. It is a bit like Faust having to make a deal with the devil. In the name of promoting competition, the Minister had to reach prior agreement with the same people who had prevented the passage of all four of the previous Bills, namely, the representatives of big business.

We can be more specific. We can say categorically that five groups argued with the Department of Consumer and Corporate Affairs over every clause of this Bill until they got what they wanted. It was not labour and consumer groups, representatives of farm organizations, or academics, who spent years studying this question, who sat in on the drafting of this Bill. The groups which sat in with the Department and vetted every single clause in this Bill were the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Grocery Products Manufacturers of Canada Association and the Canadian Bar Association. These five groups are naturally satisfied with the Bill. We have not had a barrage of objections from them of the kind which downed the previous Bills. We should be very worried indeed. We have to ask ourselves if a committee of foxes did not design this particular chicken coop. We suggest that although they did not do the actual drawing up of the Bill itself, they certainly sat at the table to ensure that any detail did not affect them adversely.

What about the other groups? What about the wide circle of consultation bragged about by the Minister in his press statement of December 17? He said he was listening not only to business interests both small and large, but to the provinces, consumers and organized labour.

We know something about those consultations. Organized labour was given a very perfunctory hearing with no follow-up as to what the Government was actually planning to do. We know that the Consumers' Association was warned to go along or there would be very serious consequences. We had our own experience with this consultation process. Because we believe in being constructive, we sent the Minister a letter on March 27 of last year requesting he meet with seven competition experts from the academic community in order to receive the benefit of their experience and scholarship in this field. My understanding is that none of those persons received any more than a perfunctory consultation. Departmental advisers will call them when they have problems but the Minister was not very interested in hearing their policy views and then acting on their expert advice.

Sunday morning on CBC Radio, Professor Stanbury, an outstanding expert at the University of British Columbia, spoke in considerable detail about what is wrong with this Bill and what should be in this Bill but which is not. Professor Stanbury was one of the persons we recommended the Minister consult, but all the Minister did was write to him, receive a reply, and that was the end of Professor Stanbury's participation.

Our conclusions about this kind of policy making are; first, it is one-sided, calculated to appease the most powerful special interest group, large business. There was no real consultation. Second, other interested parties, particularly the general public which would stand to gain substantially through an effective competition law, were involved tangentially or not at all. Third, expert outside advice was neither sought nor encouraged.

Why this has come to pass is part of the pathetic story told by Professor Brecher in his study. It is a diminishing effort by Cabinet, the Civil Service and political Parties, both Liberals and Conservatives, as the difficulties of passing a useful competition Bill became apparent. Competition reform as a priority gave way to the buzz words of "incrementalism" and "stage one" and "stage two" when the Government realized it would have to fight very powerful interest groups in order to implement a worthwhile policy. It was not prepared to fight. It is not as if the Government was resigned after fighting the good fight to getting half a loaf in Bill C-91. It has brought about this outcome by deliberately lowering its sights and being afraid to fight for a better economic deal for average Canadians in most of their every-day purchases. Just how much average Canadians are paying for this continuing policy failure will no doubt surprise Hon. Members.

We should take inventory of what this policy failure has cost the country and ordinary Canadian consumers. We know that the Canadian economy is highly concentrated. It is susceptible to price increases associated with high tariffs, and the domination of markets keeps prices high throughout a business cycle. The cost to Canada of this kind of anti-competitive system has been estimated at 7.5 per cent of the Gross National Product. In 1984 the Gross National Product was $416.6 billion. The cost of economic wastes attributable to the absence of price competition in Canada is in the neighbourhood of $31 billion and rising yearly. This estimate is from a noted competition economist, A. M. Moore. The Nielsen Task Force should have also looked at private sector waste.

There are further costs to the economy, as Professor Brecher noted. We have highly sheltered markets, which means a sluggish economy, slow to adapt. These non-competitive markets also breed persistent powerful private attempts at manipulation of the policitical process in order to sustain the economic status quo. Thus we can see a New Brunswick dominated by the Irving family interests, a Newfoundland dominated by the Water Street merchants or the western provinces which were formerly dominated by the CPR now dominated in many food industries now dominated by the Weston group and by Safeway.

We now begin to see the double bind on competition reformers in Canada. On the one hand, we have a powerful business constituency wanting nothing to do with a policy it perceives, incorrectly, as being harmful to its interests. On the other hand we have a Government which is loathe to offend those who can cause it the most difficulty at both the political and Civil Service levels. Obviously, the substantial costs of not having a real competition policy have been borne by the ordinary Canadians who could not be effectively mobilized to argue for consistently better economic performance by this country's business firms.

There will be claims by both Liberals and Conservatives that they are the true parents of effective competition law in Canada. Those who study the field in detail know better than that. Professor Brecher said about both Parties:

> The fact is, however, that neither the Liberals nor the Conservatives have ever articulated a clear philosophy of competition or a real commitment to its vigorous enforcement.

We have seen the abject Liberal record on this issue. That Party never did put through an effective Bill in all the years it was in office. This assessment ought to make us even more wary about what the Conservatives are promising. When the Minister of Consumer and Corporate Affairs unveiled this legislation last December we called it "more water than wine" in delivering a competition policy to Canadians. There is much more to be said on this.

• (1240)

Before going further I should point out where the Conservatives stood while the Liberals were at least trying to pass a Bill. The Conservatives were opposed to it and only too happy to be the advocates of big business once more. One of the biggest critics of Bill C-42, which was brought forward by the Liberals, was the present Minister of Regional Industrial

Expansion (Mr. Stevens). We have to ask whether there been a change of heart on the road to Damascus so that the Minister can now endorse the Bill of his colleague, the Minister of Consumer and Corporate Affairs. Of course not.

We have seen many changes to the earlier Bill C-42 as originally proposed. It has deteriorated and has been watered down into the present Bill C-91. Undoubtedly, we know that the Government has no great enthusiasm for this Bill. "We can live with it" is possibly how members of the Government explain it. But given Conservative ideology, a strong competition Bill is a must.

The Government repeatedly calls for maximizing the role of the private sector. It believes in a closer trade relationship with the U.S. and lower international tariffs. But lower tariffs are not a substitute for effective competition in the domestic market. We know that certain cabinet Ministers who often profess belief in the market frequently run into difficulties. For example, the Minister of Finance (Mr. Wilson) believes in letting markets set the value of the Canadian dollar. He believes that until the value drops too low and then he talks about burning the speculators. Let us consider the Minister of Energy, Mines and Resources (Miss Carney). She believes in letting the markets set the value of petroleum products. She says she believes that, even while gasoline prices have declined by only three cents a litre while crude oil prices have dropped by one-half or more. She continues to say she will be patient with the companies, while Canadians motorists want to see some real action from her, action that would cut gasoline prices by 12 cents a litre.

I wish to take a few moments to deal with a tremendously important decision being made right now out there in the real world about the future of this country, with which this Bill does not even deal. I am talking about the proposal by Imasco to take over Genstar. Before I point out what is wrong with that proposal let me put on the record the fact that it is not just New Democrats who are opposed to the takeover of Genstar by Imasco. I would like to quote from a news report which appeared in *The Globe and Mail* a couple of days ago. It is headlined: "Debate sought on Genstar takeover, Tory MPS oppose Imasco deal". I would like to read into the record a couple of paragraphs from the story.

A group of Conservative back-benchers are preparing to stage a special debate to oppose the takeover of Genstar Corp. by Imasco Ltd.—

The $2-billion deal, accepted by Genstar yesterday, would give Imasco, a Montreal-based cigarette, drug store and fast-food conglomerate, control over Canada Trustco Mortgage Co., a Genstar subsidiary. Canada Trust, with assets of more than $20-billion, is the seventh largest financial institution in Canada.

The protest is led by Paul McCrossan, Tory Member of Parliament for York—Scarborough, who opposes any particular takeover of a mjaor financial institution by a company not already in the financial services industry.

He argues that such a purchase creates a situation whereby a trust company can become the captive of its new parent—a compliant source of financing for deals that might not be in the best interests of the financial institution's depositors.

The article goes on to quote the Hon. Member for Don Valley East (Mr. Attewell).

Mr. Attewell, Conservative MP for the Toronto riding of Don Valley East and a former vice-president for corporate planning with the Guaranty Trust Co., added that in the wake of recent takeovers, there is widespread support within the Conservative caucus for Government action, both on the Imasco-Genstar deal and on the broader question of corporate concentration.

This is what the Hon. Member for Don Valley East said, and I again quote from the article:

"My interests are a little broader—the whole subject of corporate concentration," Mr. Attewell said. "We need to put the brakes on. Takeovers don't create jobs. Often it's just the opposite, with rationalization that occurs after a takeover."

Members of the New Democratic Party have been saying that for years. We have been laughed at, scoffed at and told that we do not understand anything about business. Yet here we have the Hon. Member for York—Scarborough (Mr. McCrossan) and the Hon. Member for Don Valley East opposed to such a move. On *As It Happens* a few nights ago I heard the Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), make the same point.

I ask the Minister where he is living. Is he living in dream land while bringing forth this Bill and telling us that it will deal with the major problems in Canada? Before us is one of the biggest financial deals that we have ever seen in Canada. It is one which will cause tremendous hardship and trouble for most Canadians. Yet, the Minister does not say a word about it. His Bill does not deal with the situation at all. That is the real world which the Minister so conveniently, either by design or ignorance, avoids.

The fact is that conglomerate mergers are beyond the scope of Bill C-91. Neither Imasco nor Gulf has a horizontal or vertical relationship with the companies they want to take over since they are unrelated companies. Thus the Bill does not deal at all with conglomerates under its merger provisions. However, there is a linkage between the real economy, which makes goods and provides services, and the financial economy of intermediaries which provide capital.

This relationship has been the subject of the Green Paper on the regulation of Canadian financial institutions and hearings by the House Standing Committee on Finance, Trade and Economic Affairs. The Green Paper was confronted with the problems of financial conglomerates controlled by diversified companies. It decided to embrace them by calling them financial holding corporations and sought to regulate them through rules which would ban certain practices and restrict access in other areas. But now the nature of the problem has become more clear. The largest industrial companies have integrated financial holding companies. Brascan has Trilon, which has assets of $65 billion. Power Corporation has Power Financial Corporation, which has assets of $29.6 billion. Imasco now has Canada Trust, which has assets of more than $20 billion.

The problems with this type of relationship have become well known in recent years. There is the potential for self-dealing, to which the Conservative Members I have quoted have faced up. In such a situation the financial institution loses

its arm's length relationship with its customers and is bent toward furthering the finances or the corporate goals of the parent company rather than those of the ordinary people who have put their money into these companies because they believe in the free enterprise system.

I remind the Minister of the activities of that well known Conservative Peter Pocklington. He used the trust company which he controlled to help in his real estate speculation. Then there was the case of Leonard Rosenberg and his trust companies, Seaway, Greymac and Crown Trust, and even his involvement in the Canadian Commercial Bank. Those activities which were permitted by Canadian laws, and will continue to be permitted even after we pass Bill C-91, have cost the Canadian people hundreds of millions of dollars if not, indeed, billions of dollars.

• (1250)

This is only the most blatant of conflict of interests which would include any commercial activity that would compromise the normal relationship between the lender and the borrower. Already we are seeing incentives being offered to staff members of Trilon subsidiaries so that they would recommend other Trilon companies to their customers. It could very well be that a non-Trilon company would be better for a customer, both for financial and non-financial services, but will Trilon company employees be professionally restrained from offering anything but disinterested advice? Of course not. That is the problem that was not addressed, and it is only one tiny example of the conflicts that will be facing these companies and their employees every day. This Bill does not deal with that problem.

The answer to this problem, real economic financial conflicts, can be resolved in one clear way: adopt the 10 per cent maximum share limit which now applies to chartered banks. I have been in politics a long time and I did not think that there would ever come a time when I would agree with Canadian bankers on an important issue. However, the 10 per cent maximum share limit is what we proposed in the Finance Committee. We could not get the other members of the committee to agree to it so we proposed it in a minority report. That position is endorsed by groups as disparate as the Consumers' Association of Canada and the Canadian Bankers' Association. However, the Government continues to dance around this obvious solution by pretending it has other solutions.

The Minister of State for Finance (Mrs. McDougall) continues to maintain that by having published a draft Bill on amendments to the Trust Companies Act she can restrain Imasco. She already knows that her review is flawed. It is not a public process. Public criteria for the decision and public participation in the review do not exist and are not required in this Bill or in the Bill of the Minister of State for Finance. As a matter of fact, that is one of the very important criticisms of this Bill which Professor Stanbury of the University of British Columbia has made.

The Minister of State for Finance could decide against a Imasco only to have a successor Minister, reverse the decision. Policy will therefore be made on the whim of a Minister or the personal views held by that Minister and there will be no public discussion and no public input into the decision. That is hardly the basis for a competition policy. It is hardly what we were promised by the Minister of Consumer and Corporate Affairs who said that he would bring forth a Bill only after there had been the widest consultations and input from the widest group of interested people possible. It is *ad hockery* at its worst.

We asked the Minister of Consumer and Corporate Affairs to reconsider the problems of conglomerate mergers and to put provisions for the review into the new competition Act. Certainly the Minister of Finance and the Minister of State for Finance must come to grips with their own problems of financial and non-financial corporations and conglomerate takeovers, but the problem goes far beyond the financial sector. We should take a look at what takeovers do and what they do not do.

We can talk about greater efficiencies and economies of scale, but those do not always apply to particular conglomerate takeovers. We know that corporation takeovers are a good deal for those making the takeovers and for those being bought out. A lot of paper is passed around and fortunes are made. In the last couple of weeks the Belzbergs moved to take over Ashland Oil in the United States and they were bought off by what is called green mail. They made millions of dollars because they were persuaded by the profit they received from the present owners and management of Ashland not to continue their takeover bid. They made millions, but what did that add to the economies of Canada and the United States? Did it add one single job? No, it made money for the Belzbergs. That is quite permissible under our laws. I am not critical of the Belzbergs or of any other groups that do this. What I am critical of is the fact that we have failed to pass laws which would make sense and bring benefits to the people of Canada rather than to the few who have been able to make hundreds of millions of dollars.

As legislators, we should ask ourselves several questions. Do these takeovers create employment? The answer in most cases is no. Do they stimulate investment in new technologies, in the industries of the future, in electronics, computers and ceramics? No. Do they bring new companies and skills to Canada? In most cases, the answers are quite negative.

Do the staff members of Canada Permanent who no longer have jobs think much of the Genstar takeover? Do the staff members of Dominion Stores think much of Conrad Black for raiding their pension fund—I would say even stealing from their pension fund—and turning their jobs into $7-per-hour non-unionized jobs at Mr. Grocer from $14-per-hour unionized jobs?

Is there much in the way of investment in start-up enterprises in Canada? No, we support this kind of business at the rate of 50 cents per capita in Canada while in the U.S. it is

supported at the rate of $10 per capita. Pension funds have invested only $100 million of $8 billion in venture capital.

I would like to conclude my remarks about the takeover by Imasco of Genstar by quoting from that great radical newspaper, the Montreal *Gazette*. An editorial entitled "The macabre feast" which appeared on April 2, 1986, had this to say:

What is going on in Canada's industrial circles would surely alarm even a self-respecting cannibal. Certainly it should alarm the governments that are supposed to act as guardians of the public interest.

In a wave of ever-larger takeovers, giant corporations are gobbling each other up in a macabre feast, generating little except profits for the firms involved and their legions of lawyers and accountants.

Certainly there is no discernible benefit to the economy at large, let alone to consumer interest, in most of these billion-dollar deals. A good many of them, in fact, look potentially harmful.

Regarding the Imasco-Genstar deal, the editorial reads:

It is simply not healthy for financial institutions to be in a position where they may be pressured to give favored treatment to some borrowers (their corporate brethren). It is important for the health of the financial system in which all Canadians' savings are invested that such pressures be strictly avoided. Events of the past year have taught that the financial industry can and does run into trouble; this kind of relationship makes trouble that much easier to find.

The editorial concludes by saying:

There are reasonable arguments in favor of letting Canadian firms attain a respectable size, sufficient to compete in world markets. But those arguments assume the big firms will be innovative and will invest in new technologies and jobs.

Having one corporate giant swallow another corporate giant does not of itself create jobs (indeed, as Quebecers have reason to recall, the Gulf takeover last year resulted in the loss of jobs here). When huge firms use their financial muscle to buy other huge firms, they become richer but the economy does not.

If the Minister will not listen to us, I wish he would at least pay some attention to the Montreal *Gazette*.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. He has five minutes left to speak the next time this matter will be debated. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2. p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

REGIONAL ECONOMIC EXPANSION

MATANE PAPER MILL—REQUEST THAT GOVERNMENT RESPECT ITS PROMISE

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): In its Saturday edition, the *La Presse* newspaper published an article entitled "Matane paper mill: Ciaccia asks Ottawa to respect its promise".

Mr. Speaker, this Conservative Government, and especially the Prime Minister and the Minister of Regional Industrial Expansion (Mr. Stevens), have failed on three occasions to keep their promises to Quebecers. I need only mention the Gulf-Ultramar dossier where Quebecers were taken for a ride, and also the Domtar dossier.

Mr. Speaker, the Quebec Minister is asking and begging Conservative Members representing Quebec to wake up and pressure the Minister of Regional Industrial Expansion into signing the documents and keeping his word to save the Matane paper mill.

* * *

[*English*]

CANADIAN WHEAT BOARD

ANNOUNCEMENT OF INITIAL GRAIN PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, each year toward the end of March the Minister of State for the Canadian Wheat Board (Mr. Mayer) announces the initial prices to be paid for western grain. Producers use these prices as a basis for their seeding plans for the coming season. This year the Minister is dragging his feet. For what is the Minister waiting? We know that the Western Grain Stabilization Program is likely to generate a $500 million interim payment. Is the Minister waiting to announce stabilization payments so that he can soften the blow of low initial prices? Is he hoping that such an announcement will cover his Government's inability to deal with the disastrous effect of the U.S. Farm Bill?

The Minister should announce the initial prices immediately and then give some assurance to producers that they will not be ruined by decisions made in Washington. The Minister should give careful consideration to the advice of the Canadian Wheat Board advisory committee, or he should guarantee a basic price of $12 per bushel for wheat for domestic use and stabilize the income of farmers now, rather than wait until it is too late—

Mr. Speaker: Order, please. Sixty seconds.

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AGRICULTURE

FUNDING OF COLOURED HOLSTEINS RESEARCH PROJECT

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, dairy farmers and agricultural research scientists in Canada are incensed that an American company called Dream Street Holsteins plans to use $10 million in research tax credits to fund a research project comparing red and white holsteins with

black and white holsteins. This project can be described as superficial or totally useless.

This waste is occurring while Canadian farmers are in financial difficulty and traditional Canadian scientists are looking for more funds. These tax credits will be used to compete directly with dairy farmers on quota prices, land prices, and the purchase of cattle. This will give this major American company a large foothold in the Canadian dairy industry. Already farmers note the unusually high prices being paid for red and white holsteins of poor quality.

I call upon the Minister of National Revenue (Mr. MacKay) to take whatever steps he can to ensure that this outrageous waste is stopped.

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SPORTS

CALGARY RINK WINS MEN'S WORLD CURLING CHAMPIONSHIP

Mr. Bob Hicks (Scarborough East): Mr. Speaker, "Cool Hand Luke" has prevailed again. No, this is not a western movie to which I refer. It is Calgary's Ed Lukewich and his men's rink who, yesterday in Toronto, retained the men's World Curling Championship for Canada.

The Lukewich rink edged an outstanding team from Scotland four to three with the final rock on the final end, to join the women's World Championship rink of Marilyn Darte from St. Catharines. All Canadians should be justly proud of these two teams that have represented their country with such dignity and with such skill.

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AIRPORTS

AIR CANADA—TRANSFER OF INTERNATIONAL FLIGHTS FROM GANDER TO ST. JOHN'S NFLD.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I wish to object to the sneaky and cowardly manner in which the Government of Canada announced the movement of Air Canada's international flights from St. John's to Gander, sneaky and cowardly because it made the announcement in the afternoon of the final day of sitting before the Easter break. The decision was made because of a threat issued by the Minister of Justice (Mr. Crosbie) that the flights must be moved to St. John's. In making the decision, the Minister of Transport (Mr. Mazankowski) has violated the security and sterility standards of several government Departments.

I have the questions for the Minister of Transport when he shows up in the House. I just wonder if he has answers.

ENVIRONMENTAL AFFAIRS

JAMES BAY PROJECT—MERCURY LEVEL INCREASES AMONG CREE POPULATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, flooding of huge forest areas by Hydro Quebec has resulted in a frightening increase in mercury levels among the Cree Indians of James Bay.

1977 tests showed that 30 per cent of the people had mercury levels above international safety standards. By 1984 this had increased to 64 per cent. Some mercury levels are as high as the highest among the devastated Indians of Grassy Narrows and White Dog Reserves in northern Ontario. Mercury poisoning leads to neurological problems that can end in convulsions, paralysis, and death.

The James Bay Agreement calls for a federal environmental regime to monitor the impact of the huge hydro project. The previous Liberal Government never implemented it, and now the Conservatives are cutting back on environmental expertise.

The basic health of the Cree Indians depends upon the environment, and I call upon the Minister of the Environment (Mr. McMillan) to implement immediately the federal environmental regime as the Cree have requested.

* * *

BILINGUALISM

AWARENESS CAMPAIGN LAUNCHED BY CANADIAN PARENTS FOR FRENCH ORGANIZATION

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, the Canadian Parents for French Organization began 10 years ago when 35 parents decided that their children should have a better chance to learn French. The CPF is now a 15,000 member national voluntary organization, active in 140 local chapters.

This year it has mounted a national public awareness campaign designed to help parents seeking information on French second language education. The campaign is called "Making Choices" and the CPF is proud of its successes to date, and will gladly share its objectives with interested persons.

The CPF's recent book *More French S'il Vous Plaît* is a valuable aid in helping Canadian parents to make language choices for their children. Canadians have a unique opportunity to speak two universal languages. Let us strengthen our collective efforts.

[*Translation*]

SPORTS

TRIBUTE TO QUEBEC NORDIQUES

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I wish to point out to the House the tremendous success of a group of determined young men, I mean the Quebec Nordiques, an outstanding team!

Thanks to their dedication, determination, tenacity and team spirit, the Quebec Nordiques have managed for the first time in their short history—seven years—to finish first in their own division.

Mr. Speaker, I suggest that it would be appropriate to congragulate them for their brillant performance and to draw from their success a lesson in courage and determination.

Although a number of players are stars in their own right, I think it is essential to emphasize their true team spirit and motivation inspired by their coach.

Because I am convinced that success comes to those who work the hardest—

[*English*]

Mr. Speaker: Order, please. The Hon. Member for Etobicoke North.

* * *

YOUTH

DROP IN UNEMPLOYMENT RATE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, youth unemployment, is a serious problem in Canada. No one will deny this fact. Certainly more needs to be done to address this serious problem. However, in responding to critics of our Government's policy, one only needs to refer to the facts.

In the late 1970s and early 1980s the previous Government allowed the situation of our youth to deteriorate to the point where, in 1983, youth unemployment hovered at the 20 per cent mark. As *La Presse* stated:

> It was an era during which symbolic programs were given preference over solid realities such as job creation.

In only 18 months we have provided a positive economic environment which has resulted in a 2.5 per cent drop in youth unemployment. Today the unemployment gap between youth and adults is narrower than it was 10 years ago. Those are the facts, Mr. Speaker.

The most beneficial thing our Government can do for Canada's youth is to maintain our present economic course, which is producing positive results, to ensure that much needed jobs in the private sector continue to be created.

S. O. 21

THE SENATE

FILLING OF VACANCIES

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Prime Minister (Mr. Mulroney) is about to make two Senate appointments. Who will the lucky appointees be? The rumour mill says Norm Atkins and Michel Cogger, two of the Prime Minister's closest cronies, will get the nod.

Over the course of the next 25 years or so these appointments will be worth over $2 million each to these two gentlemen. That is just like winning Loto 6/49. Last week's Loto 6/49 winners must be green with envy. After all, they will get only $1.2 million after their winnings are split six ways.

I think the press should give these appointments as much publicity as it gives the Loto 6/49 winners. Perhaps we could get a picture of Michel Cogger and Norm Atkins kissing each other on the front page of *The Globe and Mail*, and perhaps a guest appearance on *Front Page Challenge*, if it is still in production. Who cares if the Prime Minister broke every campaign promise he has made on patronage? At least he will have made two friends, very, very happy and a little richer.

* * *

• (1410)

PETRO-CANADA

PRICE OF GASOLINE IN NIAGARA PENINSULA

Mr. Joe Reid (St. Catharines): Mr. Speaker, while consumers in other parts of the country were benefiting from plummeting gasoline prices, consumers in the Niagara Peninsula were plagued with halts and slow starts. First, officials of PetroCan said the 2-cent tax cut announced in the House was not an across-the-board reduction, but only where market conditions demanded.

Later, as Niagara residents continued to complain, PetroCan's position was that it takes a while for the word to get through the system. Only when enterprising dealers defied the orders of regional offices did prices drop, but not to the levels of elsewhere. Prices hit 44 and 43 cents for a full week before Niagara benefited.

With less concentration of control at the top we would have more entrepreneurial dealers giving consumers the advantage of competitive prices. We should not have Crown corporations setting regional market prices.

S. O. 21

CANADA LABOUR CODE

AMENDMENT SOUGHT TO ASSIST BANK EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, I have written the Minister of Labour (Mr. McKnight) asking him to introduce amendments to the labour code which will result in stronger legislation. I again urge the Government to set up an inquiry into the labour practices of all banks, and to improve the Canada Labour Code so that banks will be forced to negotiate fairly with their employees.

The Imperial Bank of Commerce is well known for maintaining a ghetto of low-paid employees, the majority of whom are women. Decisions against the Bank of Commerce have included Canada Labour Relations Board decisions 745-362 and 745-361, which have found the bank to be practising unfair labour practices by laying off union sympathizers and bringing in employees from other branches known to be loyal to the bank. The most recent decision against the bank forced the signing of the first contract, and the Canada Labour Relations Board labelled the bank anti-union and obstructionist in its behaviour.

The bank and other employers can continue to behave in this arrogant manner unless steps are taken to amend the code. The present situation is a national disgrace which is sanctified by deliberately weak federal legislation.

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EQUALITY RIGHTS

DROP IN UNEMPLOYMENT AMONG WOMEN

Mrs. Mary Collins (Capilano): Mr. Speaker, the Government has demonstrated time and time again its commitment to ensuring equality for women in Canadian society. Ensuring equality requires more than words, it requires action. One area where the results of the Government's undertakings with respect to equality of opportunity is most apparent is employment. Figures released by Statistics Canada on Friday reveal that unemployment among women is down significantly.

To illustrate, 293,000 more women are working today than there were in September of 1984. The unemployment rate for women has fallen by 1.9 percentage points since the election. In comparison, the unemployment rate increased by 3.4 per cent during the term of the last Liberal Government. The number of unemployed women has decreased by 82,000, compared to an increase of 243,000 under the Liberals.

This is real progress, Mr. Speaker, and it will continue so that Canadian women will achieve social and economic equality under a Progressive Conservative Government.

THE ECONOMY

SUCCESS OF CANADIAN JOBS STRATEGY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, there is more good news. The central bank rate dropped last week to 10.14 per cent and banks are lowering their mortgage and loan rates. Lower interest rates help create jobs and, sure enough, the unemployment rate dropped to 9.6 per cent, the lowest rate since 1982. Since September, 1984, 574,000 jobs have been created. Youth employment has risen by 47,000 since the election, compared to a net loss of 285,000 under the Liberals.

I met last Saturday with members of our local advisory council on employment, which is chaired by Mrs. Shirley Scaife of Willowdale. Some of the other local members present were Jack Hauseman, Asta Dvorak, Frank Wilson, and Brian Patterson.

It is clear that the Canadian Jobs Strategy is working. The Job Entry Program, which concentrates on women who have been out of the workforce for three or four years, and on youth, has been a sparkling success thanks to the strong support of business people.

* * *

[*Translation*]

FINANCE

INVESTMENT OF REGISTERED RETIREMENT SAVINGS PLANS AND OF REGISTERED RETIREMENT SAVINGS FUNDS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Minister of Finance (Mr. Wilson) has made public the final regulations stemming from his May 23, 1985 Budget measures aimed at encouraging investments from pension plans and other retirement plans in small- and medium-sized businesses.

According to the first part of these regulations, Mr. Speaker, RRSPs and RRIFs may invest in Canadian corporations with which they deal at arm's length.

Mr. Speaker, how can those regulations help small business when the Minister of Finance undoubtedly uses them as a smokescreen behind which major corporations hide to diversify their holdings?

Mr. Speaker, we know very well that the only people who can invest in small businesses are the owners themselves, their relatives and their associates.

ORAL QUESTION PERIOD

[*English*]

FINANCIAL INSTITUTIONS

IMASCO BID TO TAKE OVER GENSTAR

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. Last November the finance committee unanimously expressed concern about concentration of ownership in the financial services industry and about the implications of financial institutions being owned by non-financial interests.

The Government has not responded to that report but we now have the fast food and tobacco giant, Imasco, set to take over Genstar Corporation, which owns Canada's largest trust company. The Minister of State said on March 24 she was reviewing the situation. Can she now tell us her action plan and a timetable?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is an issue which does fall under the provisions of the Bill which we introduced in the House this morning. We will be reviewing all aspects of it under the criteria that we outlined last fall. That review is continuing, and I will be announcing a decision as soon as we have considered every factor.

REVIEW OF TAKEOVER BID

Miss Aideen Nicholson (Trinity): Mr. Speaker, will the Minister confirm that Imasco offered her and her officials all the documents to participate in a review as though the legislation had been passed some time ago before the takeover bid was made public, and that she failed to do so?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my officials have been in constant touch with Imasco as a result of this and we have reviewed the criteria. They were not quite in the final form but they have been made available to Imasco.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister has had information and was in a position to act before now. Why does the Minister wait until she is under public pressure before deciding to move?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we are not taking any action on the Bill which was introduced this morning under public pressure. That Bill was introduced in draft form last fall. As a result of public discussion there have been some changes in it. It was produced as soon as it was ready. We are proceeding on track, as we always have. It is not a case of there being a response to pressure.

[*Translation*]

EFFECT OF LEGISLATION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Does he realize that his own legislation, not the one mentioned by his colleague, could not prevent a merger such as that given as an example by my colleague from Trinity? What does he intend to do about that?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Last December, Mr. Speaker, we did introduce amendments to the combines legislation. One of the provisions of that legislation is aimed at establishing a competition tribunal responsible for screening proposed mergers and indeed for ruling on such deals.

MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, does the Minister realize that he is trying to weaken the combines legislation section dealing with mergers with respect to Bill C-29? Can the Minister tell us why he thinks that the non-competitive history of a corporation should no longer be viewed as a criterion for assessment in the case of a merger? Where is the logic in that?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): As it happens, Mr. Speaker, the ultimate objective of Bill C-91 is to increase competition on the domestic market and enable companies to be more competitive on world markets, create jobs, and boost economic growth. That is precisely the kind of Bill which the House is now considering.

[*English*]

COMMITTEE'S OWNERSHIP RECOMMENDATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question directed to the Minister of State for Finance. Since it was the unanimous recommendation of all members on the committee of this House that non-financial institutions should not be able to own financial institutions in order to avoid self-dealing or a conflict of interest, why does she not announce now that she is not going to permit the takeover of Genstar by Imasco?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have a Bill before the House which suggests that transmissible ownerships are subject to ministerial approval. Among those matters that will be considered are the very excellent recommendations of the parliamentary committee.

However, as I understand the parliamentary committee recommendation, this trust company could be owned 50 per cent rather than 100 per cent. We are looking at all those questions as we reach our decision.

INTRODUCTION OF LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Minister in Cabinet responsible for this important area of policy, is she in agreement with the unanimous recommendation of the committee that financial institutions ought not to be owned by non-financial institutions for the obvious reason that a situation could arise where companies will be gambling with pensioners' funds in the future? Does she agree with that principle and, if so, why did she not bring in legislation that was consistent with it?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there is more than one way to deal with this issue. We are looking at the recommendations of the parliamentary committee along with some other ways of dealing with matters concerning the ownership of financial institutions and the powers and obligations under the law. There is more than one way to deal with this, and we are looking at all of them.

Mr. Broadbent: The members of the committee from the Minister's Party, as well as members from other Parties in the House, looked at it carefully and reached a decision that makes sense.

ANNOUNCEMENT OF GOVERNMENT DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister is going to review this take-over bid that is not yet complete, will she at least tell the House when she will be ready with the Government's decision?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I will inform the House when I am ready with the decision.

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CORPORATE AFFAIRS

GULF BID TO TAKE OVER HIRAM WALKER

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister of State for Finance has just confirmed that the Imasco-Genstar deal will be reviewed under the new financial institutions legislation which just received first reading today. Will he apply the same approach to the Gulf takeover of Hiram Walker by applying the criteria of the competition legislation now before the House to ensure the public interest is protected, including the 1,000 jobs at the Hiram Walker Distillery in Windsor?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I should like to reassure my colleague by saying quite simply that all deals in this country are examined by the director under the Combines Investigation Act and that, in this regard, he examines each transaction on its own merits and takes appropriate action.

[*English*]

APPLICATION OF COMBINES LEGISLATION

Hon. Herb Gray (Windsor West): Mr. Speaker, why is the Government applying two standards? With respect to the Imasco-Genstar transaction the Government is retroactively applying legislation that it just tabled today. Why is the Government not willing to do the same thing with the combines legislation before the House when it comes to the takeover of Hiram Walker by Gulf? The public interest is involved there just as much. Why the two standards?

[*Translation*]

Why this double standard?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Government happens to believe that the private sector is the real driving force behind the most equitable distribution of resources so as to promote economic growth and create jobs. The competition legislation now before Parliament will meet such requirements and create a market place in which our economic needs can be met.

* * *

[*English*]

FINANCE

POSSIBLE TAX WRITE-OFFS IN IMASCO-GENSTAR TAKEOVER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. Will he confirm that as a result of our existing tax laws the Imasco takeover will cost Canadian taxpayers something in the neighbourhood of $200 million a year in tax write-offs of which the company will be able to take advantage as a result of the cost of this takeover?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is jumping to some conclusions. If he has specific information that he would like to discuss with me, I would be happy to sit down with him.

Mr. Broadbent: He just asked you.

Mr. Blaikie: You haven't looked at it yourself?

COST TO TAXPAYERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, will the Minister simply confirm that if Imasco borrows money for this take over bid, the cost of the take over will be deducted as part of its taxes, and consequently the taxpayers of Canada will be picking up the tab for this merger?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the conclusion drawn by the Hon. Member is that it is going to use totally borrowed funds—

Mr. Riis: Why won't they?

Mr. Wilson (Etobicoke Centre): The Hon. Member asks why they wouldn't. There are other ways of financing acquisitions than through borrowed funds. I would also say to the Hon. Member that the tax law we have is identical to the tax laws of other countries, and if we did not have that provision in our tax law it would be far easier for other companies—

Mr. Broadbent: To stop it in this case. Stop this case.

Mr. Wilson (Etobicoke Centre): —from outside the country to take over companies in Canada, and I do not think that is very good policy.

* * *

ENERGY

SITUATION IN OIL INDUSTRY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Tomorrow representatives of the oil-producing provinces will be in Ottawa to ask the federal Government to drop its wait-and-see attitude and do something to save the Canadian oil industry. Is the Government prepared to act now?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I think it is very plain that the Government, in co-operation with the producing provinces, is willing to sit down and talk. That is what the meetings tomorrow are about. The appropriate announcement will be made after those meetings which will be held with provincial Premiers and provincial Ministers of Energy. They are very important meetings and I think show most demonstrably that we are concerned about the energy situation in the West.

PROTECTION OF JOBS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the provinces are asking for more than talk. Thousands of jobs have already been lost. Projections show that at least another 18,000 jobs will be lost. What is the Government going to do to save these jobs?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, unlike the Liberals, we do not go off on a tangent all by ourselves making decisions without consulting our provincial counterparts.

Mr. Foster: You don't do anything.

Mr. McDermid: That is what is going on tomorrow. Appropriate announcements will be made after the meetings.

CORPORATE AFFAIRS

IMASCO BID TO TAKE OVER GENSTAR

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He will know that Members of Parliament for York Scarborough, Don Valley East, and Mississauga South have expressed their opposition to the takeover of Genstar by Imasco. Does the Minster not believe that such a takeover should be reviewed for its effects on Canadian competitiveness, investment, and job creation? If he does, what action does he propose to take on competition law amendments so that such an inquiry will be thorough, public, and in the best interests of all Canadians?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Once more, Mr. Speaker, I think that I shall repeat what I said earlier. We have now before this House a bill aimed at promoting more competition on domestic and international markets. This bill includes various provisions concerning, for instance, the creation of a competition tribunal, new powers of inquiry for the Director, as well as the requirement to notify the Director of Investigations before certain transactions occur. All these provisions are included in the amendments now before the House to make our legislation more effective.

[*English*]

CONGLOMERATE MERGERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am sure the Minister knows that the legislation as proposed gives the Government power to examine takeovers which extend vertical and horizontal concentration. If that is necessary, why are conglomerate mergers not subject to Canadian competition law because that is not in the Bill brought forward by the Minister?

Mr. Hnatyshyn: This is the subject of the debate in the House today.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, what I have said is that, while the existing statute does not allow any intervention, the new bill will give the Director of Investigations and the members of the Competition Tribunal the possibility of examining such transactions first and of taking action if need be. A major requirement will be to ensure that competition is protected at all times.

[*English*]

IMPERIAL OIL—REPORTED DUMPING OF OIL ON UNITED STATES MARKET

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to ask the Minister of Consumer and Corporate Affairs if the Government will investigate a report

contained in the *Winnipeg Free Press* last Friday that Imperial Oil is dumping hundreds of thousands of litres of diesel oil in North Dakota at prices below the U.S. wholesale price, and over 50 per cent less than what is being charged in the Winnipeg market? Is this an example of how a private sector firm is serving the proper market in Canada? Will the Minister investigate?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can assure my colleague that such activities are now subject to review by the Director of Combines Investigations and that, if he knows of any facts which could enlighten us and make the work of the Director easier, I shall be happy to receive them and I shall take prompt action.

• (1430)

[*English*]

REQUEST FOR INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister has not answered my question. I am specifically asking whether or not the Government will investigate the case of Imperial Oil dumping diesel oil across the border. The fall in diesel oil prices has not kept pace with that of gasoline prices, a fall of 2 cents versus one of 9 cents. Is it not time the Government became interested in the downstream pricing policies of our oil wholesalers so that there will not be this type of consumer rip-off?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, as I have already said, it is up to the Director of Combines Investigations to determine whether there are grounds for investigation or not. To my knowledge, the Director has always completed his reviews very promptly.

* * *

[*English*]

FINANCIAL INSTITUTIONS

IMASCO BID FOR GENSTAR—POTENTIAL IMPACT ON TRUST COMPANY DEPOSITORS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of State for Finance. Does the Minister remember the recent circumstances surrounding Greymac and those concerning Seaway some years ago, where conflict of interest situations resulted in tremendous losses suffered by depositors in both of those trust companies? Does she not see the same potential trouble looming with respect to the takeover of Canada Trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the allegation of the Hon. Member is a little unfair. We have indicated that we are reviewing this proposal. We have brought in legislation which gives us the power to make a cease and desist order, a power which would have effectively changed the situation with respect to those trust companies. We have moved with our legislative program to deal with the problems which have come up in the past and problems which could come down the road in the future. I will not relate Imasco to something which has gone before in connection with those trust companies.

CONFLICT OF INTEREST INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize that the power with respect to cease and desist is after the fact, and that what is potentially before us is the possibility of internal lending of people's money deposited in Canada Trust in good faith? Why does the Minister allow this potential conflict of interest to be included in this deal?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have moved on this legislative package to prevent the type of abuses suggested by the Hon. Member. The problems of the past are just that. We have learned many lessons from them, which is one of the reasons we have moved quickly with legislation.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

MATANE PAPER MILL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion.

Mr. Minister, last Friday the Quebec Minister of Natural Resources, Mr. Ciaccia, had to hold a press conference to implore you to honour the promise you made to him on January 14, 1985, to fund the Matane paper mill.

Can the Minister tell this House whether he signed today, morning, or whether he intends to sign later today the agreement that would allow the Matane paper mill to proceed?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in connection with the proposed paper-mill in Matane I am sure that the Hon. Member will want to know that the company in Norway has advised us that it will not be in the position to say yes or no to the deal until sometime in May since it is the object of a takeover bid. The company has asked us to bear this in mind with respect to any negotiations concerning the paper-mill at Matane.

[*Translation*]

AGREEMENT PERMITTING ESTABLISHMENT OF MATANE PAPER MILL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I had a chance to speak to the Quebec Minister of Natural Resources, and I get the feeling that the two of them are not on the same wavelength.

I would like to know from the Minister, and I am asking the same question to the Quebec Minister, whether the Minister will have signed the agreement by Wednesday in order that the Matane paper mill can proceed? Yes or no?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I will reiterate what I have said already. It takes two to sign an agreement. The Norwegian company has indicated that it will not be in a position to sign any agreement or negotiate seriously with respect to this project until sometime in May. As far as the Minister from Quebec is concerned, I have had repeated conversations with him, both in person and by telephone. Negotiations are ongoing as to what might be the federal position and as to what might be the Quebec position in the event that the Norwegian company wants to go ahead with this project sometime in May.

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THE ADMINISTRATION

KOREAN BANK'S REPORTED LOAN TO COMPANY FORMERLY CONTROLLED BY MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it has been reported, and not denied, that a company controlled by the Minister of Regional Industrial Expansion received large loans in 1983 from a Korean bank partly owned by Hyundai. First, will the Government recognize the concerns of many Canadians with respect to the grants and quota privileges given Hyundai? Second, will the Government recommend a judicial inquiry be conducted to probe such links between the Korean business lobby and the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, this is a matter which carries at least the inference of a conflict of interest. On behalf of the Government I can inform the Hon. Member that, having discussed the matter with the Minister, I am absolutely satisfied that he has met the very exacting demands imposed by the previous conflict of interest guidelines and by the existing conflict of interest guidelines.

Some Hon. Members: Hear, hear!

INQUIRY OF MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to put my question once more to the Minister.

Some Hon. Members: Oh, oh!

Mr. Langdon: Will the Minister confirm himself that the Hanil Bank, partly owned by Hyundai, loaned his company, York Centre, large sums of money in the past—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the Hon. Member knows the rules with respect to questions to Ministers with regard to their ministerial responsibilities. Therefore, the Hon. Member for Oxford (Mr. Halliday).

* * *

WORLD HEALTH DAY

GOVERNMENT RECOGNITION

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of National Health and Welfare. Today, April 7, is World Health Day 1986 as proclaimed by the World Health Organization. Do the Minister and the Government have any new ideas or thrusts in the general area of health care in recognition of this special day?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has shown an interest regarding health and disease prevention and health promotion not only in Canada but internationally. I think Hon. Members in the House recognize that. I would like to inform the Hon. Member that the goal "Health for All by the Year 2000" remains. However, this year the goal is "Healthy Living: Everyone a Winner". We will emphasize exercise, nutrition and lifestyle. I thank the Hon. Member for also endorsing a program which we propose to all Members of the House.

* * *

AGRICULTURE

FUNDING OF COLOURED DAIRY CATTLE RESEARCH

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. There is very great concern in the agricultural community with respect to the Government providing about $10 million to rich American investors called Dreamstreet Limited to do some very phoney research comparing the colours of dairy cattle. Did the Minister support this project which was approved last December? Why would the Government approve such an obvious scam?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am aware of the project to which the Hon. Member refers. He

should also acknowledge that this is a group which has chosen to utilize a provision put in place by the previous Government. Indeed, I have received a number of supportive representations with respect to the project. I have also received a number of representations which are asking some questions. In this respect I have communicated with the executive director of the Holstein-Friesian Association of Canada. I am awaiting his final recommendation.

APPROVAL OF PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister explain why he overruled his departmental officials and approved this project when Doctor Réjean Bouchard, the Co-ordinator of Animal Research, said: "Everyone who was consulted on the project walked away from it"? Is the Minister really trying to put these Dreamstreet people on easy street with $10 million of Canadian taxpayers' money?

• (1440)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not so sure exactly where the Hon. Member is getting his information. The Hon. Member knows that this project, of course, is not approved by Agriculture Canada.

* * *

[*Translation*]

YOUTH

ANNOUNCEMENT OF PROGRAM—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Bill Fox said the Prime Minister did not know what he was doing when he promised a youth program before the end of the fiscal year, and the two ministers who are trying to outplay one another were saying they were setting up an advisory council that would advise them on the youth program.

Can someone, perhaps the Minister of State for Youth, explain to our young people how they can take the Government seriously when the Chairman of that famed advisory council admits he does not have much time to devote to it?

[*English*]

Mr. Hnatyshyn: You've been practising all weekend on that one.

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, let me first congratulate wholeheartedly the Hon. Member for Windsor—Walkerville for his extraordinary effort in the French language.

Some Hon. Members: Hear, hear!

[*English*]

Mrs. Champagne: If I understood him correctly, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mrs. Champagne: —what the hon. gentleman wants me to repeat to him is that the youth unemployment rate is down by 2.5 per cent since the Government has come into power. We will continue toward—

Some Hon. Members: Hear, hear!

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

Mr. McCurdy: Mr. Speaker, is it the intention of representatives of the Government either to repeat this silliness, or to lie to the youth of the country, or distort the truth to the youth of the country—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member knows that he cannot—

Mr. McCurdy: I retract that, Mr. Speaker. In order to get to the question—

Mr. Speaker: Order, please. Order. Next.

Mr. McCurdy: Is it not possible—

Mr. Speaker: Order, please.

Mr. McCurdy: Is it not possible for the Government to give a straight answer—

Mr. Speaker: Order, please. Next, please. I recognize the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

Mr. Allmand: Mr. Speaker, my question is directed to the President of the Treasury Board.

Mr. McCurdy: Is it not possible to get a straight answer from this Government on any question posed to it? I ask—

An Hon. Member: He's either deaf, or silly, or both.

Mr. Speaker: Order, please.

* * *

PUBLIC SERVICE

EARLY RETIREMENT PAY OFFERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the President of the Treasury Board. Is the Minister aware that the post office is now offering up to $14,000 to about 100 executives to take early retirement as a replacement for the unemployment insurance benefits cut by the Minister of Employment? Does the Minister think that this is justified, and how is it that it is

only applicable to one group of civil servants and not all, including Armed Service retirees?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have offered early retirement incentives to various groups in the Public Service depending on the particular circumstances of a group, in keeping with our workplace adjustment policy which will be ongoing throughout our workplace reduction exercise from now until 1990-91.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, is this particularly geared to replace the cut unemployment insurance benefits, and does the Minister think it is fair to offer this program only to executives and not to all employees, including Armed Service retirees?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, each case is judged on its own merits. There has been a program like that for senior civil servants and also one for cleaners in the Department of Public Works. Each case will be reviewed on its own merits. What we are looking for are equity and justice for all.

* * *

ENERGY

SUGGESTED DISCOUNTS FOR MOTORISTS PAYING CASH FOR GASOLINE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is directed to her Parliamentary Secretary. In various parts of the United States certain oil companies are giving discount prices to motorists who pay cash rather than use credit cards. In view of the Minister's advocacy on behalf of motorists, will she ask Canadian oil companies to consider adopting this policy to help motorists who are already paying excessive prices?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Minister has said many times, and has made it very clear, that she does not interfere directly in the market-place. No more would she suggest that a company do that than she would suggest that a haberdasher charge less for a suit when customers pay cash rather than use credit cards.

* * *

FINANCE

GRIFFITH MINE LAY-OFFS—TAX TREATMENT OF WORKERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Finance who, on March 25, defended his decision to deny tax relief to laid off workers of Griffith Mine on the grounds that substantial employment opportunities exist with major employers in the area, citing Campbell Mines. Since the government-commissioned Anderson report on the impact of the lay-off and a survey of the major employers indicate no significant hiring plans, would the Minister now reconsider his decision and grant that tax relief or, failing that, will he make public the criteria under which he plans to deny it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the information I have received is that 117 of the 300 who were laid off from Griffith Mine have already found alternative employment. The criterion under which these decisions are made is if the sole industry in the town is closed down. That was the case in Gagnon but it is not the case in Ear Falls.

GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Minister must surely be aware that the vast majority of those people moved to get work. Will he explain to the House of Commons, the people of Ear Falls, and the Griffith workers, why there was no consultation such as he promised in his November 1984 economic statement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member asked a question about some of the provisions that are available. I should point out to him that the Income Tax Act already provides a number of provisions for assisting displaced workers and I will list these for him: the sheltering of severance payments in RRSPs, the application of pension income deduction against supplementary pension benefits, the deduction of moving expenses, and the tax exemption for a certain type of—

Mr. Speaker: Order, please.

* * *

[*Translation*]

PUBLIC SERVICE

ALLEGED SOLICITATION OF FUNDS FOR POLITICAL PURPOSES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker my question to the Deputy Prime Minister deals with the recently acquired habit of Progressive Conservative Party representatives to solicit funds from civil servants. Why does the Government, which has failed to keep its promise to grant political right to Federal Civil Servants, allow this appeal for funds to be made in the Government's own offices? Could the Deputy Prime Minister explain to us why this double standard, why he has failed to intervene to forbid this appeal which is probably made in violation of Public Service regulations?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as Deputy Leader of the Progressive Conservative Party of Canada I can inform the hon. gentleman that we adopt a perfectly honest but very productive and aggressive fund-raising effort in all parts of the country.

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, given that the Government seems to be willing now to bend the rules slightly when it comes to Tory fund raising, and given this new-found interest in political freedom for public servants, can the Deputy Prime Minister—

Mr. Speaker: I will hear the question but it should be about government policy.

Mr. Boudria: Can the Deputy Prime Minister tell public servants that he will forthwith introduce legislation to permit full political participation in the political process of the same public servants from whom he is soliciting funds?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe that that matter is *sub judice*, but in any event I would remind the hon. gentleman that I and many others throughout the country and in the House of Commons have received letters from his Leader, as they have from the Leader of the New Democratic Party, doing the same kind of thing, a little belatedly, I will admit, as our own Party is doing.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I get copies of Ed Broadbent's letters from all my constituents.

Mr. Deans: Did you send us any money?

Mr. Benjamin: Send money and we will quit writing.

* * *

ENERGY

PETROLEUM AND GAS REVENUE TAX

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to put a question to the Minister of Finance because the 21 Alberta Tory MPs in the House are too chicken to defend the interests of the Province of Alberta.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Benjamin: That's parliamentary.

• (1450)

Mr. Speaker: I will permit the question, but I will remind the Member that comments about other Members are not allowed.

Mr. Waddell: Does the Minister of Finance object to the Minister of Energy agreeing tomorrow, at her meeting with Energy Minister Zaozirny of Alberta and Premier Devine of Saskatchewan, to the immediate elimination of the Petroleum and Gas Revenue Tax on the oil industry?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I should draw to the attention of the Hon. Member that the most vigorous support of the Alberta economy, and the oil and gas industry in particular, I have experienced in the House was from Alberta Members of Parliament when they were on that side of the House and also when they are on this side of the House.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The only thing I have heard from the Hon. Member in this regard is a lot of whining, with no positive suggestion being put forward from the other side.

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

HEAVY OIL UPGRADER PROJECT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, is the present Government still committed to federal Government loan guarantees to the heavy oil upgrader project in Lloydminster? There is a positive suggestion for you, Michael.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate very much the positive suggestion of the Hon. Member which was made a number of years ago by someone else. The purpose of the meeting tomorrow is to discuss a wide range of matters relating to the very serious situation which is being experienced in western Canada, particularly in the Province of Alberta. Things related to the oil upgrader will be discussed. However, in response to the Hon. Member's previous comment, I should point out that the major beneficiaries of his first suggestion would be the large multinational companies.

PRICE OF HOME HEATING OIL

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. The Minister of Energy wrote to the oil companies many months ago asking them to pass on the lower energy cost to the consumer, and we have seen some reduction at the gas pump. However, why have we not seen the price of home heating oil drop as well, before our tanks are refilled with expensive home heating fuel?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I thank the Hon. Member for his question. The Minister has made very clear that she expects the savings to be passed on, not only in gasoline prices at the pumps but in home heating oil and diesel fuel, as the expensive fuel is used up by retailers. We expect the same excellent action which we have seen in the reduction at the pumps, which is now some 48 cents per gallon.

* * *

PHARMACEUTICAL INDUSTRY

MANUFACTURE OF GENERIC DRUGS—GOVERNMENT CONSULTATIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister of Consumer and Corporate Affairs said in the House on March 17 that he was "concluding our consultation process" regarding the possibility of restricting the manufacturing of generic drugs. Did this consultation process, which he said was concluding three weeks ago, involve consultation with the most important people affected by this decision—average Canadian consumers?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we have indeed carried out a vague series of consultations over the past few months and, in the course of these consultations, we have indeed met with representatives of pharmaceutical and generic drug companies on the one hand, and with consumers on the other.

[*English*]

EMPLOYMENT IMPACT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister also stated that the policy "will ensure that it creates jobs and brings investment to Canada". If the Government is to legislate generic drug companies out of business, how is it possible to create employment and to compensate for the massive increase in costs to average Canadian consumers?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): As I said already on a number of occasions, Mr. Speaker, after the policy has been made public and adopted by the Cabinet, we will have a policy which will meet the need of consumers as well as favour job creation and investments in Canada.

[*English*]

WESTERN GRAIN STABILIZATION ACT

TIMING OF PAYMENTS ANNOUNCEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The Minister will be aware that the western grain stabilization plan will generate an approximate $500 million payment during the next few weeks, I hope, which will cover last year's shortfall in grain receipts. Is it the Minister's strategy to announce the stabilization payments at the same time as he announces the initial prices for grains, in order to soften the blow of those prices being so low? When will he be making that announcement?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member is correct. The Government amended the Act a little over a year ago to allow for an interim payment. We are now in the process of determining whether in fact there will be an interim payment. We hope to have the figures generated and the money in the hands of producers by the first of May, if we can. When the Hon. Member talks about initial prices, I guess I would ask for his advice as a farmer. He knows full well that grain prices are not very favourable. I would ask him whether he thinks we should make the two announcements at the same time.

DEFICIENCY PAYMENTS INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when the Minister makes the announcement on initial prices, will he also announce that there will be deficiency payments to compensate for the low Canadian grain prices and the losses which are being generated by the U.S. Farm Bill? Will he take the advice of the advisory board and announce deficiency payments as well?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we face a very difficult situation in world grain prices. It is not entirely the fault of the U.S. Farm Bill. The European Community has been producing excessive amounts of grain, which I believe is the main reason for the fall in world grain prices. The American action is a reaction to what the Europeans are doing. We are looking at all kinds of avenues to support western and Canadian grain producers in this very difficult time. One of the means we have at our disposal is the Western Grain Stabilization Act which the Hon. Member mentioned in his previous question.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—REQUEST FOR INTERIM REPORT ON PENSION INCOME

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Media reports indicate that the report of the Forget Commission will be delayed until the end of September, 1986. I know the Minister is aware of the concerns of pensioners across Canada, particularly those of the Canadian Forces. Is it possible to request from the Forget Commission an interim report on the matter of pension income so that this matter could be settled earlier rather than later?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Forget Commission will be reporting to me in a preliminary way at the end of June, which has always been the target date. The full report will be coming in before the fall. I have therefore asked the Forget Commission, as the Hon. Member will know, to take a specific look at this issue and to report to me at that time.

* * *

[*Translation*]

THE ARTS

DISTRIBUTION OF FUNDS TO ARTISTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Communications. The Government seems to have a well-defined plan to discourage creative minds in this country, especially among francophones. This last month, the CBC and the CRTC have reduced the opportunities for our singers and composers, artists, actors, and so on to become known to and appreciated by the public. My question is as follows: What is the basis of the Minister's decision to distribute a few million dollars among the artists to develop their talents if, at the same time, he removes the most sought-after and effective means of making these talents known?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the budget of the CBC amounts to $869.5 million, which is an increase of nearly 3 per cent over last year.

Second, as concerns the recording industry, the Minister of Finance has allocated substantial amounts to this sector and the Government should be able to announce a policy in this regard after consultation with the people involved in the coming weeks.

Mrs. Finestone: Unfortunately, Mr. Speaker, I have not had an answer to my question.

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, what will the Minister do now that the artists and technicians will be without a profession and without a job because of reduction in French contents from 75 per cent in 1973 to 50—

Mr. Speaker: Order, please.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the CRTC has announced a new policy in this sector and the Government is aware of it. The people involved are being consulted and, as I have said, the problem is also related to the recording industry because broadcasters generally use records to make up their quotas. This is therefore first and foremost a production problem in the recording industry, and it is in this context that the Minister of Finance has made an additional allocation and that a new policy should be announced within a few weeks.

Mr. Speaker: Order, please.

• (1500)

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Côté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: Order, please. Can the Cabinet meeting be held somewhere else?

Order, please. Could I ask all those having meetings to have them somewhere else? The Hon. Member might allow his own colleague to have the floor.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when I spoke earlier today I was making as clear as I could the concern and the opposition of our Party and the people we represent to the increasing concentration and tremendous power which now resides in the hands of a very few individuals and companies in Canada, power which has been increasing at an alarming rate. The views I expressed are not held only by members of our Party.

I draw the attention of Members of Parliament to a news article which appeared in *The Toronto Star* March 19, 1986. Let me read just a few paragraphs from the article written by Diane Francis:

> Nine families control stock worth 46 per cent of the value of the most important companies on the Toronto Stock Exchange, according to a new survey prepared by Canada's major bankers.

The "major bankers" being the Canadian Bankers Association. The president of this Association, Robert MacIntosh, said:

> The amount of concentration is dangerous.
>
> The nine families include the empires of Kenneth Thomson, Edward and Peter Bronfman, Edgar and Charles Bronfman, Paul Desmarais, the Reichmann family, Galen Weston, Conrad and Montegu Black, Ron Southern of Calgary and the Siemen brothers of Calgary—

In addition, the report points out that two other huge financial instititions—the Laurentian Mutual Assurance Co. and Caisses Populaires Desjardins—have assets that rival the chartered banks.—Robin Korthals, president of the Toronto-Dominion Bank said—"the banks biggest concern is that their own rivals in the financial services business— insurance, trust or mutual fund companies—are not bound by the same ownership rules as banks, but should be—

No one can own more than 10 per cent of a Canadian chartered bank; and banks, in turn, cannot own more than 10 per cent of companies outside banking—

Bankers are not only concerned about the growing size of such family owned financial institutions, but are concerned about "cross ownership"—the linking of trust companies, insurance or mutual funds to other non-financial assets.

That is precisely what I was speaking about and that is precisely why so many questions were being asked today about the probably takeover by Genstar and, therefore, Canada Trust by Imasco.

I want to put on the record in the minute or two I have left the history of what has happened in recent years, Mr. Speaker. I am talking about larger mergers in Canada in which the transaction value is over $500 million. The period covers 1979 to 1985.

In 1979 Petro-Canada took over Pacific Petroleum Ltd. for $1.4 billion; the Woodbridge Co. Ltd., that is Thomson, took over Hudson Bay Co. for $641 million; Carter Oil and Gas Co. Ltd. took over Hamilton Bros. Petroleum Corp. for $522 million; Dome Petroleum Ltd. took over Mesa Petroleum Ltd. for $640 million.

In 1980 Hiram Walker-Gooderham and Works Ltd. took over Consumers Gas Co. for $1.2 billion; Dome Petroleum Ltd. took over Kaiser Petroleum Ltd. for $700 million; British Columbia Resources took over Kaiser Resources Ltd. for $665 million.

In 1981, Petro-Canada took over Petrofina for $1.4 million; Olympia & York Development took over Abitibi-Price for $618; Sulpetro took over CanDel Oil for $546 and Noranda Mines took over MacMillan Bloedel for $626. Dome Petroleum took over Hudson's Bay Oil and Gas for $2 billion; Canadian Pacific Enterprises Ltd. took over Canadian International Paper for $1 billion; Brascade Resources took over Noranda Mines for $1.6 billion; Canada Development Corporation took over Aquitaine Co. for $1.6 billion and Canada Development Corporation took over Texasgulf for $2.2 billion.

In 1983, Bell Canada Enterprises took over TransCanada Pipe Lines for $600 million; Olympia & York Developments took over Gulf Canada for $2.8 billion; Gulf Canada took over Abitibi-Price for $1.2 billion; Petro-Canada took over Gulf Canada for $880 million and Genstar took over Canada Trustco for $1.2 billion. That is just a partial record of the larger companies, Mr. Speaker.

I say, as have the bankers and many Conservative Members of Parliament, that this trend has not been useful to the country. It has not provided new jobs, nor has it made us more competitive. It is time the Government took steps and brought in legislation which would give the people of Canada at least some say about what happens in future economic development.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I thought perhaps I would draw attention to the fact that Bill C-91 brought before this House today is 85 pages long. In order to comment on the following statement by the Hon. Member for Papineau (Mr. Ouellet), a former Minister of Consumer and Corporate Affairs, I would first like to quote him as best as I can recall. He said that it has taken the Conservative Government too long, and asked why it took so long to bring in a competition piece of legislation. Either the Member for Papineau selectively chooses to forget the history of this Bill or he fails to recognize that it was he himself who introduced into this House, unsuccessfully, amendments to the Competition Bill that we are discussing today as Bill C-91.

He said the Bill does not go far enough and that that Bill C-91 is better than nothing. If this Bill is better than nothing, Mr. Speaker, then I might suggest perhaps the Liberal Government's Bill when in office and the Minister who introduced it must have had a Bill that was less than nothing. Then to confuse me further about what is the Member's actual position on this Bill, which is badly needed, he said he would like to get on with it. We will have an opportunity to answer a couple of the questions of the former Minister from Papineau. I hope we will be able to give this legislation second reading speedily in order to do what the NDP critic, the Member for Winnipeg North (Mr. Orlikow), says we have not done; that is, listen to the people he maintains we have not listened to in the last 19 months. The Member for Winnipeg North says that we have not listened to consumers and small businessmen and that he will hold this Bill up as long as he can until these people are heard from.

• (1510)

I think it is worthy to mention that in the months of July and August of 1985 we consulted extensively with both small and large business groups. It was implied in debate this morning by members of the Opposition that we were talking to big business rather than small business, that we were dealing with the banks rather than the entrepreneurs, the small businessmen who are the engine of economic growth in Canada.

I do not know whether the Chamber of Commerce in Winnipeg represents only banks, but I know that the Chamber of Commerce in Peterborough has 800 members from all sectors of the economy. In addition to bankers the members include farmers and small businessmen who really care about issues such as dominant position in the marketplace, and how they as small businesspeople can compete against large corporations. They are the first to recognize that over the last 16 years of Liberal domination of the economy of the nation, through policies established in the House of Commons in conjunction with the NDP, there have been no major changes to the competition legislation.

Hon. Members have said that we have not worked fast enough and that we have not consulted. I refer them to the

announcements of the Minister of Consumer and Corporate Affairs (Mr. Côté) that we have consulted with the Business Council on National Issues, the Canadian Chamber of Commerce, the Consumer's Association of Canada, the Canadian Manufacturers Association, the Canadian Bar Association, the Grocery Products Manufacturers of Canada, the Canadian Federation of Independent Business, the Canadian Federation of Independent Petroleum Marketers, and the Petroleum Marketers Association of Canada.

Surely we can be realistic enough to admit that not only has there been more adequate consultation during the last 19 months, but that there was 16 years of consultation by the former Government. Many of the things contained in this legislation were introduced by the former Government through at least two cabinet Ministers since I became a Member 1979. Changes to the competition legislation have been next to nil for 75 years. We are dealing with obsolete legislation that makes it virtually impossible to get a conviction on dominant position or conspiracy, or whatever you wish to pursue in the marketplace today in order to give the small businessman a break. It is difficult to prove that big business may or may not be taking advantage of dominant position in the marketplace. If the present legislation had any teeth we would have some convictions. I do not believe there is anyone sitting on either side of the House who does not feel that there are areas in which we would like to proceed to bring changes to the competition legislation in order to give a better deal to small business persons.

The central objective is simple. In Canada we need a charter for the marketplace, something which we do not now have. We need rules which can be enforced. We need an understanding of amendments to the Act, and we also need full consultation on an on-going basis in the future. We must recognize the need for continual changes to competition legislation.

The Minister of Consumer and Corporate Affairs outlined some major proposals in the House this morning. The former Minister of Consumer and Corporate Affairs, the Liberal Member for the riding of Papineau, recognized that we should get on with it. This legislation may not contain everything he wants, but I am sure the former Minister would agree that the legislation which he introduced did not contain everything he wanted either. However, I think we all generally agree that we need to make changes, and to make them fast.

We need a charter for the marketplace, as explained by the Minister this morning, because we recognize that the drive and momentum must come from Canadian small businesses. These are businesses which employ up to 50 people and make sales of up to $2 million each year. Amendments are needed to ensure the full and continued contribution of this sector to our well-being as a nation, and what a contribution they make.

I am not sure that we realize that small business is the well-spring of a large share of our economic output. Ninety-seven per cent of the business enterprises in the country are in that category. Of every 100 people employed in Canada today, 47 work in small business. Furthermore, Mr. Speaker, this sector has been playing a central part in the current economic recovery. In the 19 months since the last election there has been a net increase of 580,000 jobs. One hundred and ninety-four thousand of these jobs, one-third of the total job creation, are in the service sector, a sector which is 98 per cent small business. In short, the role of small business is large in the economic future of our nation, as in any nation in a free marketplace today. It is indispensible. Its contribution must be protected and cultivated. Several of the key amendments in this Bill are designed to let us do that more effectively than we can today.

I would like to consider first the section which deals with the abuse of dominant position; in simple terms, the misuse of market muscle to restrict competition. As any thinking person understands, "big" is not synonymous with "bad". Many big businesses have grown to their size because they are very efficient. We can point to some Canadian examples of that in telecommunications. Companies have become multinational giants because they got to market with innovative products earlier than their competitors. Bigness may be what you need to bankroll exploration and to gamble on research and development. Bigness is often what you need in order to be audacious on a grand scale.

Competition law is not aimed at market power *per se*, but at its abuse. The amendments before us make it clear that the practices to be discouraged must be anti-competitive in nature. They allow for the defence based on superior competitive performance. However, market power, like any other power, can be abused. One example of this is its use to close the door to new competitors entering the marketplace. Another is to squeeze a vulnerable competitor out by cutting off its supplies, or through what is known as "predatory practices". Having been in small business myself for 25 years, I can verify that I have seen instances of that, with no legislation present to deal with it.

This Bill proposes that we approach abuse of dominant position monopoly as a civil matter rather than a criminal offence. As the Minister has pointed out, the criminal approach has not worked. In criminal law you must prove all the elements of the offence beyond any reasonble doubt. With respect to abuse of monopoly the effects are often perspective. We are concerned about the reduction of competition further down the road. This inherently conflicts with the criminal law approach.

• (1520)

Moreover, monopoly problems often raise complex economic questions with which the criminal courts are not equipped to deal. The competition tribunal composed of judges from the federal court and lay appointments will have the necessary expertise to deal effectively with abuses of the dominant positions while ensuring a fair and equitable judicial procedure.

The criminal approach has another drawback. You do not have much room to manoeuvre to correct a problem, the

emphasis is on punishment rather than on correction, on penalties for damages already done. Under civil law, which is where these matters will be dealt with in the amended Act, it will be possible for the tribunal to get the practice itself stopped by issuing a cease and desist order, as an example, or ultimately, if necessary, by ordering to restore competition to the market-place they order divestiture.

This Bill will also give us a law that can deal with anti-competitive behaviour more effectively. The amended Act will provide examples of these practices for the guidance of the tribunal. This list of examples is something that has traditionally been very important and valuable to the small business community.

The other improvements have to do with the focus on the provisions. In some respects the present Act misses the point. These amendments will focus on the real problem. For example, the monopoly provisions in the present Act deal with situations in which market power is used, or is likely to be used, and I quote, "to the detriment of the public". That really does not give the courts a precise course to steer by. It does not point the process at the really crucial question: "Does this practice reduce competition or doesn't it?"

That is one reason why, as we have heard so often in recent days, there has been only one conviction for monopoly in 75 years. These changes will put the focus on the question and in so doing they will give us a better tool with which to defend small growing firms against the abuse of market power of their larger rivals.

Another aspect of the Bill that concerns small business directly is conspiracy. It is a major concern of small business. The conspiracy provision is, of course, the backbone of the competition law. It is the most pernicious of anti-competitive behaviour—it is what the gang has to do before it gangs up and it has to agree to lessen competition unduly. Conspiracy, under these amendments, remains what it has always been—a serious criminal offence.

Ideally these provisions should have a deterrent effect. They should stop a conspiracy before it starts. In cases where conspirators are not deterred the law must be an effective basis for prosecution. The conspiracy sections of the present law have worked fairly well. The sections are a century old and time has caught up with them. One major problem is the type of evidence which must be produced to get a conviction in court. When the unscrupulous get together to conspire they are not likely to leave a paper trail of written agreements.

Until a few years ago it was possible to infer conspiracy from all the surrounding circumstances—you could base your case on circumstantial evidence as long as you could prove, beyond any reasonable doubt, an agreement to lessen competition unduly. But in 1980 the Supreme Court of Canada handed down the Atlantic Sugar judgment which created a number of ambiguities in the law. For that reason the Bill now before us contains an amendment under which the existence of a conspiracy may be inferred from circumstantial evidence. This merely restates the law as it was prior to 1980.

The second change is in penalties. The Act now allows for fines up to one million dollars. In the last attempt to amend this Act by the former Government the anti was raised to two million. To be truly effective, though, the penalty must be much higher. The Bill before us increases the maximum penalty to five million dollars.

However, the Government recognizes that when you're competing in export markets the law should allow firms to get together to promote Canadian export overseas. Bill C-91 proposes to relax the rules on the formation and operation of export consortia and these changes should help small business to take advantage of the enormous potential in greater Canadian trade with other countries.

Finally, there is a change in this Act that deals with pre-notification of mergers. The amended law will require companies with combined assets or sales in excess of five hundred million dollars planning mergers representing a value of more than 35 million to tell the Government about them in advance. It is high time we were able to evaluate the merits of mergers before they have taken place. Small businesses in Canada have let us know through their organizations that they attach a high importance to this change.

We know how important small business is to our economic future; it is a matter of record. We know its importance as a source of jobs and national income, but we should never forget another aspect of its contribution, one that does not necessarily show up in surveys from Statistics Canada. Small business is a well-spring of another kind. It is the source of new products, new ideas and new thinking. Small business is the challenge that keeps the established older sectors alert, uncomplacent and competitive. Small business is the youth of the economy.

To meet the economic challenge of our time at home and abroad we need the full, unimpeded contribution of this sector operating at its full potential. These amendments will take us a step toward that objective. They merit our support. I support these amendments and I urge the Hon. Members to do the same. I hope that finally after 75 years we will see a Competition Act passed in this House that will be current with the times, will address the needs of the small business community, will make it possible to close in on areas where conspiracy occurs and will allow parliamentarians, on a clear conscience, to say that they have done their bit collectively to deal with a nasty situation that is, in some cases, getting out of control in no small part due to the long years of procrastination and delay in dealing with changes to the Competition Act.

Mr. Orlikow: Mr. Speaker, I would like to ask the Member a question. Is the Member aware that the Conservative chairman of the finance committee, the Member for Mississauga South (Mr. Blenkarn) and the Member from Don Valley East (Mr. Attewell) have expressed their concern publicly about the takeover of Genstar by Imasco and pointed out the possibility that they can use that power which they will

get by tapping the assets of Canada Trust for their own purposes, and not necessarily to protect the interests of the depositors in the Canada Trust company. Given that kind of objection by Members of his own caucus how can the Member stand up in the House and say that this Bill deals with the problems it is supposed to deal with.

• (1530)

Mr. Domm: Mr. Speaker, I am not surprised that the Hon. Member for Winnipeg North (Mr. Orlikow) is somewhat alarmed by the fact that Members of Parliament have the right to freedom of speech and should be able to express their opinions freely. That does not mean that their opinion is not debatable. I can understand the Hon. Member's comments, coming from the New Democratic Party. His Party will take a position which really involves a conscience issue and dictates that position so that everyone must toe the line. Therefore, I can understand why he is concerned about a Member of Parliament expressing an opinion that differs from the opinion of another Member.

I suggest that if he persists in delaying this legislation from moving forward to committee where we can hear from important witnesses such as small businessmen, small petroleum dealers, small grocers and consumer associations, then he is showing irresponsibility in his job as a Member of Parliament. If he intends to follow through with his threat in his speech this morning to oppose this legislation as long as he can, then I say he is irresponsible in his job as a Member of Parliament.

We want to get on with the job and see the Bill move forward so that we may hear responsible people at committee and develop a competition Bill that really means something. He knows as well as I do that there has only been one prosecution under the current legislation and there should have been a lot more.

Mr. Orlikow: Mr. Speaker, I do not need lectures from that Member or any other Member about the way in which members of our Party arrive at conclusions and how they will vote. We have just as much freedom and have expressed those freedoms whenever there was a question of conscience.

I notice that the Member did not deal with my question at all. He did not indicate whether he agreed with the opinion expressed by Members in his own caucus.

Let me put another question to him. Brascan is a company which owns Noranda, among other corporations. Noranda owns mines, forest companies and so on. Does the Hon. Member not realize that when a company like Brascan controls Trilon, the decisions it will make for investment by Trilon may well be decisions which are good for the owners of Brascan but not good for the people who invest in the trust company controlled through Trilon? I am not saying they would make those decisions; I am putting the same question that was raised by the Canadian Bankers' Association.

Mr. Domm: The Hon. Member was in the House today and he knows that we have introduced not one but two pieces of legislation that would give us far more than we have now to deal with the situation he is raising. One of those pieces of legislation deals with financial institutions. We could either go before a tribunal and review the situation as we are proposing in Bill C-91 or we could give the Minister of State for Finance (Mrs. McDougall) the opportunity to react and decide on actions taken for controlling interest in other financial institutions.

We should get on with the job. I agree with what he says but I am sure he also agrees that we do not have anything now which allows us to deal with some of those matters the way we would like.

The Government is simply suggesting that if we can get on with this legislation and the legislation presented this morning by the Minister of State for Finance, we might be able to do more. Filibustering this Bill because everyone has not been heard will not solve any of the problems we have had for 75 years, nor does it deal with the fact that we have tried more than three times to introduce badly needed changes to the competition Act. The Hon. Member will recognize the need for those changes and we would like to get on with it. I am sure he will co-operate in the final analysis because he wants to do something about it.

Mr. Redway: Mr. Speaker, the Parliamentary Secretary is aware that two main issues arise in relation to the legislation dealing with competition, the current Combines Investigation Act and the Bill presently before the House. First is the question of the restriction of competition and second is the question of concentration of power.

At present there are two cases of great concern relating to the concentration of power. One is the proposed takeover of Genstar by Imasco and the other is the proposed takeover of Hiram Walker Resources by Gulf. The Genstar and Imasco situation may very well be dealt with by the legislation introduced this morning by the Minister of State for Finance.

If the Bill before the House now is put in place with the terms provided for in the current legislation, will the Parliamentary Secretary state whether it will be effective in dealing with the concentration of power such as that in the proposed Gulf takeover of Hiram Walker Resources?

Mr. Domm: Mr. Speaker, the intent in Bill C-91 is that the merger of two corporations totalling a value of $500 million or more, where one of the companies being merged has a value of $35 million or more, would be a notification to the Government that the merger could be investigated before the fact. The tribunal is being set up in order that we can do what is not possible now.

The Government requires pre-notification, and setting the size of the merger company at $35 million—which is not a huge corporation—at least provides pre-notification and the opportunity to place the merger before the tribunal. We would

be able to assess before the fact whether undue pressure was being applied on the market-place as a result of that amalgamation.

Mr. Nunziata: Mr. Speaker, with respect, the Parliamentary Secretary did not answer the question put by his colleague, the Member for York East (Mr. Redway). The question was very simple. Will this Bill have retroactive effect? Will it address itself to the Gulf takeover of Hiram Walker? It was not a general question with respect to Bill C-91, but whether or not this Bill, once passed, will be applied to the takeover of Hiram Walker by Gulf.

Mr. Domm: Mr. Speaker, my gut feeling—which is what it is at this point—is that if we get on with the job quickly enough we will be able to deal with more than one or two mergers being contemplated today.

I believe this Bill was introduced in December, 1985. If we can move fast enough we can address some of these problems.

Mr. Nunziata: Answer the question.

Mr. Domm: I cannot answer the question directly because it is all hypothetical. We could still be doing this 16 years from now if we adopt the attitude of the New Democratic Party. If we are addressing the subject 16 years from now, nothing will happen.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Burnaby (Mr. Robinson)—Canadian Armed Forces— Policy governing homosexuals and lesbians. (b) Government position; the Hon. Member for Don Valley East (Mr. Attewell)— Corporate Affairs—Legislation affecting takeovers; the Hon. Member for Trinity (Miss Nicholson)— The Budget—Effect on middle-income taxpayers. (b) Economic forecasts.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Côté that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I believe we all recognize that the debate today is very timely, dealing as it does with a very important piece of legislation at a time when Canadians are very much seized by the fundamental changes taking place in the economic structure of this country. The recent wave of acquisitions, takeovers and mergers highlight what is becoming a very serious matter of concern to Members on all sides of the House and Canadians throughout the country, that is, the concentration of economic power in fewer and fewer hands having a deleterious effect, I would say, on the political economy of Canada, the question of who decides, who has influence and who makes decisions. The trend over the past 10, 15 or 20 years has been substantially accelerated over the last year or two years. The amassing of large amounts of capital has been part of that strange disease which has infected all parts of the free market system in the western world. Certain people in the United States, Great Britain and Europe believe that bigger is better, and we see the advent particularly of the horizontal acquisitions of the large conglomerates for which there is no economic rationale other than the acquisition of assets. That has become unquestionably a matter of very serious public policy and concern. This is not a matter of some kind of game which is being played in the boardrooms of downtown Toronto, Montreal, New York or Houston. It is a matter which really reaches into every town, village and hamlet because the results of those kinds of actions have very serious repercussions on the availability of capital for other kinds of businesses. It has a very major impact upon the workings of the stock market as an allocator of resources for the development of new businesses or the restructuring of old businesses. When we have a situation where close to 60 per cent of the assets of the large 300 corporations in the Toronto stock exchange index are controlled by six or seven major economic groups, one really has to ask oneself whether that will either result in a proper allocation of resources according to the most efficient use or whether it will be based upon who has the smartest set of lawyers, accountants and corporation manipulators. It has become part of the game, and the purpose of the game can be glossed over or hyped up in the most elegant of terms but I do not believe it can be justified in terms of the strict economic interests of this country.

• (1540)

This piece of legislation is really one of the few tools the Government has to meet that problem. But legislation by itself is not enough. We can have the most efficient and effective law on the statute books but if there is no policy to accompany it, if there is no set of clear guidelines, a declaration of commitment or a clear sense of purpose by a Government, then those laws will be abdicated. They will lie fallow. They will simply be there on the books. Any tribunal, regulatory agency or group of public servants follow the signals of the Government which sets the tone. We can look at the anti-trust actions in the United States. Whether it is a Democratic or Republican administration will determine how effectively anti-trust actions

will be pursued. It is interesting to note that the number of anti-trust suits taken by the U.S. Department of Justice under the Reagan administration is almost half of those taken under the previous Democratic administration. It is the same law but a different Government, therefore there is a substantial reduction in the number of anti-trust actions which have been taken.

I believe all Hon. Members came to this House with some interest and expectation with respect to the position of the Government not on the legislation *per se*, important as that may be, but on how the Government intends to use those new legislative tools and instruments in order to deal with the major fundamental change taking place today. We received part of our answer today in Question Period. We asked the Minister of Consumer and Corporate Affairs (Mr. Coté) if he intends to apply this law retroactively as his colleague, the Minister of State for Finance (Mrs. McDougall), says she intends to do in the case of financial takeovers. We asked if he would apply the same rules retroactively based upon this legislation to the Gulf Oil Hiram Walker takeover. All we received was an adroit dancing on the head of a pin. There was no answer and no commitment. That was repeated by the Minister's Parliamentary Secretary who, in his period in opposition, ran to the barricades hoisting banners high in defence of the interests of the competitive market-place. All of a sudden he has found a reason to hide behind his desk and behind government bafflegab such as: "Well, maybe. Who knows. We'll have to see. Its hypothetical". We have all been through that, Mr. Speaker. It is greatly disappointing that the Hon. Member for Peterborough (Mr. Domm), who acquired such a reputation as a Member of the Opposition for his crusading defence of the consumer, now finds himself engaging in what can only be called dissembling.

Mr. Nunziata: Hypocrisy.

Mr. Axworthy: "Dissembling" I think is a more parliamentary word. It is one I prefer because it carries with it an even broader definition of someone who simply has wheels for legs and runs up and down the aisles looking for cover.

What we have here is a clear example of no policy. We have asked questions as to what the Government intends to do about the obvious and clear evasion of market-place standards by the major oil retailers, refiners and wholesalers. Time after time examples have been brought forward where the downstream pricing of oil products has been convoluted, restricted and, in fact, constipated by decisions taken not by the market-place but inside corporate boardrooms. What answers have we received? We have received evasion, obfuscations and dissembly, no policy. What more evidence does the Government require? We gave the example this afternoon of Canada's largest oil supplier clearly dumping off its extra supply in the United States at below market prices in order to cream off its surplus in the Manitoba market so as to keep its prices high. That is a very obvious demand for action to which I hope the Minister will give his attention.

The reactive demands of the Opposition would not be necessary if the Government had a policy, if it recognized that its theology of the market-place, which has been pronounced from on high from every pulpit since that Party arrived in government, applies both ways. It does not just mean giving the oil companies a free ride on the tax system. It also means making sure the benefits flow cleanly through the system and are subject to market discipline and pressures.

It makes one think that this devotion to the market-place is not a devotion at all but simply a camouflage to cover up some really unhealthy practices carried on by its friends in big business. The Parliamentary Secretary can rise in the House with his hand over his heart portraying his Government as the defender of small business, but its actions belie those words.

I applaud in part some of the Conservative back-benchers who, over the weekend, were bold enough to say some action should be taken. However, by Monday morning they found reasons for not being here and for forgetting their commitment. They got themselves all the publicity they needed over the weekend but, once again, where is the action to support words? What we are finding is that this is a Government simply made up of words. It is a Government in which the public relations mimeograph machine is far more important than the effects of action, policies and programs. That is not excusable when we take into account the circumstances we now face. We are not dealing with some trifling matter or some kind of small marginal legislation. We are going to the very heart of the economic structure of this country. We are going to the question of who will be making decisions. It would seem to me that whether one is Conservative, Liberal or socialist, that question must set up a major concern about growing economic concentrations of power. Those who control the avenues of money begin to control the avenues of communication, of advertising and of political payment. Before we know it, it is they who will decide what is in the public interest, not the people who are elected to decide. The first question we must ask is: Are there sufficient powers in this legislation to respond to that concentration? The second question is: Does the Government have the guts and the willingness to put a policy in place to make it work?

• (1550)

As my colleague said this morning, we contend that the legislation has been weakened from the original legislation, Bill C-29, which was presented by the previous Government by the then Minister of Consumer and Corporate Affairs. There have been some very interesting shifts in terms of the language. One now has to prove that there is an intent, a purpose, to frustrate competition. It will have to be shown that there is some type of malicious intent. All that the perpetrator will have to say is: "Gosh, I didn't know it was going to happen that way. I'm as innocent as Huck Finn. I've just been out on the raft, folks. I don't know what's going on. The fact that my acquisition has now given me full control over the energy sector, or the drilling sector, is something I didn't know would happen". Thus everyone will say: "You are obviously not

responsible". Setting this as a condition seriously weakens the ability to implement the type of action which will be required to deal with a situation involving a major conglomerate acquiring that type of economic power.

Furthermore, as we have pointed out, the question of a tribunal is a very interesting one. Will it really work the way it is intended to work when it has part-time judges and part-time lay people appointed by the Government? I suppose they will be subjected to some sort of Order in Council review by a parliamentary committee. Nevertheless, they will be working without full-time resources and capacity.

This also raises an interesting question with respect to the inherent latent potential for some conflicts of interest. Take the case of a private sector person who belongs to the right kind of clubs. He will talk to his friends who are part of a milieu which gives him a certain feeling of compatability. Is this the type of person we want judging his peers? I suppose one can say that there is nothing more dominating in pure human behaviourial terms than peer pressure, whether it is found within a teenage gang or a group of business people sitting around a table at the Albany Club or the Manitoba Club. I am not saying that this is something malevolent. It is not. It is simply a matter of acquiring the coloration of one's environment, to put it politely. This will draw people out of this type of environment. In effect it will be saying to them: "Judge your peers. You tell them they have to divest themselves of hundreds of millions of dollars worth of assets". I ask Hon. Members: Does that give us the confidence that the tribunal will have the zeal and intensity to come to grips with conditions which we all know are taking place and which will continue?

I believe that unless this Bill is substantially amended and strengthened, the signal which will emerge from the Parliament of Canada to all those people out there who have legions of lawyers and accountants poring over their account books to see what the next raid can be and who can be the next victim is that it is business as usual. The message will be: "There is a licence, folks". Without a policy and some type of legislative commitment, the signal being sent out of these hallowed halls is a very weak one indeed. It does not carry with it the type of strong and deliberate belief that Parliament is deeply concerned with the economic make-up and structure of the country. It does not carry with it the belief that there should be competition in a real sense, that is, within sectors. Therefore, the response will be: "We have a licence to do what we want".

I would like to add a further consideration which I did not hear mentioned in either the speech of the Minister or his Parliamentary Secretary. We are now proposing to negotiate with the United States a free trade Bill. The major priority of the United States is in the area of technology and services. The Americans have stated time and time again that their major objective in these trade negotiations will be to have a complete and open market in the area of high technology and services, which includes the financial world. It includes a host of sectors of our economy which heretofore have been subject to regulation because we felt that it was in the best interests of Canada to maintain a fairly strong level of Canadianization in those industries.

As Members of Parliament what we must recognize is how this competition Bill meets with the requirement to ensure that there is not a whole new era of intra-corporation management, collusion and rearrangement. We know that our economy is dominated by a high level of foreign ownership. We know that our economy suffers from a series of decisions made in intra-corporate trade and investment. These are matters which never reach the public view because they are conducted between corporations, carried out in head offices in Pittsburg, London or Atlanta. What we have to look at clearly is putting together a demand for a total "open sesame" in terms of trade and the services industry. There must also be demands to weaken or eliminate the sort of intellectual property copyright laws. There must be a competition Act. What is really being opened up is the potential for major international corporate decisions which will be totally unaccountable to any national body. There will be no form of accountability to Parliament, or to our courts, or to any legitimate body which can hold these corporations responsible for their decisions.

What does the competition legislation say about these types of practices? Absolutely nothing. If the Prime Minister (Mr. Mulroney) gets his way and there is a total economic free trade in the area of services and high technology, how will we be able to prevent large scale corporate decision making being made outside our boundaries? This may impact on our trade, our jobs and our investment. One of the few areas potentially available to us is in the area of competition legislation. I see absolutely no preparation, no consideration, of that whatsoever. Thus here we are launching into one of the most significant historical economic decisions in the history of the country and we are not arming ourselves properly for it.

There have been major discussions in the United Nations with respect to establishing a code for trans-national behaviour. The same type of thing is taking place in the European Economic Community. What is being prepared for us by the Government in order to respond to that condition? Absolutely nothing. There has been no preparation, no looking at the potential. Yet we are being told that the Bill before us is the answer to all our concerns.

I say to Members of the House that we must look carefully at the competition Bill and ask ourselves how it will ensure a level of accountability under the new regime which this Government is practising. If this is not done then we had better go back to the drawing board and take another look, otherwise it will not do the job.

Of course we can say this measure is an improvement over old practices. The real test and standard is how it will meet the realities of today. How will it meet the restructuring of our economy? How will it meet the real fundamental changes which could occur under the proposed free trade? How will it meet the economic political power which is being brought together by these amalgamations in order to protect, defend

and nurture not only an economic market-place but a democratic market-place? These are the concerns which we raise on behalf of the Opposition. We will pursue them as diligently as we can.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Edmonton—Strathcona (Mr. Kilgour).

Mr. Kilgour: Mr. Speaker, the Party of the Hon. Member was in office for 23 years but for seven months before the election of September, 1984. What did his Party do during that time? Does he have no sense of humility when he gets up now and lectures us with respect to the deficiencies of our Bill?

• (1600)

Mr. Axworthy: Mr. Speaker, I am sure the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) is enjoying his newfound publicity in the Edmonton *Journal* and therefore feels emboldened enough to rise to his feet. I would remind him that if he had been a Member of the House during those times, he would realize that one of the major reasons three different attempts to bring in stronger competition laws did not work was the major filibustering on the part of his Party. The kind of parliamentary hijacking that went on time after time prevented that legislation from passing because the Tories were working in concert with their friends in big business.

Mr. Orlikow: Mr. Speaker, let me put the same question to the Hon. Member. I will not go back to Mackenzie King and the more than 50 years of the last 65 years in which Liberals ran the country. However, the Liberals formed the Government from 1962 to 1984. They did ask the Economic Council to study the question. The Economic Council made recommendations and at least three times the Liberal Government brought in draft legislation which was not very good. Now that the Hon. Member is in opposition, he is making the same criticisms of this Bill which we made of the Liberal Bill.

The Liberal Government had the same power to impose closure as this Government has and the Liberal Government did use its power to impose closure although not as often as the Conservatives. If the Liberals had really wanted legislation passed, they could have had it passed. I suggest to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) that the reason they did not pass the legislation was that the business community really did not want good anti-competition legislation and the Liberals were not prepared to take issue with their financial supporters. That is why the legislation did not pass and that is why the Hon. Member is now making the kind of speech that he should have made when he was a cabinet Minister of the Liberal Government.

Mr. Axworthy: Mr. Speaker, first I would remind the Hon. Memer that my oath of the Privy Council prevents me from indicating what kind of speeches I made as a member of the Cabinet regarding these matters, but I would say that on this issue, I have certainly been pretty consistent.

I would say to the Hon. Member that his rewriting and interpretation of history is not quite accurate. I would only point to the last major effort to bring in substantial amendments to the Combines Investigation Act in 1983-84, an effort which was prevented by the bell-ringing tactics of the opposition Parties with which I suppose his Party was in concert. The bell ringing was a major frustration in the implementation of that Bill. We had brought in the amendments and if we had had the kind of co-operation that they are now proposing, we would have had a new competition Bill a full two and a half years ago. We would not need to ask for retroactivity from a Minister who is obviously not prepared to give it. We would have been able to implement and activate many of the measures that now exist. We are saying that it is now time for strengthened measures, not the kind of weakened measures that are in this Bill.

Mr. Redway: Mr. Speaker, I would like to comment on what I feel is the somewhat selective memory of the Hon. Member with respect to the facts as they have occurred over the last few years. The Hon. Member was a Member of the House and a Minister of the Crown for many, many years. He was a Minister of the Crown back in 1976 at the time when a court decision in the K.C. Irving oil case literally put an end to the effectiveness of the present legislation that was put in place many years ago, the Combines Investigation Act. After that, in 1977, the Government introduced Bill C-42. Later in 1977, the Government introduced another Bill, namely, Bill C-13. In 1984, it introduced a further Bill, namely, Bill C-29. All those Bills were aimed at amending and trying to make more effective this particular legislation.

The Hon. Member has talked about the question of the Government's commitment to try to make this thing work. Where was the commitment of the Government of which he was a part at that time? What is the official policy of his Party at the moment with respect to combines and competition legislation? Is it the official policy of his Party to make sure that competition is effective and in place and that there is legislation to allow it, and is it also the position of his Party that we ought to make sure that there is no concentration of power whatsoever in Canada?

Mr. Axworthy: Mr. Speaker, again we are dealing with the interesting question of whose history is more accurate. I would only amend the Hon. Member's comment for the sake of the record. In 1976, I did not have the pleasure of serving in this House. It was only a gleam in my eye. At the time, I was serving the interests of the people of Manitoba in the Manitoba Legislature, but my views on this particular issue were as consistent then as they are now.

I would remind the Hon. Member that he might wish to go back to his history books to learn that in 1976, the then Liberal Government did bring in a series of amendments to the Combines Investigation Act in response to those conditions. Once that Bill was passed, we needed some time to look at the impact of it but were prevented from doing so by the election

of 1979 that brought in the Conservative Government. After the 1980 election, we started another major review which culminated in the consultations undertaken and legislation proposed by my former colleague, Mrs. Judy Erola, and at that time we had what we thought was an effective Bill that provided the answer to the Hon. Member's two questions. Yes, we want an effective combines Bill and we do not want economic concentration of power.

Mr. Nunziata: Mr. Speaker, as Hon. Members are aware, the primary purpose of the competition Bill is to protect consumers. Bill C-91 which is now before the House was the result of some very intensive negotiations with the so-called Gang of Five, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Business Council on National Issues, the Grocery Products Manufacturers and the Canadian Bar Association. Is it any wonder that the business community is in general agreement with this Bill? In effect, the business community drafted this Bill which contains a number of loopholes.

It seems to me that one of the reasons for the previous Bills on this particular issue not passing Parliament was that the previous administration was not prepared to cave in to the large business interests in Canada, the Gang of Five. As a result of the input of the Gang of Five, the legislation was watered down.

I would like to ask my hon. colleague a question with respect to the competition tribunal. He indicated that he had certain concerns about the make-up of this particular tribunal in that its members would be lay people. In the view of the Hon. Member, would it more appropriate to have a judicial member sitting on this particular competition tribunal and would it be advisable, rather than having part-time members sit on this tribunal which is to hear merger and monopoly complaints, to consider the possibility of turning it into a form of court of record or a court of law?

Mr. Axworthy: Mr. Speaker, the Hon. Member reminded me, with his description of the role of the Big Five, that in the kingdom of the blind, the one-eyed man is king. When the Government is blind, obviously that one-dimensional group is acting in a sovereign role.

As far as the tribunal is concerned, I think that as my colleague, the Hon. Member for Papineau (Mr. Ouellet), said today, it almost verges on being unconstitutional. Our position is that to give that tribunal the strength it needs, we should have full-time lay members in order to provide a balance but also members drawn from the legal or judicial fraternity as full-time members who do not serve part time in another court. We think that this would give the tribunal the effectiveness, consistency and power it needs and, most important, would provide it with the independence and autonomy it needs to ensure that it is, beyond a doubt, totally independent in making its decisions.

• (1610)

[*Translation*]

Mr. Deputy Speaker: Order, please. Resuming debate. The Hon. Member for Bellechasse (Mr. Blais).

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is always somewhat astonishing to see that Members of the Official Opposition who had every opportunity to come up with practical solutions for Canadians when they were on this side of the House, now that they are no longer at the helm seem to have an answer for everything. I find that rather astonishing.

It is also somewhat surprising to see that those who then were bed fellows in Opposition, are now tearing each other's hair and blaming one another for amendments made by the Official Opposition when it was last in office.

Mr. Speaker, the work we did before introducing this major legislative measure was the result of exhaustive consultations with the various Governments and parties interested in this Bill. Again we might remind our colleagues in the Official Opposition that they forgot the word consultation, a process for which they did not have much use when they were ensconced in their ivory tower. Ever since we took over we have always made sure that Canadians and the interested parties were consulted before our legislative measures were introduced. It is an important consideration which is giving renewed confidence to Canadians but which had been completely forgotten in recent years, Mr. Speaker.

Mr. Gagliano: Did your Government consult before adopting new unemployment insurance regulations?

Mr. Blais: When the time comes to speak about these regulations, you can do so. As usual, your comments are beside the point. You can never discuss issues at the proper time. When it is time for you to speak, you always try... Earlier, you had an opportunity to rise to ask questions and make comments. You should have done so.

You may laugh, but when you do not know what a piece of legislation is about, it is easier to laugh and to speak about unemployment insurance even though the subject being discussed is an Act to establish the Competition Tribunal. It is much easier.

Mr. Speaker, our discussions on Bill C-91 have clearly shown that competition is the main asset of a free enterprise system, even though it has been badly neglected in the past.

It is therefore proper to note that the purpose of the Act which we are now amending and updating is to protect this advantage, because, as the Minister of Consumer and Corporate Affairs (Mr. Côté) pointed out this morning, our competition law can be described as a charter of the market. It spells out the rules of the game for competition among businesses in Canada.

Mr. Speaker, if this were its only role, legislation on competition would be relatively easy to prepare. However, there is more to it. As we all know, the laws on competition also have an impact on the conditions in which Canadian businesses compete with foreign interests in Canada and abroad. The legislation therefore operates on two levels, namely on the Canadian market and on the international market.

Mr. Speaker, in both cases it is very important to freshen up the Act, to make it workable and bring it in line with current Canadian realities. Those realities have changed considerably with the passage of time; it is a far cry from the situation a century ago when the legislation was put in place. Now, with all the upheavals in international economic relations, it is time to update the Act, Mr. Speaker.

Going back even some 20 years ago only, in 1969, when the Economic Council of Canada recommended that the Act be modernized, Canada was the fourth trading nation in the world, closely followed by Japan. But today, we are down to the eighth rank and Japan exports twice as much as we do. And since then, trade talks, whether the Kennedy Round or the Tokyo Round, have lowered tariff barriers and increased international competition.

The shortfall sustained in recent years before we came to power must now motivate us. In the early '80s, in the late '70s the previous Government should have taken strong measures to stimulate the economy, especially in the area of competition. Nothing was done. We therefore must respond with the legislation now before us.

Mr. Speaker, the amendments contained in the Bill allow for current realities. This shows in the opening paragraph, the preamble where, as opposed to the present Act, the purpose of the new legislation is expressly stated. The preamble sets down, for the benefit of those who will be called upon to interpret the Act in the future, the intent of Parliament in enacting the new provisions. I will simply quote a few words. "The purpose of this Act is to maintain and encourage competition in Canada in order to expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada". This is quite clear, Mr. Speaker, and it has been our approach to clearly enunciate at the outset what our enactments will be used for and what their purpose is.

Mr. Speaker, I would like to bring to the attention of the House four major aspects of the amendments, concerning specifically international trade. The first aspect deals with mergers. Provisions regulating mergers must be stringent and efficient, because non-competitive mergers can be detrimental to the efficiency of our economy. The proposed amendments offer effective protection against that danger. God knows how much we need that, in view of the meager results achieved over a century. There have been eight prosecutions and not a single conviction.

But there are also other requirements. Provisions concerning mergers must be drafted in such a way as to encourage competition between Canadian businesses at home in Canada, without putting them at a disadvantage when carrying out business dealings in international markets.

The Act as it now stands unfortunately does not meet that requirement. It does not provide for the necessary distinctions, because it takes little heed of international trade. The amendments proposed in this legislation would on the other hand expressly call upon the Tribunal to consider that aspect. When looking at the merits of a proposed merger, the Tribunal would consider the impact of competition from imports, a very important aspect if we are to have an accurate and precise view of a merger. In so doing, Mr. Speaker, the Tribunal would be led to make distinctions. It would have to decide on the difference between a situation where Canadian businesses would be protected against foreign competition, by tariff barriers for instance, as opposed to another where they would have to stomach the full impact of imports.

Canada is a trading nation. One job out of three depends on international trade. This is why when a merger would greatly improve efficiency, thereby increasing exports or substitutions to imports, the Tribunal will have to authorize it.

The second aspect, Mr. Speaker, on which I should like to dwell concerns the various ways of considering copartnerships under this Bill. Once again, each case will have to be assessed according to the advantages and disadvantages of those operations. It is quite obvious that under certain circumstances, involved corporations can reduce competition.

• (1620)

The provisions of the Bill take that possibility into account. A copartnership which reduces competition will be subjected to the provisions dealing with mergers generally. On the other hand, copartnerships are also of some value to Canada. They allow the pooling of human resources, of skills in the areas of energy management, research and development. Under the proposed amendments, the Competition Act will allow copartnerships with respect to projects which could not be carried out without risk sharing among several partners.

The third point which I wanted to raise deals with specialization agreements. As the word suggests, it refers to agreements between corporations which would like to specialize in a line of products or of services rather than competing with everyone in all areas.

Sometimes corporations conclude such agreements because the market in which they operate is too small to accommodate several suppliers. They feel that the rationalization of production resulting from these agreements would lead to improved efficiency and major economies of scale. Thanks to this new legislation, the specialization agreements approved by the Tribunal will be exempted from the provisions governing conspiracies and exclusive dealings. It is clear that we must keep this aspect in mind, since abuses can still occur. Part of

the legislation must always provide for punitive action. Agreements which contribute to increasing Canadian exports and substituting Canadian services and products to imports will be eligible for this exemption. The Tribunal will have to take into account these trade realities when deciding whether to authorize these agreements.

Mr. Speaker, another provision of this Bill should help Canada strenghten its position on world markets by relaxing the regulations which govern the creation and operation of joint ventures. Under the current legislation, agreements between competitors affecting only exports are exempted from the conspiracy provisions. However, they are no longer exempted when they limit competition in the domestic market. Well, Mr. Speaker, many observers have pointed out that the wording of the current legislation is vague, extremely restrictive, and likely to impede our performance in foreign markets. There is no doubt that we must clarify and widen this exemption if we want Canada to improve or at least maintain its position as a great trading partner in the present circumstances where international trade is in constant movement and where we must act in the interest of Canadians generally, but especially of our workers who are involved in the export industries, and who need stability and assured markets.

For Canada, Mr. Speaker, international trade is practically a matter of life and death. Through our domestic market of 26 million people, we enjoy the standard of living of an economic superpower. To maintain this enviable position, we must succeed as a trading nation. Out of every dollar of our national income, nearly 30 cents come from sales to foreign countries. That is a lot. These sales to foreign countries are responsible for over 3 million jobs in Canada. Let us not forget it. By making a lot of noise over the past few weeks, Members opposite have tried to lessen the positive impact of the steps taken by our Government to create for Canadians over half a million new jobs, more than 83 p. 100 of which are of a permanent nature.

Mr. Speaker, that is exactly what the Canadian people wanted . That is exactly what they asked us to do. If they have elected us, it is because they wanted us to maintain the permanent jobs we had already and create new ones.

The strategy which our Government has put together to strenghten our economy—in other words, to increase the national income, create jobs and help the economy recover—has given excellent results. Over the past 15 months, this strategy has helped Canadian corporations to become serious competitors on international markets. That is the key to our economic growth. Instead of being afraid to attract attention on international markets, we have strenghtened our position over the past few months, and the results are quite positive.

If we had listened to those prophets of doom and gloom in the Opposition every time we took a step or considered it, either in terms of foreign investment in Canada or the economic steps that were taken, nothing would have been done and we would still be stagnating in the economic situation left by the former Government which only bothered to create temporary employment and provide funds which were borrowed by mortgaging the future of young Canadians and our families.

We have changed that. We decided, Mr. Speaker, to reverse that trend, we decided to give back to our fellow citizens that sense of pride that they had lost. It is not with money borrowed by an already heavily burdened Government that we shall put our country on the path to economic recovery. I believe that is obvious. To those prophets of gloom and doom who predicted a loss of 200,000 jobs when the previous budget was introduced in May 1984, we answered by creating over 500,000 jobs during the past year, which means a difference of 700,000 jobs. That was not the first macro-economic blunder of our neighbours in the Official Opposition. But it does not matter. It is not serious. It is only one of those . . . They made so many mistakes that this one blends in with the rest. They don't mention it. They talk about something else.

Mr. Speaker, it is of course up to the businesses themselves to be successful in the market place of Canada and elsewhere. The position of our Government has been to make way again for our companies, our 750,000 small- and medium-sized Canadians companies, which were only waiting for a little help from our Government to feel that they were understood, that there were people in the Government to back them and speak for them.

At this moment of truth, Canadian businesses must come out as the winners by outdoing their competitors with better ideas, better products, better services and a better commercial strategy. Our past shows that we can trust Canadian businesses to meet that challenge. But the Government, and by this I mean Parliament, also has its responsibilities. We draft the basic rules that allow companies to live and thrive. It is up to us to see that those regulations are consistent, that they are relevant and that they foster rather than impede excellence. It is also up to us to see that those regulations are in keeping with the realities and demands of international competition. The Bill before the House will help us, I am sure, assume those responsibilities. I believe this Bill deserves our support and should deserve the unanimous support of the House.

[*English*]

Mr. Rodriguez: Mr. Speaker, in the merger section of the Bill, if this Bill is as good as the Member purports it to be, why is it that conglomerate mergers are not included in the competition policy of Government? Why are conglomerate mergers not included, Mr. Speaker?

[*Translation*]

Mr. Blais: Mr. Speaker, I do not know whether the Hon. Member is familiar with the Bill as a whole. If we look at it that way, I would suggest that we took the existing legislation and tried to improve it.

I could go over the major provisions of the Bill, but in that respect I think that no particular problems came up in recent months. The matter has not been the subject of recent consultations, but if the Hon. Member can think of a specific

provision which might be improved as a result of representations made in the context of our consultation process, I think he will have every opportunity to raise the issue before the legislative committee. I do not know whether the Hon. Member sits on the committee to which the Bill will be referred, but we will be pleased to debate the question at that time. But each particular case . . . Perhaps you should wait. The Bill is not designed to deal with each particular case. We are proposing a tribunal which will review each case submitted. Then we will be able to see—Sir, you should be listening because I am giving you the answer. If you do not want me to—Was it simply your question you wanted to hear or the answer?

If all you want to hear is the question, no problem, I will just sit down.

• (1630)

[*English*]

Mr. Rodriguez: Mr. Speaker, I was having a little chuckle because I do not think the Member has read the Bill and I really do not think he understands what a conglomerate merger is because he says that that has not been a problem. As a matter of fact, Mr. Speaker, it is the Imasco takeover of Genstar and the Gulf takeover of Hiram Walker. I cannot see how he can say that that has not been a problem. It is a problem and that is why the Government introduced this Bill this morning. Where has he been? How can he say that he just wants to fancy the Bill up? Surely he wants to make an effective competition policy. Of course, if the Tories are not interested in effective competition policy, they would be satisfied with that.

[*Translation*]

Mr. Blais: Mr. Speaker, the provisions of the Bill are there. The cases will be dealt with to their satisfaction. Provision has been made for a tribunal, but they are referring to deals which in some cases have yet to be completed.

Mr. Ouellet: Mr. Speaker, I had not planned on asking a question to the Parliamentary Secretary, but I feel that I have to rise following his reply to my colleague for Nickel Belt (Mr. Rodriguez). It is obvious that the Parliamentary Secretary has not examined Bill C-91 properly. It is obvious that he received a paper prepared by the officials of the Department of Consumer and Corporate Affairs or the Minister's office, which he has obediently read, and that he does not understand at all what our competition law is about. His reply clearly shows his crass ignorance about this matter.

Since this Bill will soon be referred to a committee, I urge him to make a serious study, to do his homework and to read the Bill so that he can make an objective and rational contribution when this Bill is considered in committee.

The question asked by the Hon. Member concerned mergers. Bill C-91 is much weaker than Bill C-29 introduced by the former Government, which contained a whole series of factors to be considered for rejecting a merger which would have harmful effects on the Canadian economy. The Minister has ignored these twelve factors. He has put them aside. He has substantially reduced the strength of the provisions of the law on competition which allow the Government to take action to prevent a merger which would have harmful results for the Canadian economy.

What the Hon. Member for Nickel Belt asked was why the bill was not stronger and did not have more bite as concerns mergers.

Let me ask the question again: Why does the Government not provide itself with a rule that would adequately prevent mergers that are detrimental to the country?

In conclusion, let me say that the previous Government intended to introduce legislation that had teeth. This was hampered by the systematic and unacceptable obstruction of the Tories who were then in opposition. They did not want Bill C-29 to be passed because it would have had the teeth to prevent the kind of excessive mergers now being carried out by big corporations in Canada.

Mr. Blais: Mr. Speaker, if they speak of "crass ignorance", I will counter with "crass negligence". The Hon. Member was a member of the Government, he was a Cabinet Minister for a number of years, so he had every opportunity . . . It is easy now to blame us for opposing certain provisions of their legislation. But when he himself was in Government, when he was a Minister, he had every opportunity to enact legislation that could have had the teeth he is referring to. He should have done so at the time. That is negligence. It is not by saying today that we have not enacted, or that they had a bill that would have been better . . . You only had to pass your Bill. Such ruminations are mere navel gazing and totally disregard your own responsibilities when you had them. We will not answer that kind of question. That was negligence on your part, and today you are bearing the consequences.

[*English*]

Mr. Nunziata: My, my, my, Mr. Speaker, how defensive the Hon. Member has become. In his submissions, the Hon. Member indicated that people were consulted with respect to the drafting of Bill C-91. We know that the Gang of Five was consulted. I indicated earlier who the Gang of Five was, but just to refresh the Members' collective memory, I will reiterate who they are. They are the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Business Council on National Issues, the Grocery Product Manufacturers of Canada, and the Canadian Bar Association. This is the representative group of business which helped draft this legislation. One commentator said that it is like asking convicted burglars to assist in drafting amendments to the Criminal Code dealing with burglary.

We all know that the purpose of this legislation is to protect consumers rather than to allow big business to find loopholes in it.

The Hon. Member spoke of a new era of consultation. Why did the Minister allow the Gang of Five literally to draft this legislation? Why did the Minister allow big business to bulldoze this legislation across his desk? On the other hand, why did he reject some of the major recommendations of the consumer organizations in Canada? Is this indicative of who, in effect, is calling the shots with respect to Bill C-91?

[*Translation*]

Mr. Blais: Mr. Speaker, as usual the Hon. Member for York South-Weston (Mr. Nunziata) "buzzes" through with an obvious lack of consideration of the whole issue.

Mr. Speaker, there was consultation. Canadian consumers were consulted, over a hundred briefs were submitted at the federal-provincial conferences at which all Canadian provinces were represented. People submitted—

Of course, your Government at the time could not know about that, because it had no notion of consultation. It never did know what it was. For 20 years, there were only groups of five, four, three, ten ... Our Government has been involved in true consultation with the Canadian people. If I may ... You listed them a while ago, Mr. Speaker, but rightly or wrongly, probably by mistake, about a hundred papers which have been tabled were not mentionned; there have been consultations with the provinces, with the Business Council on National Issues, with the Consumers' Association of Canada, with the Canadian Manufacturers' Association, and with the Canadian Bar Association.

It was ridiculous to say that when the time came to amend the Criminal Code, criminals were consulted ... That is ridiculous, and a comparison so insignificant that it does not even deserve to be mentioned in this forum. These people are working in the interest of Canadians. What our Government is doing is relying on Canadians, on associations made up of Canadians. You should stop seeing groups, whether on the business level or whatever, as enemies of the Canadian people. This is over now, because our Government trusts the Canadian people.

• (1640)

[*English*]

Mr. Deputy Speaker: Resuming debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it seems to me that I have been through this process before. I recall when the Hon. Member for Papineau (Mr. Ouellet) was the Minister of Consumer and Corporate Affairs. I remember his words very well when he was piloting that Bill through the House. I remember his quote in *The Globe and Mail* when the Bill was finally passed when he said, "I hope this Bill will never have to be used". I think he can rest assured that it has not been used very much. Certainly it has never been abused.

Here we are dealing with C-91, the great great grandson of Bill C-256. This Bill is called the competition policy. Here is a Conservative Government, and before it was a Liberal Government, both dedicated to the free market system, to free enterprise, to initiative, and here is this Government that is the arch representative of that kind of philosophy. The Government keeps telling us that that is what the system is based on, and that these businesses out there in the market-place are only willing to compete.

I ask myself why it is necessary that a Government has to force people to compete. I asked that question and I said to myself, well now, let me read this Bill and find out if that is what actually is going to happen. Is that just the cosmetology of the thing or is this just the trimmings and the window dressing to give the impression to the people at large that this Government really is interested in competition policy?

In fact that Party over there that is the Government, which is so dependent on corporate contributions—in fact we only have to see the recent convention in Quebec where the Minister of Consumer and Corporate Affairs (Mr. Côté) got the Conservative Party off the hook and guaranteed it its corporate contributions—that in fact postponed limitation of corporate contributions to the Conservative Party. This is the same Minister that has introduced Bill C-91. This is the Government that wants the consumers and the public at large to believe that it is really interested in taking on corporate concentration, and really forcing the corporations that act like white sharks out in the market-place, as opposed to hammerhead sharks, to give the consumer a fair shot.

My colleague, the Hon. Member for York South—Weston (Mr. Nunziata), who consulted on this Bill called them the Gang of Five. They were the ones, all the corporate elite in this country, advising the Government on consumer policy on a Bill that is designed to give consumers in the market-place some protection. That is equivalent to asking the chickens to expect Colonel Sanders will look out for their interests. That is the height of impunity.

I remember when Bill C-42 was before the House and it was a little bit better than this one. The Conservatives, led by the now Minister of Regional Industrial Expansion (Mr. Stevens), Chairman Sinc, late of South Korea, fought that toothless tiger, Bill C-42, into submission, and the Liberals rolled over and they were not too anxious to get any kind of tough legislation on the books. They said, "We are held up to ransom, we give up". Mr. Speaker, they lay down. They surrendered. They were only too anxious to surrender because they were getting heat from the corporate world that their contributions were going to be cut off. It was called the silent surrender. What we have here is a watered-down version of Bill C-42. That one was a toothless tiger; this Bill C-91 is a roaring rabbit.

Why have we New Democrats opposed it? We see right through the flimsy négligé of Bill C-91 and we strip it away. We want to point out that if you are going to have competition policy in this country then it has got to be tough. I do not see why they always say they can never accept the position that the Government should be dominant in the business community and in the market-place. That is the problem. Why then

should the Government accept the dominance of any corporate conglomerate in the market-place? It should be consistent. What the Government should do is to bring a Bill forward that really attacks corporate concentration in this country. It does not do that in this Bill.

I know that my friend from York South—Weston will feel a bit sensitive about it, but one of the groups they had advising them on the drafting of this Bill was the Canadian Bar Association. The Government had to have lawyers there because it needed some weasel words. If you look through the Bill, you find weasel words like "unduly restricting competition". What does "unduly" mean? Well, that is a field day for lawyers and for the courts. If you look carefully at the merger section, the dominant market section, you see the words "substantially reduced competition". What does "substantially reduced" mean? It means anything you want it to mean. Every time you have weasel words like that in there, you are not going to get effective competition policy because you create loopholes that elephants can go through. The history of prosecutions for monopoly in this country in the last 100 years total one conviction. That is why J. P. Morgan came to Canada and established Inco, because he was getting heat from United States because they were tightening up the laws on monopoly practices. He came into Canada and established Inco.

We New Democrats have said that we should have an effective competition policy. For example, in 100 years we have had just one successful prosecution on an illegal merger, and that was a guilty plea. He copped a guilty plea, did some plea bargaining and got some time off.

• (1650)

In the last 100 years there has only been one successful prosecution concerning market monopoly. The legislation was regarded as unenforceable with respect to price discrimination and nothing was done about it. With respect to conspiring to fix prices, it was regarded as weak but workable. That is an evaluation of the competition policy that is designed to protect consumers in the market-place. That is why I called it a roaring rabbit. In fact, it is not there to protect consumers or prevent the predatory pricing practices and monopolistic practices of certain capitalists in this country. It is there to give the illusion that something is being done.

We remember the Bertrand Report that said gasoline companies were ripping off Canadian consumers by some $12 billion. What happened to that report? It has been shuffled off somewhere in the court system and nothing has happened.

We have talked about weasel words. Let me read the section concerning monopolies. Of course, the tribunal consists of part-timers. Clause 51(1) states:

Where, on application by the Director, the Tribunal finds that—

It sets out conditions (a), (b) and (c). Condition (c) states:

the practice has had, is having or is likely to have the effect of preventing or lessening competition substantially in a market,

There are three conditions which must apply, and then we see weasel words like "lessen competition substantially". I suggest that it could never be said that this clause is effective because they will weasel out of it. That is why they are called "weasel words".

The clause dealing with monopoly must be clarified before it is acceptable to us. That weasel word "substantially" would have to be removed. It seems to me that any lessening of competition cannot be to the benefit of the consumers but must be to their detriment.

With respect to mergers, we see the same wording in Clause 64(1) which states:

Where, on application by the Director, the Tribunal finds that a merger or proposed merger prevents or lessens, or is likely to prevent or lessen, competition substantially—

It must be proven that competition is lessened substantially. In fact, the clause even allows lessened competition as long as it results in gains in efficiency. Even the weasel words make it clear that a lessening of competition is acceptable in this policy, even though the consumer will pay through the nose, as long as it results in gain in efficiency. The Government is not satisfied with its weasel words in that clause, it must give added protection to the companies.

Furthermore, since conglomerate mergers are not included in this clause, how can the Government develop an effective merger policy to deal with the reality of conglomerate mergers today such as the Imasco takeover of Genstar? Consequently, while we are debating Bill C-91 in Parliament today, the Government has introduced a Bill this morning to deal with a conglomerate merger.

Banks are not allowed to take over other banks, but not only is the Government allowing a concentration of power, there is no prohibition of self-dealing. How can any Government that is serious about competition policy and the protection of investors and people who put their money in trust companies develop an effective policy when it does not include a prohibition against self-dealing? What is good for the banks must be good for those who buy out or merge trust companies.

I believe the Bill is flawed because it does not take into consideration the reality of the market-place. Canada has the worst record for corporate concentration and corporate takeovers in the western industrialized world.

We cannot accept the provisions of this Bill regarding conspiracy. Prior to 1976 the Crown won approximately 90 per cent of the conspiracy cases it prosecuted under the present law. Since 1976 the Crown has won only 55 per cent. This indicates that there has been a lessening of the ability of the people, as represented by the Crown, to prosecute for conspiracy. The law has become less effective in the last few years.

We have heard today that nine families control a large percentage of the economic activity in this country. That cannot be healthy and the Government must be concerned about setting up the rules of the game so that consumers in the market-place receive some protection. The conspiracy clause

seems to condone conspiracy and allow the tribunal to ignore the argument of lessening competition unduly as long as it can be shown that some efficiency in the market-place is provided. In other words, it is acceptable to rig prices according to this clause. While competition has been lessened unduly, which is wrong according to the law, the tribunal can ignore that as long as there is some improvement in efficiency.

The Government proposes to increase the punishment from $1 million to $5 million. That does not even take inflation into consideration. It is as harmful as getting six lashes with wet spaghetti. Analysis has shown that the average fine in conspiracy cases is $71,000 for the period from 1983 to 1985, which has really only kept pace with the inflation rate on such fines since 1900.

It seems to me that there must be a more powerful deterrent to price fixing. Price fixing is worse than robbery. It is deliberate. We New Democrats oppose the Bill. It does not include class actions. We have not had the kind of input into the Bill which should have been there in the first place. The Bill does not include any prohibition of conglomerate mergers and does not deal with interlocking directorates and management restrictions.

• (1700)

If this Bill ever gets to committee, you can expect, Mr. Speaker, that it will be thoroughly analysed. Hopefully, it will be tightened up in the areas we have pointed out.

Mr. Redway: Mr. Speaker, the Hon. Member is aware that the thrust and main issue of this Bill is to ensure that there is not a lessening of competition. The purpose of doing that is not because competition is all powerful in itself. The Bill is aimed at trying to improve the situation for the consumer, to make sure that competition does create lower prices, better quality and more choice. That is the main thrust of the Bill. I know that the Hon. Member is quite aware of the sort of merger and monopoly the Bill is aimed at. He talked about the conglomerate takeovers and mergers. He knows this Bill has provisions to deal with those takeovers if in fact they do restrict competition. However, as he has pointed out, they do not deal with the situation if competition is not restricted. If there is one of those wonderful conglomerate mergers about which the Hon. Member spoke, and it does not restrict competition, then it is not dealt with in this Bill.

The Bill introduced this morning by the Minister of State for Finance (Mrs. McDougall) deals with that to a limited extent with respect to the banks and financial institutions, but this Bill does not. I understand from the thrust of the Hon Member's remarks that he would like to see this Bill deal with that sort of thing. I would like to know from him what the official policy of his Party is with respect to allowing or not allowing mergers that perhaps do not restrict competition in any way but even encourage competition. What is the official policy of his Party in that respect? Would he not allow any mergers whatsoever? And I wonder if his answer is going to be one which his Party often espouses, an unrealistic one, or is he going to weasel out of an answer?

Mr. Rodriguez: Mr. Speaker, no one can ever accuse the New Democrats of weaseling out of any answer. In fact, if we want to look for weasels giving answers, we just have to go back to the promises made in the election campaign and compare them with Government policies now that it is the Government. That is where we will find the real weasels. Those people say things they think a lot of people want to hear and so will vote for them. But when they get into office, they stick it to them. I can only think of the Unemployment Insurance Commission and the way it treated people who took early retirement. Those are the real weasels.

I thought I made it quite clear in my speech that we should have a competition policy with teeth. We ought not to include such weasel words as "It's all right to do it as long as it does not substantially lessen competition". It seems obvious to our Party, and we have said this very clearly, that any lessening of competition—if that is the mentality which prevails in this Chamber—will be detrimental to the interests of the consumers. When we use the words "substantially lessen competition" the competition policy becomes not very effective. We have a competition policy which deals with vertical and horizontal mergers but does not deal with conglomerate mergers which are taking place in the reality of today. Why does the Government have to deal on an *ad hoc* basis with Imasco taking over Genstar? That should be part of a comprehensive competition policy which also provides class actions for consumers who do not feel they have received a fair shake in the market-place. It should also deal with the interlocking directorships and prohibit self-dealing. There is no prohibition against self-dealing in this Bill.

We have no objections to mergers but there should be protection within the legislation so that the consumers, when those mergers do take place, will be protected. We are saying they are not protected in this Bill. In fact, it is the opposite. The Bill is deliberately designed to give the impression, just as the Hon. Member did with his question, that it is an effective Bill when in fact it is nothing but a roaring rabbit.

Mr. Nunziata: Mr. Speaker, I want to thank the Hon. Member for Nickel Belt (Mr. Rodriguez) for his most entertaining submissions. They were a little weak on substance at times but nevertheless very entertaining. The Hon. Member made a number of good points. He indicated that the Bill has a number of loopholes. We in the Liberal Party are also concerned about the so-called "weasel words" referred to by the Hon. Member, particularly with respect to mergers. The new competition tribunal will look at proposed mergers and try to decide whether they are likely to prevent or substantially lessen competition. The Hon. Member for Nickel Belt is concerned about the addition of the word "substantially". He argues that the clause should simply read: "—the proposed merger is likely to prevent or lessen competition". I am sure the Hon. Member will recognize our concern with that. There

will be mergers which will lessen competition to a certain degree. Those mergers might be in the best interests of consumers *per se*. To suggest that the tribunal should not allow mergers which will in any way lessen competition is to take an unrealistic position because competition might be restricted by a very small percentage but the merger itself may be in the best interests of consumers generally.

Would the Hon. Member agree that even though there may be some lessening of competition, some mergers might be to the benefit of consumers? And does the Hon. Member agree that although Bill C-91 is full of loopholes, is inadequate and does a disservice to consumers in a lot of respects, it is at least a step in the right direction? Rather than being obstructionist as the New Democratic Party is suggesting it will be, would the Hon. Member not agree that we would be more productive as legislators and parliamentarians if we tried to work in committee and convince the right wing opposite to toughen up the Bill? Rather than delaying the Bill unduly, would the Hon. Member not agree that we should work towards improving the Bill in concert at committee?

Mr. Rodriguez: I just want to say to the Hon. Member for York South-Weston that I thought my speech was replete with very concrete criticisms of the Bill as well as suggestions of things which should be part of it. I thought I did that very well in 20 minutes. I recall that when I first came here in 1972, the Liberal Government brought forward Bill C-256. It was an anti-monopoly Bill. It was a competition policy Bill. Of course, the corporate sector of the country put up a great howl and cut its contributions to the Liberal Party. It was then decided that the Hon. Member for Windsor West (Mr. Gray) was too progressive. So he was taken out of the area of consumer and corporate affairs and somebody else who was more amenable to the corporate sector was put in. The Liberal Party split the Bill and left measures such as price fixing, double ticketing and so on. It then put the merger questions in another Bill and, of course, nothing happened. We end up with the puffball legislation which is presently before us.

• (1710)

With respect to the question of mergers, the Hon. Member asked me whether or not we would still be opposed to the legislation if it lessened competition but was of benefit to the consumer. I say that we start from the position of strength. In fact, we should prohibit it and give the merging groups the right to appeal. Let them prove in an open court that a merger would be of benefit to the consumer. I would also include in the Bill the right to class actions so that if consumers believe that it is not in their best interests, then they can haul the beggars before the court, as they do in the United States and other enlightened jurisdictions. However, the Liberals fought such a provision. I moved an amendment to that effect in the previous Parliament. The Hon. Member for Papineau, who was the then Minister of Consumer and Corporate Affairs, would not have anything to do with it.

I say to the Hon. Member: We will not obstruct the Bill. But there are certain philosophies and principles which we want included in it. We must get those in committee or else we will have a Donnybrook here on the floor of the House of Commons. We will also see how the Hon. Member will vote.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in welcoming this Bill as a useful first step in dealing with concentration, I must say that it is timely. At the present time we are seeing a great rush of mergers such as we have not seen since 1981. I would like to focus in particular on concentration in the financial services industry. There are three sections in the Bill before us which deal with bank mergers. The Bill introduced by the Minister this morning, which is specifically on financial services institutions, also makes reference to competition policies. Thus there is a connection here.

Hon. Members will be aware that a Green Paper on financial institutions was released by the Government last year, following which there were very extensive hearings held by the Finance Committee. Many of the witnesses who appeared before the committee chose to focus on two issues. They were, first, concentration in general and the problems associated with it; and, second, the potential for conflicts of interest associated with ownership of financial institutions by non-financial institutions. The Green Paper proposal on domestic ownership proposed that cross-ownership of financial institutions be permitted through a particular mechanism, that is, an upstream and inactive financial holding company. It also recommended accepting closely-held ownership as opposed to broadly-based ownership. That proposal was a reversal of previous domestic ownership policy which favoured widely-held financial institutions.

The Finance Committee did not accept those recommendations in the Green Paper but had some alternatives to propose. One was that the Minister of Finance be empowered to review and prohibit the merger with, or acquisition of, an existing institution, and that explicit criteria be developed for the application of such a review procedure. There was also a very specific recommendation by the Finance Committee at that time to the effect that the Minister of Finance not approve any merger between Canada Trust and Canada Permanent Trust until an ownership policy for financial institutions had been developed and implemented. The Government ignored the second of the two recommendations which I have described, that being Recommendation No. 58. The merger went ahead and was finalized in January of 1986. This is how Genstar came to own Canada's largest trust company, which has been the basis of some of our questions today, as we now see a further concentration with Imasco proposing to take over Genstar.

Members of the Finance Committee were unanimous in expressing concern with respect to concentration of financial power and also in stating that the committee did not believe that financial activities and non-financial activities should be combined. I would like to quote briefly from the report of the committee which states:

Concern for concentration of economic power, and in particular financial linkages, was overwhelming in the evidence presented to the Committee. The Canadian Bankers' Association and consumer groups, such as the Consumers' Association of Canada, the Canadian Federation of Independent Business, and the Canadian Organization of Small Business, expressed serious reservations in this regard and recommended an imposition of ownership limits and a roll-back of non-financial ownership of financial institutions.

I think that the Finance Committee looked rather carefully at the question of roll-backs and was somewhat divided on the issue since this is a rather major and disturbing request to make. The committee was concerned with the increasing trend toward non-financial ownership of financial institutions, as I have said, and considered that concentrated ownership, particularly that of large financial institutions, should be limited.

I would like to provide some samples of the type of evidence which was given before the committee at that time. The Canadian Bankers' Association stated:

We believe that this co-mingling of non-financial and financial businesses is undesirable. It would try the confidence and trust that Canadians place in their financial system.

More recently the President of the Canadian Banker's Association has been quoted as saying that the increase in takeovers and concentration is becoming "intolerable". The Consumers' Association of Canada was concerned that if the present trends go on we would end up with a few financial conglomerates having bought up most of the competition. The Canadian Federation of Independent Business was concerned about the implications of what it called the "unremitting trend toward greater concentrations of economic power". It was stated on the federation's behalf that it was wary of any measures which would tend to increase potential concentrations of power.

I do not think it needs much imagination to see the type of thing with which small business is concerned. If there is a non-financial institution, for example a development company which owns financial institutions, then there is the risk that its lending practices will favour its corporate brethren and discriminate against the small entrepreneur, the small business owner.

Cadillac-Fairview presented a very interesting brief in which Mr. Justice Wyzanski of the U.S. Federal Court was quoted. He stated:

Concentrations of power, no matter how beneficially they appear to have acted, nor what advantages they seem to possess, are inherently dangerous. Their good behaviour in the past may not be continued; and if their strength were hereafter grasped by presumptuous hands, there would be no automatic check and balance from equal forces in the industrial market—

That is a very strong statement—perhaps a little too strong for some of us here. There probably do exist cases in which concentration will assist in efficiency and economies of scale. It has traditionally been said that in Canada, because our population is relatively small and our country immense, there is a case for greater concentration of power than that which is found in the United States. However, when looking for evidence that concentration does in fact enhance R and D and marketing ability, it is very hard to find. Concentration certainly does not create new jobs or innovation. In fact, what we have seen most often recently is that as assets get shifted around among fewer players, jobs disappear.

• (1720)

Corporate concentration with respect to financial institutions has potentially greater ramifications than it does on the non-financial side of the economy because of the particular characteristics of money and related near-money assets. As well, once this concentration of power has been permitted, it would be very difficult politically to reverse the process and re-establish a widely held ownership structure in the financial sector. This is certainly a situation for which prevention is better than a cure.

That leads us to the example we had put before us today, one which had been dealt with in Question Period to some extent and will undoubtedly continue to be of concern to all of us. That is the situation with Imasco and Genstar. At the end of 1985, there was a specific recommendation made in the Finance Committee report that the Government block the merger of Canada Trust and The Permanent until such time as there was a clear policy. The Government did not accept that recommendation and the merger went ahead. The new entity, Canada Trustco Mortgage Company, was born. Canada Trustco Mortgage Company is Canada's sixth largest financial institution with assets of over $20 billion and is the centrepiece of Genstar's holdings.

In fall of 1985, Genstar, having already owned Canada Permanent Trust, acquired Canada Trust in a $1.2 billion takeover. In March of 1986, Genstar shares rose $7.63 to $55 in a flurry of trading on the Toronto Stock Exchange. On Monday, March 24, Imasco, with extensive holdings in consumer products, announced its bid of $54 per share for 100 per cent of Genstar's 36.9 million shares or $1.9 billion total. The offer is open until April 25.

On March 24, a question was raised in the House by a Conservative Member who asked, since the proposed takeover would result in a financial institution being owned by a non-financial institution, if the Government would block the takeover. The Minister of State for Finance (Mrs. McDougall) said that she would review the takeover bid. Today we learned that apparently the review is still going on and the Minister is not prepared to indicate when she might be able or willing to announce her decision.

On Thursday, April 3, Genstar and Imasco reached an agreement on the takeover, the price now being $58 per share. Imasco is to look for a way to spin off a restructured Genstar without Canada Trust. If no agreement is reached by April 15, Imasco will simply buy out all stock at $58 per share.

Let us look at these companies and what is involved with them. Genstar is San Francisco based with a nominal head office in Canada. About 60 per cent of the assets and 60 per cent of the shareholders are in Canada. It has other holdings in construction and property and 70 per cent of its business is in

the financial sector. It is the fourth largest holder of personal savings accounts in Canada after the Royal Bank, the Bank of Commerce and the Bank of Montreal, and it is Canada's largest mortgage lender.

To be sure, this company is reputable. There is no reason to anticipate any conflict of interest except that in this situation there surely is the potential for conflict of interest. Managements do not stay forever. People move, people change, circumstances change. One would have to raise a question about the wisdom of having a company which is itself involved in development also having a large mortgage company. It may very well be and probably is the case that all people concerned will always be absolutely objective in their lending practices, but the potential for problems exists.

Imasco's extensive holdings include Imperial Tobacco, Shoppers Drug Mart and Hardee Food Systems in the United States. it is about 40 per cent British owned but was deemed Canadian under Investment Canada rules and therefore the Genstar acquisition could not be reviewed by Investment Canada. It also qualifies as a Canadian company under the present trust company law. It has total assets of $2.8 billion so it is really very small compared to Genstar. It is like having a snake proposing to swallow an elephant. The takeover is being funded by a line of credit with Citibank.

This may prove to be a situation from which Canadian consumers and Canadians generally will benefit, but that has to be proven. Surely the risks as spelled out by the Finance Committee and by so many witnesses are such that a careful examination is required. Imasco was prepared for that examination. It notified the Minister of State and her officials of the proposed takeover bid before the bid was made public. It offered to provide documents and to participate in a review on the same terms as if the legislation which was tabled this morning by the Minister of State for Finance and has been available as draft legislation since November 29 were already in law.

Presumably the Minister's officials acted on this offer, although the Minister was less than forthcoming during Question Period today. Since Imasco is proceeding, presumably it has been encouraged to proceed by Department of Finance officials. If so, the House is due a very full explanation of the reasons for that approval. There may very well be sound reasons, but there are also sound reasons why it is not a good precedent and why it flies in the face of the advice received by the Finance Committee from many, many sources and the advice which the Finance Committee gave to the Minister.

• (1730)

Mr. Hovdebo: Mr. Speaker, I was interested in the comments of the Hon. Member about the merger involving Imasco. Does she see any particular value in this merger? Will any new jobs be created? Will consumers receive the benefit of lower priced products? Will there be better control of pollution? Will there be less waste in the country? What are the good things in this merger for which we might look, if we were to be generous?

Miss Nicholson (Trinity): Mr. Speaker, indeed that is a central question. As I said earlier, the experience has not been such as to inspire confidence that these mergers bring good things. We have not seen evidence that they provide jobs, greater innovation or greater R and D. However, we have seen great evidence of potential for problems.

I do not know how it would benefit someone who has a savings account in a trust company to have the trust company amalgamate with non-financial firms involved in fast foods, tobacco and construction. I would think that there would be certain hazards or risks in the lending practices being skewed to the needs of the corporate cousins rather than to the needs of the depositors or shareholders. Until such time as the Minister is prepared to show us some of the advantages which Imasco has demonstrated to her, which are encouraging her to approve this merger, I am unable to say that I can see any advantages in it.

Mr. Hovdebo: Mr. Speaker, I should like to deal with the other side of the question. Because in many cases these are international corporations, I suppose one could say that there is the possibility of ripping off consumers by charging a higher price than is required for consumer products. Because of these interlocking directorates or these large mergers which control several kinds of companies, are there any teeth in the Act which would allow the Government or the regulatory body to take action?

Miss Nicholson (Trinity): Mr. Speaker, I think the Act as it is before us is an improvement of the present situation but it needs to be strengthened somewhat. I should like to see some further changes at committee stage. I am sure the Minister will be open to amendments and suggestions for improvement at committee stage. I think it is a useful first step.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have an opportunity to rise in the House this afternoon in support of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof.

This piece of legislation is really the culmination of a great many efforts over a long period of time. It is a culmination of efforts aimed at reforming the law as it relates to monopolies and mergers which restrict competition. That is not to say that the principles of this law are aimed at allowing competition just for the sake of competition. This law is certainly not aimed at glorifying the concept of competition. However, over many hundreds of years now economists have been telling us that competition is one of the keys to having an economy which works and benefits consumers, to having an economy where consumers can buy products at the lowest price, have a wide choice of products and at the same time have a better quality of products. That is the aim of this Bill. It is trying to allow for competition in order to benefit the consumer. Of course, the

way in which competition benefits the consumer is by creating a competitive situation where there is greater efficiency in the market-place. Of course, with greater efficiency there is greater productivity and greater industrial growth. All those things create the environment for competition which will benefit the consumer through lower prices, better quality goods and more and wider choices.

We have had competition legislation in the country for a long time. It is nothing new in Canada or in other countries around the world. In fact, I am told that we have had competition legislation since about 1889, a long time back. The modern legislation, the present Bill which is in force at the moment, with some modifications is called the Combines Investigation Act. It was originally passed back in 1910. The piece of legislation which we have for controlling mergers and monopolies is an old one. We have found that as time has gone on it has not been doing the job it was put in place to do. As we look at what has been happening in the market-place, we see that more and more mergers and monopoly situations have taken place and have come into effect in recent years than ever before. At the time the original Combines Investigation Act was passed, there was very little in the way of corporate mergers. As time has gone on, there have been more and more of them. Between 1945 and 1949, something like 50 corporate mergers per year were taking place. By 1960, that had increased very substantially from 50 to some 250. Between 1977 to 1984, just about 500 corporate mergers were taking place each year. Since 1975, the 100 largest companies in the country have been involved in more than 150 corporate mergers or takeovers. More than 25 per cent of the total corporate growth of those companies has come through a form of corporate mergers, corporate takeovers and amalgamations rather than through the traditional form of increasing sales through the market-place.

The legislation we have had in place to monitor and to control merger and monopoly situations during this period of time has been a criminal type of legislation. It has been a criminal type of law. It has made illegal certain types of mergers and certain types of monopolies. A merger where a person or a company acquires any interest in another business which lessens or is likely to lessen competition to the detriment of the public is illegal. A monopoly where one or more persons or companies have substantial control of some area of the market and which operate or are likely to operate to the detriment of the public is illegal too.

• (1740)

The problem, of course, has been in trying to enforce those provisions. Because those provisions are criminal types of provisions, the criminal law is generally applicable to them. The first criminal law provision applicable is the whole matter of the standard of proof.

You know, Mr. Speaker, that there is a difference in the standard of proof between civil offences and criminal offences. In civil offences the standard of proof is considered to be the balance of probability on the evidence, but in a criminal offence, the standard of proof is the question of beyond a reasonable doubt. That is where one of the problems has come in in trying to enforce the current legislation effectively. It has been criminal in nature and, therefore, in order to establish that an offence has occurred, an offence of an illegal merger or an illegal monopoly, the Government under the Combines Investigation Act has had to try to establish that this has happened beyond a reasonable doubt and that there is no reasonable defence that can be offered by the accused company or accused person.

In addition, because it is criminal in nature, the whole procedure has been a slow one. It has been a costly one and it has been procedurally cumbersome. Because of all these things, the present law has proven to be completely ineffective in dealing with merger and monopoly situations.

The culmination, I suppose, of the situation came in 1976 with the K.C. Irving case. After that time, the Restrictive Trade Pactices Commission under the authority of the Combines Investigation Act threw up its hands and since that time has been virtually completely ineffective in dealing with merger and monopoly situations in Canada.

It was obvious at that time, and a number of my hon. colleagues in this House were here and have pointed it out this afternoon in some of their comments and remarks, that we needed to make some changes in this legislation if it was to be effective. A number of attempts were made to introduce new legislation to try to make changes to make the legislation effective in order to control mergers and monopolies.

In 1977, for instance, a Bill C-42 was introduced by the previous Government. That did not solve the problem. In fact, Bill C-42 never got through Parliament. In the same year, the Government of the day introduced another Bill, Bill C-13, which also did not get anywhere. In 1984, there was a third attempt at introducing legislation which would amend the Combines Investigation Act and put some teeth into the procedure to control mergers and monopolies. That was Bill C-29 at the time and that, too, never passed through Parliament nor did it go into effect.

Finally, as a culmination of the frustration that has gone on, at least since 1977 and before, and the attempts that have been made successively to try to put something in place, to try to introduce some legislation which would be effective and which would generally meet with the approval of the Canadian people, we have Bill C-91 before us today.

One of the previous opposition speakers said that it was important the Government show a will, a direction and an ability to carry through with this legislation and its intent. I agree with that. It has taken a long time for us to get that will and to get that intention to carry through, in fact since 1977. Now we are at a stage where, apart from criticisms of the Opposition, which is a natural kind of criticism, and apart from the criticism of the odd other commentator, generally there is an acceptance across the country that we have a piece

of legislation before this House which will be effective, perhaps not perfect, but be effective in restricting and controlling mergers and monopolies.

What does this Bill provide, Mr. Speaker? First, it makes a very substantial change in the previous law. It changes the whole concept of that law from a criminal law to a civil type of procedure for dealing with mergers and monopolies.

The criminal law proved to be ineffective in dealing with it and so we are going to take a stab at trying to deal with it as a civil offence. The Bill itself changes this method dramatically. First, it creates a competition tribunal composed of members appointed from the private sector, business people, people with experience in the whole area of dealing with business problems, mergers and amalgamations, people who will know what they are talking about when they are dealing with this sort of thing. At the same time, it puts in place with that tribunal judges who will officiate and provide an appeal panel once the competition tribunal deals with a particular case. The Bill abolishes the old Restrictive Trade Practices Commission. It requires in the case of mergers that certain things take place.

First, where a company which is involved in taking over another company has assets or sales in excess of $500 million in Canada, and where the company that it proposes to take over has assets and sales in excess of $35 million, a prenotification requirement is necessary on the part of the companies involved in that merger or amalgamation so that the competition tribunal will have the opportunity to review the application to see if it meets the standards set out in the Bill.

Let me outline some of those standards set out in the Bill. It is aimed at preventing, lessening, likely to prevent or likely to lessen competition substantially. In order to determine that, it sets out a number of tests. What is the extent of foreign competition in the market affected by the merger? Are any of the parties about to go out of business, go bankrupt? Are there substitute products available in the market? To what extent is there effective competition going to remain in the marketplace? All of these things are provided in the Bill.

There is also provision with respect to a monopoly, changing the offence from a criminal one to a civil offence. The Bill sets out extensively the tests to apply in all these cases. It also sets out penalties that were not available before, not just criminal penalties of imposing fines and sending people to jail, but penalties which would also provide orders prohibiting the engaging in anti-competition acts and penalties which would require the divestiture of assets or shares. Those are the sorts of things that are contained in this Bill. Those are the sorts of things that are going to put some teeth in the competition law of the country. That is why I call upon the House to support this Bill and to pass it quickly.

• (1750)

Mrs. Finestone: Mr. Speaker, I have a question for the Member for York East (Mr. Redway). What does the Member see in the interaction under this proposed legislation between the Investment Canada Act and this Bill? As an example, Investment Canada is looking at the impact of the Gulf and Western potential for merger. What would happen if it were being looked at under the Competition Act as unfair competition, as a restriction on the distribution of books or films? If that were in the cards, would it be examined under Investment Canada or under this Competition Act?

Mr. Redway: Mr. Speaker, I thank the Hon. Member for her question. Of course, I must offer only my own opinion on this. As a lawyer with some past experience relating to FIRA and the Combines Investigation Act provisions, as it now stands, it would be my opinion that any company contemplating a merger would have to comply with both of the provisions. In the past they would have had to have complied with FIRA and the Combines Investigation Act. With Investment Canada in place, it may very well be not as restrictive and, therefore, easier to comply with Investment Canada. However, in my view, they will still have to comply with the competition legislation. They will certainly have to satisfy all of the tests. If they can do so, fine, and if not, it will be caught by this piece of legislation.

Mr. Rodriguez: Mr. Speaker, I listened carefully to the Member for York East (Mr. Redway). He made the argument that he thinks this Bill will be effective. One of the reasons he gave was that it is now removed from the ambit of criminal consideration. Why does he think it is necessary to provide all these "outs" with words like "substantially lessen competition"? Why does the defence for conspiracy have to be built in? Why do you build in the defences against the breaking of the law?

Why is there no provision in the merger section to outlaw self dealing? That is one of the more potentially serious drawbacks to the mergers.

Mr. Redway: Mr. Speaker, I am delighted to have the opportunity to answer the Hon. Member's question. After the Hon. Member made his speech he was asked whether or not all mergers may be bad for consumers. My comments will relate to that question as well as to the questions he has put to me.

There was a recent case in which it can be argued that a merger took place which was good for the consumer. That was the merger involving Genstar and Canada Trust. That merger restricted the number of trust companies. In that sense it was restricting competition. On the other hand, by improving its financial position, it is now the sixth largest financial institution in the country and is very competitive with the chartered banks. Therefore, it is, in effect, increasing competition in the banking area.

At the same time, the amalgamation of the real estate sales operation of Canada Trust and The Permanent has created a larger and more effective competitor for the Royal Lepage company which has been in the market for a number of years. There is an argument that in that case, even though competition was restricted, it will be beneficial for the consumer. I

suggest that the answer to all of the questions put to me by the Hon. Member lie in that example. In this case we need to build in some defences because it may be that a merger may be beneficial to the public at large through lower prices, more choices, and better quality products. That, in essence, is the answer to the Hon. Member's question.

Mr. Rodriguez: Mr. Speaker, just as the Member for York East (Mr. Redway) can quote an example of where he thought this was beneficial, we can pick out examples where mergers have been absolutely disastrous for individuals. For example, in the Rosenberg case of the buy-out of the trust companies, the people lost all their savings. Would he not agree that there should be prohibition and the right to appeal in an open court in order to prove that it is in fact beneficial to consumers? Second, why is there no provision for class action suits which, it seems to me, is one of the most effective ways of keeping the corporate sector on its toes?

Mr. Redway: Mr. Speaker, if the Hon. Member had listened carefully to my remarks and had read carefully the Bill before us, he would have noted that in a merger situation there is a requirement for prenotification to the competition tribunal where there are assets or sales on the part of one company of $500 million and assets or sales on the part of the company being taken over of only $35 million.

The Hon. Member has spoken about the Rosenberg situation and other cases of trust companies. If the Hon. Member looks caefully at the assets of those companies, he will find that they were far in excess of the bottom line limit for the requirement of the prenotification notice to the tribunal. Therefore, there is going to be, not only a review, but an opportunity on the appeal for the public hearing to which the Hon. Member has been referring. If he examines this piece of legislation carefully and does not close his mind to it, as he so often does on other matters, I am sure he will be quite happy with it as this is going to be an effective piece of legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN ARMED FORCES—POLICY GOVERNING HOMOSEXUALS AND LESBIANS. (B) GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on March 4 of this year I directed a question to the Minister of National Defence (Mr. Nielsen) concerning the policy of the Canadian Armed Forces with regard to the hiring and retention of homosexuals in the Canadian Armed Forces. At that time I asked that the Minister confirm that these policies, as set out in Canadian Armed Forces administrative order 19-20, be immediately rescinded to ensure full equality for gays and lesbians as recommended unanimously by the parliamentary committee on equality rights. At that point, the Minister of National Defence replied that the response of the Government was set out on page 25 of the report which had been tabled that day.

• (1800)

He quoted from that report the following extract. "The Government believes that one's sexual orientation is irrelevant to whether one can perform a job or use a service or facility." While the Government, through the Minister of Justice (Mr. Crosbie), on March 4 in its response to the report of the parliamentary committee on equality rights entitled *Toward Equality* did indeed say that it believes that one's sexual orientation is irrelevant to whether one can perform a job or use a service or a facility, it would appear that there is a great distance between those words and reality, and a real change in policy. The policy continues to deny employment to gays and lesbians within the Armed Forces. The requirement that any person who happens to be gay or lesbian be fired from the Armed Forces is still on the books today.

I want to note the arguments that were made by the parliamentary committee on equality rights on this subject. I had the honour of serving as a member of that committee. We travelled from coast to coast and we heard from many individuals and organizations with respect to this very sensitive question. We noted the Armed Forces has a policy of not recruiting homosexuals and of dismissing homosexuals from the Forces once detected. We noted as well that the individual in question was often subjected to interrogation by the special investigation unit of the Canadian Armed Forces. Within the last four years, 37 members were discharged in 1981; 45 in 1982; 44 in 1983, and 38 in 1984, solely on the basis of their sexual orientation.

The committee heard stories of a number of former members of the Canadian Armed Forces who served in the Forces for years without any problem whatsoever but were released for only one reason, their sexual orientation. These members describe the arbitrary, grossly insensitive treatment to which they were subjected as part of the investigation of their personal lives. They were detained in isolated conditions for many hours and subjected to intensive interrogation about their activities and those of others. The committee unanimously recommended—and I emphasize the unanimity of the committee here with five Conservative Members, one Liberal Member, who I see in the House today, the Member for Mount Royal (Mrs. Finestone), and myself—that this policy be repealed. We stated that in this day and age there is no place in Canada for such a policy. The arguments put forward by the Canadian Armed Forces do not justify the present policies. We recommended an amendment to the Human Rights Act to prohibit all discrimination on the basis of sexual orientation.

When the Minister of National Defence appeared before the equality rights committee, he made it very clear that he fundamentally supported and approved of the policies of the

Canadian Armed Forces that denied full equality to gays and lesbians. He stated in a letter which was addressed to a number of individuals who wrote to the Government on this issue: "No change is currently being contemplated to the Canadian Forces' position in respect of homosexuality". Fortunately the Minister of National Defence was outvoted by his cabinet colleagues. The Cabinet has made it very clear that it will not tolerate a policy which discriminates in this systematic manner against gays and lesbians.

I would note that thousands of homosexuals have had distinguished careers in the Canadian Armed Forces. One example is Major Sutcliffe of Toronto who served for 18 years in a variety of fronts, and rose from the rank of private to major, has seven campaign medals as well as the M.B.E. and the C.D. He was fired solely on the basis of his sexual orientation. It is not a question of opening up the Armed Forces to gays and lesbians. It is a question of recognizing the reality that there are already homosexuals within the Armed Forces. Surely we should recognize that these individuals who serve their country with distinction should not have to live in conditions of pain, oppression and of hiding their true reality.

I would note that there are other countries which have long since abolished these policies. The Netherlands, for example, has stated very clearly that one's private sexual orientation is in no way a bar to membership in the Armed Forces. I note that according to NATO, they have one of the finest navies in NATO. Clearly that has not been a barrier to them.

I hope the Parliamentary Secretary to the Minister of National Defence (Mr. Wenman), who is responding on behalf of the Government today, will recognize that the time has come for change and that the words of the Government, which call for an end to all discrimination on the basis of sexual orientation, must become a reality. I ask the Parliamentary Secretary when the Government will repeal Canadian Forces Administrative Order 1920? How many more task forces and committees must the Generals set up before this employer, which is clearly the most homophonic employer in the country, finally recognizes that equality must at last come to the Canadian Armed Forces as well?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Hon. Member has often expressed his view on this subject. After the Minister of Justice (Mr. Crosbie) tabled the Government's comprehensive response to the recommendation of the Parliamentary Committee on Equality Rights several weeks ago, the Hon. Member asked the Minister of National Defence (Mr. Nielsen) the question which he posed today. At that time the Minister appropriately referred him to the page where the Government's position was stated in clear and understandable language by the Minister of Justice.

I want to inform the Hon. Member that on all issues affecting the Department of National Defence, we are actively pursuing which procedures and policies are necessary in order to conform with the principles of the Charter as stated by the Minister of Justice in the House on March 4. To that end, the staff of the Chief of Defence has set up a departmental task force which will look at all issues and recommend an appropriate course of action.

I believe it is very clear that the major responsibility of the Armed Forces of Canada is to ensure the security of Canada and our alliances, to ensure the operational effectiveness, morale and discipline of the Armed Forces and that we uphold standards of behaviour and conduct compatible with the objectives as stated by the Minister of Justice.

I am sure that these accommodations will be found and these objectives can be met within the response of the Minister of Justice when the task force reports. In the spirit of tolerance, justice and the interest of individual Canadians and the Canadian Armed Forces, I am confident that these values of tolerance, discipline and effectiveness of the Armed Forces will be upheld within those principles as enunciated.

CORPORATE AFFAIRS—LEGISLATION AFFECTING TAKEOVERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 25 I asked the Minister of Consumer and Corporate Affairs (Mr. Côté) a question about the mergers and acquisitions that are sweeping this country. I referred to, as reported at page 11860 of *Hansard*:

> —the insidious mobilization of corporate concentration which may destroy competition—

and went on to ask:

> When will Canada have effective competition and anti-combines laws to curb the voracious appetites of giants such as Gulf Canada, Imasco, and Petro-Canada—

Indeed, I believe we have a serious topic on our hands. It is evident just from what has happened in the past week. My question was asked just a day after the bid by Imasco for Genstar which, in turn, controls the giant Canada Trust.

I believe that particular acquisition is very dangerous for the main reason that this involves a potentially very big and successful non-financial conglomerate taking over one of the most successful and largest trust companies in Canada, Canada Trust.

With good management it might work out, but I do not think we can leave it to chance. The temptation could often be too great. There are temptations in terms of lowering competition. There are temptations as far as insider trading. For those reasons, that particular deal causes me concern when one considers what has happened.

In many cases, the depositors of various banks will be funding this acquisition to the tune of $2 billion. We have the great risk of competition being lessened. In an acquisition just a few months ago there was a tax concession, legal at the time, given to a large conglomerate of $590 million. Ironically, the average Canadian depositor is funding the very types of deals of these monolithic structures which are going to come back and haunt them and, indeed, hurt them through less competition in the market-place.

• (1810)

We last had a royal commission into the question of corporate concentration in 1975. That was brought about at the time of the threat of Power Corporation trying to take over Argus which at that time held such companies as CFRB, Dominion Stores and so on. The conclusion of the royal commission, which reported back in 1978, was that there was no real threat of lessened competition in the market-place, so nothing was done.

I feel very confident that if we were to thoroughly examine the record over just the last five years, we would see that the wave of mergers and acquisitions has accelerated. A professor at Dalhousie University reported recently that the ratio of our last 20 mergers is something like two and a half times as great in size as those in the United States. I believe it is time for action. The Government has taken certain steps. Bill C-91, which was debated extensively today, is a step in the right direction. However, I doubt that it was drafted with the real threat of the huge conglomerates having such extensive power in mind. I do not believe it has roll-back provisions.

Today another important Bill was brought forward by the Minister of State for Finance (Mrs. McDougall). Bill C-103 does indeed have the type of power for which I am looking. It could stop the Imasco deal right in its tracks. I believe under Clause 48.19 that Imasco would need to have the Minister's approval in writing before the deal could be consummated. I want to go on record as being strongly against that particular merger. One of the finest and largest trust companies, with assets well over $20 billion, could be gobbled up by this group and who knows what use could be made of its huge deposit level.

Another aspect of these takeovers I would like to comment on is the loss of jobs. All too often through these mergers and acquisitions hundreds and thousands of jobs just evaporate. The process is called "rationalization". It happened recently with the merger of Canada Permanent and Canada Trust. Hundreds of employees were no longer needed both in head offices and in the branch structures. If the two companies had outlets on the same corner, one of them would go in the name of efficiency, with the resulting loss of jobs.

There is an argument for size of scale. For us to be competitive at the world level we need large companies, but we do not need them at the expense of thousands of jobs or at the expense of competition being lessened. We certainly do not need laws which will permit consumer funding, not only by way of deposits but through foregone taxes, because a large corporation is given a tax concession of $500 million.

In summary, I want to recommend in the strongest possible terms that the subject be given a fresh look because of these activities over the last five years. I do not really know whether a royal commission would be the best vehicle, but that is the one I favour. If it does go to a finance or special committee, it must be given the financial wherewithal and the people to do an in depth study. A superficial look will not do on an issue which is so serious. I hope the Government will move in this direction. The train is moving. We cannot pause and look at this forever. We need to get on with this important topic in an in-depth way in order to protect the consumers of Canada.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Hon. Member for Don Valley East (Mr. Attewell) has always been quick to speak out in support of consumer issues. No doubt the two events which took place in the House today will bring some ray of light to a very involved, comprehensive and serious problem. I refer to the introduction of Bill C-91 by the Minister of Consumer and Corporate Affairs (Mr. Côté) and the introduction of Bill C-103 by the Minister of State for Finance (Mrs. McDougall), both of which have been mentioned by the Hon. Member for Don Valley East.

Over the years we have tried desperately not once, twice or three times, but many times—in fact, the former administration worked on it for 16 years—to try to bring about major changes to the competition legislation. We did this in order that we could deal with companies which had acquired, or were acquiring, a dominant position in the market-place through mergers, thus creating unfair competition to small businesses which were having very difficult times.

I think that the pre-notification provision initiated in Bill C-91 answers many of the questions raised by the Hon. Member. No longer will large corporations whose assets total over $500 million collectively be able to merge without first being reviewed by the tribunal which will be set up under the new legislation. If either one of the two being merged has sales or assets of more than $35 million, then they will fall into this trap whereby they will have to pre-notify. Within a period of approximately 21 days the Government, through the tribunal, will have a chance to respond to the pros and cons of such a merger. I think that a volume of $35 million alone will handle the problems brought to the attention of the House by the Hon. Member. Under the merger pre-notification provision we will be able to first review whether or not it will have a negative effect or impact on business.

The one exception under Bill C-91 is that we will permit companies to merge which, perhaps, will create a dominant position, but only for export purposes. That is to say that such a move would have to make us competitive on a world basis. They would then be able to merge.

We are seriously looking at the situation. I am optimistic, as is the Minister of Consumer and Corporate Affairs, that all Parties in the House will come to the realization that after 75 years our competition legislation is obsolete and that it is time to move on for better protection for consumers and small businesses.

Adjournment Debate

THE BUDGET—EFFECT ON MIDDLE-INCOME TAXPAYERS. (B) ECONOMIC FORECASTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, on March 13 I asked the Minister of Finance (Mr. Wilson) a question with respect to a budget document entitled "The Canadian Budget in Perspective". This document was not included in the package of budget documents released on budget night, February 26. Its existence came to light a couple of weeks later, at which time it was learned that the document had been specifically prepared for distribution from Canadian posts abroad. It provides a certain perspective on the Budget and conditions in Canada but not at all the same perspective as that given to Canadians in other budget documents.

• (1820)

Canadians were treated to a grim-faced Minister of Finance (Mr. Wilson) who opened the Budget Speech with the following statement:

My message today is a serious one, and in many ways not pleasant.

However, statements of this tone and tenor were nowhere to be found in the document prepared for distribution overseas. By contrast, that document is determinedly upbeat and self-congratulatory. It is a slick and obvious selling job and an unabashed effort to substitute style for substance.

The document prepared for distribution overseas brags about the following:

In many key respects the Canadian economy is now performing better than the United States.

We were not informed of this in the Minister's Budget Speech, nor were Canadians told, as were the foreign readers of this document, the following:

On the basis of economic assumptions consistent with the U.S. Administration forecast, the ... growth in Canada would be such as to balance the Budget by the end of the decade.

There is not one word in the Budget Speech made in this House about a balanced Budget. In fact, according to the Budget Speech, Canadians can look forward to a $22-billion deficit by the end of the decade.

In the Budget Speech, Canadians were also presented with the following:

—the truth about our financial problem. The billions we can save through better management are not enough to resolve Canada's financial problems.

That statement appeared on page 8 of the Budget Speech yet this great truth does not appear anywhere in the perspective document prepared for the international community whose confidence the Government is so transparently courting. In fact, I am not sure that the word "problem" appears in this document at all in connection with anything the Government has done or will do.

Whereas the Budget Speech told Canadians that they still have a tough row to hoe, the perspective document would have the reader believe that we have already turned the corner. On page 2, it says the following:

The government's expenditures, deficit, and debt have all been restrained significantly.

On page 6, it says:

The economic recovery can be expected to continue ... The prospects for the expansion continuing in Canada remain good ...

There are a couple of interesting discrepancies. The issue of federal-provincial transfer payments is an extremely sensitive one for Canadians. From the Government's previous economic statements, we know that transfer payments are to be cut by $2 billion. There was not one word about that in the Budget Speech; however, in the perspective document, we see that reductions in transfer payments to provincial Governments for health care and post-secondary education are listed among the Government's so-called efficiency measures on page 6.

Then we might turn to the question of the closing of Canadian posts abroad. We might expect that to offend some potential international investors so, not surprisingly, it is not mentioned in the document that purports to sell the Budget to that constituency. However, in the Budget Speech prepared for Canadians, we see the closure of diplomatic posts in foreign countries listed among the Government's cost-cutting measures.

The Budget was accompanied by an unprecedented amount of salesmanship. There were special functions in U.S. posts on Budget night, officials were dispatched to sell the Budget and this document was produced. Is anybody fooled? Are international investors impressed enough with the show to overlook the fact that the entire exercise is based on assumptions that are tenuous at best and inaccurate at worst?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Unfortunately, Mr. Speaker, the Hon. Member for Trinity (Miss Nicholson) is commenting on two different documents which she has not read in their entirety. The same charts can be found on page 9 of the document entitled "The Canadian Budget in Perspective" and on page 4 of the document entitled "Towards A Sustained Expansion: Canada's Economic Prospects, 1986-1991". The same charts can be found in both documents.

[*English*]

Miss Nicholson (Trinity): Ah, but interpreted differently.

[*Translation*]

Mr. Vincent: Charts are charts, Mr. Speaker, they do not change from one document to the other.

Mr. Speaker, I should think it is quite normal to send a summary of the Budget to other countries. It does not have to be as elaborate as the document tabled here in the House. Surely the Hon. Member for Trinity can appreciate that.

What may have thrown off the Hon. Member for Trinity, and perhaps that is where the danger lies, is the fact that we have had an economic statement in November 1984, a Budget in May 1985, and a second Budget in February this year, and every time Members opposite have said: "We are going to lose

jobs. The value of the dollar will decline. Interest rates will climb." And every time, Mr. Speaker, we found out that in those 18 months the actual number of new jobs created has been higher than in all European countries as a whole during the same period.

Mrs. Finestone: And interest rates as well?

Mr. Vincent: And interest rates went down 2 per cent since September 1984, while the value of the Canadian dollar has been steadily rising since the February 1986 Budget. The dollar has gone up and down every time a Budget was introduced in the past 25 years. It has nothing to do with the Conservative Government. It was the same thing under the previous Liberal administration. The people must be made aware of that. Such fluctuations are normal the day following a Budget, and eventually the value of the dollar becomes stable, as is the case now. Interest rates are declining and job creation is at an unprecedented level.

Again this weekend it was announced that the unemployment rate had gone down in the riding of Trois-Rivières, as it did at the national level. Mr. Speaker, that is good news.

Of course, the Opposition is not happy and will check whether the chart is on page 5 or page 6 and whether there are two different documents, one for Canadians and another one for the other countries. I can understand it. That is the role of the Opposition. However, Mr. Speaker, people are also beginning to say that, instead of always criticizing, instead of checking whether the chart is on the right page or not, the role of the Opposition should also be to propose solutions and to make valid suggestions, instead of speaking about whether a chart should be on one page or another. Mr. Speaker, that is certainly the role of the Opposition.

[*English*]

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

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Tuesday, April 8, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 331-46, 331-47, 331-49, 331-50, 331-51, 331-54, 331-55, 331-56, 331-61, 331-77, 331-78, 331-80, 331-93, 331-94, 331-95, 115, 116, 117, 143 and 167.

I would also comment that these are in response to petitions with respect to the Morgentaler Clinic in Toronto.

* * *

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Finance and Economic Affairs, in both official languages.

* * *

PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have the honour to present two petitions to this House. The first petition is from 33 residents of Aylmer, Nepean and Ottawa in the national capital region. The second petition is from 32 residents of the same region, Gloucester, Aylmer, Nepean, Cumberland, Carlsbad Springs and Navan. These petitioners are strongly opposed to the potential destruction of parkland within the Mile Circle by the National Capital Commission's recommendation to the Government that this national piece of real estate be used for future embassy locations.

ASSESSMENT OF CN MAINTENANCE FACILITIES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, once again I have the honour and privilege to present to the House a petition which has been duly certified by the Clerk of Petitions. It is signed by citizens in the greater Moncton area who are expressing their concern with regard to the current assessment being conducted by Canadian National into the shop capacity throughout Canada. The petitioners are concerned that this assessment will have a negative effect upon the employment figures in the greater Moncton area and, therefore, a drastic effect upon the economy of southeastern New Brunswick and the province as a whole, and they call upon Parliament to prevent any downgrading of the facilities in Moncton.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 455 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 455 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

DEPORTATIONS FROM CANADA

Question No. 455—**Mr. Heap:**

1. Since the implementation of the new Immigration Act in 1978, how many deportations occurred for the year (a) April, 1979 to March, 1980 (b) April, 1980 to March, 1981 (c) April, 1981 to March, 1982 (d) April, 1982 to March, 1983 (e) April, 1983 to March, 1984 (f) April, 1984 to June, 1985?

2. What types of immigration violations caused these deportations?

3. Were the deportees returned to their countries of origin and (a) if so, what were they (b) if not, how many were sent to other countries and which ones?

4. Of the total number of deportations which occurred between April, 1979 and June, 1985, how many (a) were permanent residents in Canada for more than 5 years (b) came to Canada as landed immigrants prior to (i) 21 years old (ii) 5 years old?

Return tabled.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed from Monday, April 7, consideration of the motion of Mr. Coté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in rising to address Bill C-91 this morning, I will make the same observation as was made by other Hon. Members of this House, an observation which I think is extremely relevant to discussion of the Bill, about the present planned takeover of the Genstar Corporation by Imasco. This is a paradigm of the type of corporate manoeuvre or strategy which should be regulated by the Competition Act. It is a very good example of the problems which can arise in an economy such as we have in Canada when policies of corporate concentration are allowed to be pursued. I am glad to say that although the basis may be somewhat tentative, we do at least have some countenanced legislation which will give the Government some powers in this type of merger.

What I would like to do initially is outline the problems which can arise in an economy like ours if this kind of merger were to go through, particularly, of course, if it were to be repeated. I would like to draw parallels between that merger manoeuvre and the sort of clauses which should be in Bill C-91, and are not, and the clauses which are in Bill C-91.

What we have, and what we have seen over the last few years in Canada, is a continuing trend of corporate concentration which has tended to put power in the hands of a decreasing circle of people, an increasing number of whom live and have their major business interests outside of this country. What that means is that Canadian trade and commerce is gradually falling under the domination of groups that have a trans-national base, a multinationial corporate ethic and ethos, and which have practices that may very well be at variance with those we would desire to see as Canadians and which, frankly, are verging on the sort of concentration that is repugnant to Canadian ideals and to previous Canadian commercial and corporate practice.

• (1110)

It has been observed that Genstar swallowed Canada Trust and Canada Permanent and is now being swallowed by Imasco. It puts one in mind of the saw that big fleas have little fleas upon their backs to bite them and that little fleas have lesser fleas, and so on *ad infinitum*. What we see is in the reverse. It is a system whereby each corporate takeover will be no more than a preparatory manoeuvre for the next round of corporate takeovers in which the larger corporations will take over the smaller ones. We will see an increasing concentration of corporate power outside the boundaries of the country. As we have found out with the American legislation concerning domestic international sales corporations and the export of goods in certain categories to countries considered to be hostile and embargoed, we will see increasingly that these activities will be taken beyond the framework of Canadian legislation and beyond Canada's ability to regulate.

The problem is this. Clause 64 of Bill C-91 does not deal with conglomerate mergers. It only deals with the concentration of holdings within a specific industry, be it on the horizontal level with one phase of a specific industry controlled by a single interest, or very few interests, or be it on the vertical level where an entire industry, the entire phases of supply of a goods or service, are controlled by a single corporation.

What we in the New Democratic Party would like to see is the withdrawal of Bill C-91. We would like to see it reintroduced with provisions which will govern conglomerate mergers and with significant strengthening measures. We believe that it is hard to see where Bill C-91 offers any improvement over the four other competition Bills that have been introduced in the House since 1971.

Of course, that raises the question as to why these Bills have come in and why so little progress has been made in the regulation of competition in Canada. I think it is plain to see that there are conflicting ideologies within the Liberal and Progressive Conservative Parties. There are those ideologies which are *laissez-faire*. They believe in the complete and unfettered freedom of the market-place to determine the forms of corporate organization and the forms of company structure. There are ideologies which are closer to those of the New Democratic Party. They recognize that there are authentic and genuine Canadian interests which must be protected, not by arbitrary interference in any sector of the economy but by a firm set of rules which are laid down and which will regulate all sectors of the economy, including the operation of Crown corporations at both the federal and provincial level. As the newspapers have been reporting, I am glad to see that there are Members on the Government side who are opposing this deal. They want to make sure that we have some say as a Parliament and as a Government over the type of corporate structures which will exercise enormous economic power and, frankly, political power.

What we are seeing with the increasing concentration is a tendency toward the Japanese system known as the Zaibatsu system, a system which works quite well in that country. It is a system that is antithetical to many of the values which Canadians hold true. It serves different values, some of them

quite worthy. However, I do not feel that within the context of a country so large and so diverse as Canada that competition policy can be allowed to function on the same level as it would function in a geographically small country such as Japan. It is a unitary state which has been hallmarked over the last 60 years by a singleness of purpose, which does not exist in Canada and which I do not think we should necessarily be promoting.

For example, Japanese companies look toward providing lifetime employment for their employees. Japanese business ethics and business practice, while very effective in that country, and no doubt harmonious with its cultural values and institutions, will be totally alien to Canadians in our context and our cultures.

We see that there have been incentives offered to staff people in these Canadian conglomerates to encourage others to deal with other companies within their conglomerate. We see the very real linkage between the goods and service economy and between the financial economy of intermediaries, of arbitragists, of lenders and borrowers, which enables the conglomerate that controls financial institutions to exercise enormous power that is largely unfettered in Canada at the present time. This is known as self-dealing. It is the system whereby the financial institution loses its independence, its arm's length relationship with its customers, and is bent toward furthering the finance or corporate goals of the parent.

That was very clearly the case in the instances of a Toronto financier and his trust companies, Seaway, Greymac, and Crown Trust. It is something which, without effective competition legislation to regulate conglomerate mergers, would always stand as a temptation to the people who exercise the controlling interest in the resulting multi-industry and mixed-industry conglomerates.

The record of corporate concentration in Canada is sad, since there has been no commitment to the lifetime employment system which makes it such a practical institution in, for example, Japan. Rather, we have seen the reverse. We have seen that the commitment is toward the reduction of employment. The commitment is toward eliminating employment which pays a respectable wage and replacing it with low-wage employment, for example, in the case of Dominion Stores. These are not the consequences that members of the New Democratic Party want to see from a revision of our competition policy.

There is other opposition to this measure as well. Perhaps we should be glad that there can still be opposition in the newspapers. After all, I point out that there is very little to prevent any conglomerate now having gobbled up a financial corporation from lending itself the money to buy out a newspaper that could act as a house journal and a propaganda organ on the Canadian market. We have such headlines as: "Big-biz takeovers bad news". In my hand I have an editorial entitled: "The macabre feast". On the side of the coin is a headline which states: "Hiram Walker's latest moves are making economic history". Apparently, there is one corporation that has decided that corporate concentration is perhaps not the way to go.

In the minutes I have remaining I would like to turn to the market where the need for competition is most evident and where it is obvious that Bill C-91 must have some bite and teeth for it to be effective. I refer to the market for refined petroleum products. This is a market in which major multinational corporations have always had control. They have been able, because of their vertical control in the Canadian industry, to exercise price-rigging, to fix the price at any and all levels with very little reference to the needs of ordinary consumers and, indeed, without much regard to government policy either.

I would like to quote from a letter from the Petroleum Marketers Association of Canada which states that Canada has the weakest anti-trust laws of any western democracy. There is little doubt that this Bill will be too weak to do anything about increasing independent share of the market or anything about high gasoline and home heating prices. That is my worry. It is my concern that we will not see eliminated that nine cents per litre which the Petroleum Marketers Association of Canada estimates to be the effect of price rigging and of oligopoly control of the Canadian market. We will not see eliminated that nine cents per litre that Canadian consumers are currently paying as a premium for having the Canadian oil industry controlled by a few major players resident outside the country.

• (1120)

A press release from the Petroleum Marketers Association of Canada indicates that this mechanism keeps rack prices to independents artificially high, threatens independents that majors will force down retail prices and squeeze margins if independents import cheap gasoline, will be used to keep retail prices up themselves and will be used to maintain inefficiencies. I do not think there is a community in this country that has not felt the impact of this form of price rigging by the oil-company majors. Certainly in my own riding there are a number of communities where competition does not exist, and has never existed, and where there is absolutely no guarantee or certainty that it would exist after the passage of a Bill such as Bill C-91.

In those communities to which I refer, the people have been told very frankly by the oil companies that the oil companies do not consider it necessary to compete in those communities, that they are perfectly willing to continue selling refined oil products at 14 cents per litre in a community that is only 230 kilometres away from here, that it really does not matter to them because it is not part of their marketing strategy. People just 230 kilometres up the road are paying a higher price which now equates to a premium of something like one-third over the cost of gasoline sold in more fortunate communities.

What will Bill C-91 do about those sorts of things? The whole problem with the Bill is that it has been written in large degree with the assistance of the very people who would be

most likely to be regulated by effective competition legislation. It would appear that the Minister has listened to the representatives of large business and that not enough notice has been taken of the lobbying efforts of the organizations that represent small business and the Canadian consumer.

My Party tabled a letter to the Minister of Consumer and Corporate Affairs (Mr. Côté) listing seven independent experts whom we believed should be consulted on Canadian competition policy and whose views we felt were worth taking into account in the framing and tabling of new legislation. Our follow up indictes that there has been only the most perfunctory consultation with these experts, and that by and large it is the interests and representations of large business organizations that have been included in the legislation.

The House of Commons cannot afford, and the Government should not be able to get away with introducing in Canada competition legislation that will lead to a replay of the history of having one successful prosecution for price rigging in the last 100 years. That sort of regulation is not what the Government was elected to bring in. It is not the sort of toothless bulldog that the people of Canada will allow to shamble around the alleys of corporate power.

The people of Canada want to see legislation with teeth, legislation that will prevent price fixing and corporate concentration, legislation that will control self-dealing and above all legislation that will ensure the delivery of all products and services, and particularly refined gasoline products, to Canadians at prices that represent only a fair return and a fair producer margin and do not include padding for inefficiencies, financing of future takeovers, funding of corporate expansion and the general support framework for concentration of corporate power in Canada. I fear that if Bill C-91 is passed as is, it will allow all those things to continue, possibly even at a greater speed than they have in the past.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to ask the Hon. Member who just spoke whether he believes that the Bill tabled by the Minister, especially in the section that concerns mergers, is an adequate response to the present need for legislation on competition in order to prevent mergers that would be disastrous to the Canadian economy.

To me it seems clear that Bill C-29, as tabled in the House by the previous Government, had the advantage of providing a whole series of factors that had to be taken into consideration when deciding whether a merger was acceptable or not. I think that with Bill C-91, the Minister has diluted the impact and the scope of the Bill, especially in the section on mergers, by removing the very factors that should be considered when assessing whether a merger is good or bad for the Canadian economy.

Mr. Parry: Mr. Speaker, I want to thank my hon. colleague for his question and comments.

As far as Bill C-29 is concerned, since I was not a Member of this House when the Bill was tabled, I would rather not make any judgment on its merits.

However, as far as the present Bill is concerned, I fully agree with my hon. colleague, in that it does not provide the same legislative or governmental authority for regulating mergers that could have disastrous consequences for the Canadian economy.

The Acting Speaker (Mr. Paproski): Order. Questions and comments? The period provided for questions and comments has now expired. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr.Allmand).

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I am pleased to participate in this debate on Bill C-91 because I had introduced a similar Bill in 1978 prior to the 1979 election. While this Bill tends to go in the same direction as the Bill I had introduced, a Bill which was known as Bill C-13, it is not quite as strong in many areas. However, as my hon. colleagues have said, the Bill is certainly an improvement over the legislation that is presently in force and we will support the motion to send it to committee where we hope that, with extensive hearings, we might be able to agree on certain amendments that would strengthen the Bill.

Bill C-91 has had a long history. The process began in 1969, I believe, with the report of the Economic Council of Canada on competition policy. That report was very critical of the legislation that was in place, the Combines Investigation Act, and its record in dealing with restrictive practices and mergers in the market-place. The report of the Economic Council at that time recommended wide-ranging legislation to correct the abuses and shortcomings in the Combines Investigation Act and its implementation.

• (1130)

Initially Bill C-256 was introduced in 1971 by the Hon. Ron Basford who was the Minister of Consumer and Corporate Affairs at that time. That Bill was met with massive objections from the business community. In many cases those objections were wrongly directed. However, the Bill was debated. It went to committee and stayed there for ever and a day. When that session came to an end that Bill died. Following that, another attempt was made in 1975 when the previous Bill was split into two parts, and Bill C-2 was finally passed. In 1977, Bill C-42 was introduced to carry on the reform of the competition legislation. It also died on the Order Paper due to opposition Then I introduced Bill C-13 in 1978. In 1984, Bill C-29 was introduced by the former Hon. Member for Nickel Belt, Judy Erola, and now we have Bill C-91. We have had six Bills attempting to deal with this important subject since the report of the Economic Council of Canada in 1969.

These Bills attempted to deal with several problems in the legislation which were criticized over the years. The most important one was the absolute failure of the provisions in the

legislation, in the Combines Investigation Act, to deal with mergers and with monopolies. In the 75-year history of the legislation there was not one conviction under the provisions dealing with mergers and, as far as I know, there was only one conviction under the monopoly provisions, that is, the provisions dealing with the abuse of dominant positions in the market-place. Virtually those two very important provisions in the law have been ineffective.

Much important time was spent by officials in the Department of Justice and in the Department of Consumer and Corporate Affairs preparing cases against businesses and individuals who had, in their opinion, violated the provisions of the Act, but they were never successful. Why were they not successful? It was because the legislation was of a criminal nature. One had to prove beyond a reasonable doubt that the merger was harmful to competition, harmful to the free market economy and the market-place. The abusive dominant position had to be proved beyond a reasonable doubt. It was virtually impossible to mount that kind of proof when we were dealing with conversations between individuals and not with the eyewitness observations which comprise proof in other criminal cases. Of course there was very little written documentation when people got together to abuse the market-place. Most of that activity would be of a nature that could not be proved in that way.

The reason the legislation was of a criminal nature is that for a long time the law relating to civil matters had been under provincial jurisdiction and the federal Government had been left with criminal law jurisdiction. It tried to deal with these important problems under the criminal law, and it just never worked.

There was also criticism of the conspiracy sections of the Combines Investigation Act. There have been convictions under those provisions, but over the years the fines have been so low that they have amounted to being simply a payment to carry on illegal activity. I am pleased to see that in Bill C-91 the maximum level of fines has been increased to $5 million. That is very important because very often large firms which violate or abuse the market-place can well afford by such abuse to pay a low fine and still make huge profits in the market-place, either by monopolistic practices or otherwise.

I have pointed to the fact that this is the sixth Bill since the report of the Economic Council in 1969. Each time a Bill was introduced to deal with these important matters it was delayed interminably by opposition, principally on the part of the "Gang of Five", as W. T. Stanbury of the University of British Columbia calls them; the "Gang of Five" being the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Business Council on National Issues, the Grocery Products Manuacturers of Canada and the Canadian Bar Association. Each time an attempt was made to bring in better competition legislation, there was massive lobbying, submissions to committee, more submissions, hearings, et cetera.

Mr. Murphy: And the Liberals gave up.

Mr. Allmand: I can tell the Hon. Member that when I was the Minister there was not one attempt by the NDP to assist in this legislation.

Mr. Murphy: Oh, come on.

Mr. Allmand: As a matter of fact, I looked through the various Question Periods over the entire period of time, and the NDP showed little interest in this legislation. I do not know why. I would expect them to be more interested in it.

Those who were opposed to the legislation knew very well how it would affect their ability to make profits, but it was very difficult to translate the important provisions of competition reform in a way in which it could be well understood by the man on the street. Of course, the man on the street is interested in the lowest price and the best goods and services possible in the market-place. However, it was difficult to translate the complex provisions in the competition legislation so that he understood that it was to his benefit.

When these Bills were before the House—and almost the same thing is happening now—we did not receive massive support from the general public in favour of them. However, we received massive opposition by large businesses, the "Gang of Five " and the members of those associations. What is very interesting about this debate, which has been ongoing for many years, is that these are the people who say they believe in the free market economy. They continually brag that they are free enterprisers and that they believe in free competition. However, whenever we try to do something to make the market economy work in a more competitive way they oppose it. Why do they oppose it? It is because they are not really interested in the principle of free competition. They are interested in maintaining their dominant position, once they have attained it. In other words, for many of those firms the only thing which matters is the bottom line, not principle. I am sorry to say that, but that is what in fact happens. If they are in a position to dominate the market, they do not want to see the young enterprising small company come in to challenge them. They want to keep their dominant position, and to hang with the free market system.

In Canada over all these years we have had multinationals which in the United States had to submit to much tougher and much more effective anti-trust legislation. They were willing to live with it in the United States, but the subsidiaries of those same companies opposed that legislation in Canada right down the line. They said that while it was good for the United States, it was not appropriate in Canada.

Other countries such as the European Economic Community, Britain and West Germany, countries, which had great success in business, were revising and reforming their competition legislation, but some of the dinosaurs in Canada were opposing it. In my opinion, they were being paranoic in opposing it, and showing themselves to be a bit hypocritical. On the one hand they stood for the free market economy but

opposed legislation which would have made the market economy more competitive. Because they were so big, well organized and well financed, they were able to mount massive publicity campaigns saying how bad the various Bills were. When they are up against the five big associations, to which I referred, they did not have much success.

• (1140)

We also had associations of small businesses which supported those Bills over the years; for example, the Independent Petroleum Association. Small businesses knew how they were being treated, in many cases by the large companies, the multinationals and the combines that were going on, and how they were hurt by predatory practices to prevent new entries into the market-place, and refusals to deal.

I congratulate the Government for bringing in this Bill. It is not as strong in its present form as I would like it to be, but it is certainly a step in the right direction. We will support the motion to send Bill C-91 to committee where we will listen to witnesses and perhaps try to improve on the Bill to make the legislation even better.

The purpose of competition legislation and the original purpose of the Combines Investigation Act had fine principles, but the legislation was ineffective because it was criminal type legislation. The purposes have always been the same, namely, to promote fairness and honesty in the market-place, to promote economic efficiency, to prevent or reduce the abuse of economic power by large conglomerates, to protect the consumer and to protect small business. These have been the goals over the years. They are worthy goals and ones we support.

I earlier mentioned Professor Stanbury of the University of British Columbia. He is probably one of the best known experts in Canada on this subject and he has written extensively about it over the years. He points to some of the improvements that this Bill will bring about in our competition legislation. He levels, however, two important criticisms against the Bill. One would hope that we could concentrate or focus on these shortcomings when the Bill goes to Committee. First, with respect to mergers, mergers will now come under civil law provisions rather than criminal law provisions. This means we will be able to use the substantial burden of proof, or the predominant burden of proof, rather than proving beyond reasonable doubt, which is the burden of proof required in criminal law cases.

The central task for the judges in the new competition tribunal will be to determine whether a proposed merger is, and these are the words, in the Bill, "likely to prevent or lessen competition substantially". Professor Stanbury points out, and probably with reason, that the word "substantially" is not defined. That may put up a very serious roadblock to making this legisation effective, if the courts judge that "substantially" is a very large barrier to cross. As a result we will be no better off with this Bill than with the merger provisions in the present legislation. The word "substantially" could cause a lot of difficulty when we go to prove that mergers are likely to prevent or lessen competition.

Professor Stanbury also has some criticism for the new monopoly section. Once again it is a good thing these provisions have been transferred from criminal law jurisdiction into civil law jurisdiction. It may still be very difficult to enforce, because the Crown will have to establish four items of proof. First, the Crown will have to prove that one or more firms substantially or completely control the relevant market. That will not be easy to prove even with the civil burden of proof. Second, the Crown will have to prove that the firms have engaged in a practice of anti-competitive acts, such as those listed in the section. That may be easier than the first burden, but it is still difficult. Third, the object of the practice is to lessen competition. It is easy enough sometimes to prove that certain firms are engaging in certain practices, but then to prove that their purpose, their intention, in doing those things is to lessen competition might be extremely difficult. Fourth, the practice of lessening competition has had, is having, or likely to have the effect of lessening competition substantially. Once again, that word "substantially" could cause a lot of problems for the Crown in trying to prove its case where there is abuse of dominant position in the market-place.

A Bill like this has to provide balance. It is always a question of judgment as to what that balance should be. But it has to be a balance between the rights and responsibilities of large businesses as opposed to small business, especially small business that is trying to enter a market-place dominated by big firms. We must also maintain a balance between investors, entrepreneurs and consumers. We do not want to discourage investment or to harm consumers. We want to be sure they get the best possible goods and services at the best possible prices.

We will vote to send this Bill to committee, not because we approve of everything in the Bill, but because we believe it is a step in the right direction. Once in committee, having heard witnesses, experts and consumers, we will try to make amendments. We reserve our right, however, to take a different position on this Bill once it returns to the House for third reading. If no improvement is made, we will have to decide whether or not we will still support the Bill. We are hopeful that improvements can be made in committee. I look forward to participating in the committee procedures.

Mr. Nystrom: Mr. Speaker, this Bill before the House is probably the fifth generation of Bills in competition policy going back to 1969. As I recall, we have had a whole series of Bills since 1971. I see five pieces—

Mr. Allmand: This is Bill number six.

Mr. Nystrom: This is Bill number six? The first one was Bill C-256 in 1971, then Bill C-42, Bill C-13 and Bill C-29. I have obviously missed one if this Bill before the House is the sixth attempt at competition policy.

One of the concerns I have is that there is a powerful corporate lobby in Canada which always seems to succeed in

convincing Members of Parliament to water down competition policy. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) mentioned the big five, the National Council on Business Issues and so on, that are lobbying very hard in this area. I notice the advisory council, for example, is made up of people from the business community and the business community only.

I am really concerned as a Member of Parliament in a riding that represents a lot of very ordinary Canadians that their voice is not being heard when legislation of this type is drafted. The Member was the Minister of Consumer and Corporate Affairs at one time. I know personally where he stands on these issues. He is a good progressive Liberal. He would like to see a much tougher competition policy, but why was this not done when the Liberal Party was in power? It was in power for many, many years. The Liberals had several studies, several different papers and they made several different attempts at changing competition policy. Why was the Liberal Party always consistently persuaded by big business to come out with a toothless tiger when it came to competition policy?

I know the Member will and say that the Liberal Party did not get enough pressure from the NDP. I do not think that is good enough. The Liberals were the Government. They had a majority. Why were they not able to stand up to the business community in Canada and defend the ordinary Canadian workers, ordinary Canadian farmers and small business? Why could the Liberals not do that? They had a mandate for many, many years.

Mr. Allmand: Mr. Speaker, as I pointed out, there was some legislation passed. As a matter of fact, I think my hon. colleague, the Hon. Member for Papineau (Mr. Ouellet) was the Minister in 1975 when Bill C-2 passed. Perhaps that is the Bill he does not have on the list. He mentioned Bills C-256, C-42, C-13, C-29, and now C-91.

• (1150)

In answer to my hon. colleague's question, following the strong lobbying against Bill C-256, it was divided into two Bills. It was a long, very complicated, omnibus type Bill. Part of it was made Bill C-2 and the other was referred to a parliamentary committee under the chairmanship of Norm Cafik who, at that time, was the Member for Ontario. After a certain amount of debate in the House, Bill C-2 was passed. Some of the things originally proposed by the Economic Council were passed in Bill C-2.

The Member's question is still a legitimate one. As I tried to indicate in my original remarks, when these Bills were introduced and sent to committee the big business community, in particular, strongly opposed them. I went out looking for support for the Bills. I invited people to appear before the committee. Professor Stanbury, other academics, the Consumers Association of Canada, and other organizations such as the Independent Petroleum Association did support it. However, for every national association which supported the Bill, about 20 well organized and heavily financed organizations opposed it.

Members of the House of Commons in all political Parties were receiving all kinds of letters. The letters did not all appear to be coming from the big business community. Letters were received from individuals saying what terrible legislation this was and very few letters were received in support of the legislation. That is in contrast to the heavy lobby on both sides when the Government attempted to deindex the old age pension.

I was committed to the Bill, but I had a hard time convincing many of my colleagues who were preoccupied with other issues in caucus and in Parliament. I looked for support from all Parties at the time, and priorities were elsewhere; with energy, interest rates, employment, or whatever. I had a very difficult time, as a Minister, convincing ordinary people in the church groups and the various coalitions which usually support these things, that this was just as important an issue for the things they believed in, including lower prices, anti-inflationary tendencies, and better services and products. With 20 Bills on the Order Paper, great support for 19 of them, and all kinds of opposition to poor competition Bill No. C-13, I had a tough time convincing my colleagues that we should spend time on it in the House of Commons.

All of these Bills have led to a refining of the negotiation process. It is obvious that the present Bill C-91, built on the negotiations undertaken by Miss Erola and those undertaken by myself, is more acceptable to the business community. I hope that we at least get this Bill through.

Mr. Nystrom: Mr. Speaker, would the Member admit that the reason it is more acceptable to the business community is that the Government's advisory group consisted of the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Grocery Products Manufacturing Association of Canada, and the Canadian Bar Association? All of these groups are very conservative, big business oriented groups which I am sure would not represent many members of the Conservative Party who pretend to believe in so-called free enterprise and small business in the country. Does the Member agree that perhaps this is why this Bill is now acceptable to the big business community in the country? In effect, they have written the doggone Bill and it is something they can live with. There has been no representation from farmers, trade unions, consumer representative groups, community associations, women's groups, or native groups. Is this Bill more acceptable to big business because it was conceived by big business and the Minister of Consumer and Corporate Affairs (Mr. Côté) is now delivering it on their behalf? Is that not the case?

Mr. Allmand: Mr. Speaker, I agree with the Hon. Member. I think the Bill is more acceptable because concessions have been made. We will be dealing with the Bill in committee, at which time I hope we can convince Government Members, upon hearing witnesses, that there should be changes. If there

is going to be an advisory council on the appointment of people to the competition board, we should ensure that the balance of advice comes from the consumer and producer side as well as the big business side. We will certainly be pressing for amendments in that area.

Mr. Gauthier: Mr. Speaker, I would like to ask a question of my colleague and friend, the Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand), regarding to the new aspect in the competition Bill, the prenotification requirements. The provisions require that certain companies prenotify the director and provide documentation as required for transactions where the combined assets or the gross revenues of the parties exceed $500 million in the case of a merger. I also understand that these provisions apply where the assets or gross revenues of the target company exceed $35 million, and for amalgamations where the target company's assets or gross revenues exceed $70 million. That is the new aspect of the law.

I would like to know how my friend would answer the questions people in my riding are asking me with regard to how preventive we must be in legislation of this nature. By setting the ceiling of $500 million we are indeed exceeding many other countries in terms of these kinds of mergers and takeovers. The Member is a former Minister and is familiar with the subject. Does he have any idea how preventive this legislation must be in terms of its amounts? Why did we choose $500 milllion?

Mr. Allmand: Mr. Speaker, in the previous Bills introduced by Liberal Governments there were also provisions for prenotification with respect to mergers. These provisions are slightly different. When the Bill reaches committee we must examine in detail whether the amounts referred to are reasonable and just, or too high or too low, considering the present value of the dollar, the Canadian economy, the profits that could be made, and so on. I think the prenotification provisions are very important. We supported prenotification provisions in the previous Bill. I think they can do a lot to help prevent damage from taking place. If those provisions did not exist, we would sometimes find out about mergers after they had been agreed to. Business people, lawyers, and accountants may spend a lot of time cooking up something which will not be agreed to by the authorities under this legislation. Therefore, I think prenotification is a good preventive measure. It should be the function of the committee to decide whether or not the details are correct.

• (1200)

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks on Bill C-91. The first thing we should note is that this Bill is less than it seems. It masquerades as a serious attempt to deal with the important problems facing industry and the market-place, the important problems of protecting the consumer, small producer and small business person. In fact, however, this Bill is nothing more than a charade. For example, I would like to read the statement of the purpose of the Bill:

> The purpose of this Act is to maintain and encourage competition in Canada in order to promote the efficiency and adapatability of the Canadian economy, in order to expand opportunities for Canadian participation in world markets while at the same time recognizing the role of foreign competition in Canada, in order to ensure that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy and in order to provide consumers with competitive prices and product choices.

That is admirable. I do not think there is any Member of the House who would want to dispute or oppose that purpose, particularly the last part. The problem is that the Bill does not really meet the purpose it sets out. It is like other legislation the Tories have introduced in this session. The employment equity Bill sets out some very noble goals but completely fails in its objective.

There are two reasons why we have such a weak Bill. The first is ideological and the second is pragmatic. From an ideological point of view, there is a hard core within the Conservative Party who believe very strongly in the myth of the self-regulating free market. Society will benefit if only the Government does not interfere. Perhaps I am stating this too baldly, perhaps not. Even hard core Tory back-benchers have begun to recognize that this ideology cannot stand up to the reality of today's corporate world. Even they have to recognize that the predatory power of concentrated wealth which destroys smaller businesses has to be resisted at some point. Even if they fail to see how this so-called free market does not really protect the consumer, they recognize that by the law of the jungle only the very largest animals can be free from fear. Even then, they continue to live only so long as they find some smaller animals to devour. Recognizing that, we now have Conservative back-benchers standing up, and rightly so, to oppose the Imasco takeover of Genstar. This is commendable. They are finally recognizing that here at least is the point at which they should be drawing a line. However, we have to ask where were they—

Mr. Blenkarn: Where were you people on this issue?

Mr. Manly: —before?

Mr. Blenkarn: Why weren't you leading the charge?

Mr. Manly: The New Democrats have been leading the charge on this issue and others.

Mr. Blenkarn: You were quiet, silent.

Mr. Manly: We would like to see a little more leadership from—

The Acting Speaker (Mr. Paproski): Order, please. I hope we will allow the Hon. Member to finish his speech and then I will allow the other Hon. Member to question and comment.

Mr. Manly: Mr. Speaker, perhaps the Hon. Member or others might even want to speak on this Bill. They talked a great deal about putting up a big fight but we have not seen much of a fight yet.

It is interesting to note that even the bankers are very concerned about this conglomerate takeover of a financial institution because of the danger of self-dealing. It is reported that most failures of financial institutions, including three-quarters of the bank collapses in the U.S., result from massive self-dealing. Yet here we have a Bill which, as I read it, specifically excludes this whole question of conglomerate mergers. Clause 67(2) says:

> For greater certainty, this section does not apply in respect of the acquisition of assets of a combination.

That explicitly excludes the concern we have over the Imasco takeover of Genstar. Yesterday a special Bill was tabled which the Government hopes will deal with that question, but in the meantime the deal is proceeding apace and we have no assurance that it is going to be stopped.

While the Conservatives have this ideological fixation on a so-called free market, they are beginning to recognize the need for legislation which will curb the worst excesses of that system. However, their commitment to the myth is so strong that the legislation is weak. It is important to remember that the market is a human creation and it must be regulated by humans. It will not regulate itself. On that basis the representatives of the people, namely, the Government, should be regulating it in the interests of the people.

Back in 1910 Teddy Roosevelt had some interesting things to say about this:

> It is my personal belief that the same kind and degree of control and supervision which should be exercised over public service corporations should be extended also to combinations which control necessaries of life, such as meat, oil, and coal, or which deal in them on an important scale.
>
> I have no doubt that the ordinary man who has control of them is much like ourselves. I have no doubt he would like to do well, but I want to have enough supervision to help him realize that desire to do well.

We do not need to point the finger at the people in charge of these corporations or paint them as bogymen, or as people who are evil in a way other people are not. We can say, as Teddy Roosevelt said, that no doubt they are the same as we are. No doubt they wish to do well. However, we have a responsibility to provide the kind of supervision which will ensure that they do good. So I urge the Conservatives to shuck off this ideological fixation they have with the so-called free market.

The second reason this Bill is weak is pragmatic; that is to say, big business lobbyists got to the Government. In fact, there were five groups who were particularly involved in vetting this Bill before it ever came before the House of Commons, the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Grocery Products Manufacturers Association, and the Canadian Bar Association. These five groups obviously got to the Minister and went through the provisions that were to be included in the Bill to make sure there was nothing they could not live with. The fact that it is so acceptable to them is fairly conclusive proof that the Bill does not offer the kind of protection consumers need.

We have just finished several years of Liberal Government. While the Liberals perhaps do not share the ideological opposition of the Conservatives to regulation in the marketplace, they were quite susceptible to the pragmatic reasons for having a weak Bill. They let a lot of the same lobbyists get to them.

• (1210)

It was instructive to hear the Hon. Member for Nore-Dame-de-Grace—Lachine East (Mr. Allmand) saying he was glad this Bill was more acceptable to the business community. Since 1971 we have had four Bills introduced before this one and not passed. This is the fifth attempt to bring in legislation to deal with the whole question of consumers.

It is my understanding from talking to people who have looked at the previous Bills that this Bill is the weakest of all. It is interesting that when the Liberals were criticized yesterday for failing to act, the Hon. Member for Papineau (Mr. Ouellet) said that one of the reasons they did not get their Bill passed was because of the bell ringing incident during which the bells rang for two weeks and the House was stalled by the Conservatives. It struck me as being rather strange, that this must have been the two weeks during which the Liberal Government was to be at the very peak of its performance, that it had so much great legislation to be passed in that short two-week period which never saw the light of day, and has been buried ever since, all because of that short two-week bell ringing incident. If the Liberals have nothing else to thank the Conservatives for they should be down on their knees every day thanking the Conservatives for that bell ringing incident, giving them that great excuse for all the legislation they did not pass over the last 20 years. Certainly that has some relationship to this anti-combine legislation.

The need for this kind of legislation is very obvious. Since 1979 there have been some 22 mergers in Canada involving assets with a transaction value of over half a billion dollars. In 1980 the British Columbia Resources Investment Corporation acquired Kaiser Resources Limited, or 66 per cent of it, for $665 million. Those of us from British Columbia know all about the BC Resources Investment Corporation. For others, I would just like to remind you that BCRIC was Premier Bennett's experiment in people's capitalism. He was going to show the people of British Columbia what capitalism was all about, so he took the assets of the province that had been built up over a number of years in public ownership, and he put these within the British Columbia Resources Investment Corporation. He gave everybody six free shares, and then he put some shares on the open market. A lot of small people put their life savings into those shares. They bought them at $6 a share. They took Bill Bennett's word. This was their entry into the whole world of capitalism led by the Social Credit Premier of British Columbia. This is the same corporation that took over Kaiser Resources. Today those shares are trading around $2, if you can get $2 for them. They went from $6 down to $2. That is people's capitalism under the Social Credit Government.

We can look at the takeover in 1981 by Noranda Mines Limited of McMillan Bloedel, 49.8 per cent at $626 million. McMillan Bloedel is one of the largest employers in British Columbia. It has a long history of involvement in the forestry industry and was taken over by Noranda Mines, a corporation that has no real history or interest in the forest industry. Later that same year Brascade Resources Inc. took over Noranda Mines for $1.6 billion. Here we have Noranda taking over McMillan Bloedel and then we have Brascade taking over Noranda. We have the big fish coming along and swallowing the smaller fish.

We have to ask where it is all going to stop. We do not have confidence that this Bill will solve this problem. We see in some of the definitions that we have of anti-competitive acts that Government knows what these are. It defines them as squeezing, acquisition by a supplier of a customer who would otherwise be available to a competitor, the use of fighting brands introduced selectively on a temporary business to discipline or eliminate a competitor, pre-emption of scarce facilities for resources required by a competitor for the operation of a business, buying up of product to prevent the erosion of existing price levels, adoption of products specifications that are incompatible with products produced by any other person, designed to prevent his entry into or eliminate him from a market, or requiring or inducing a supplier to sell only or primarily to certain customers.

The Bill defines all of these in Section 50 as the abuse of dominant position and as anti-competitive acts. Section 51 imposes the conditions under which an application by the law takes place. These conditions have to be met before the tribunal may make any order prohibiting these practices. As my hon. friend from Nickel Belt said yesterday, this Section is filled with weasel words that allow practically anything to happen.

For example, in Section 51(c) "the practice has had, is having or is likely to have the effect of preventing or lessening competition substantially in a market". There can be a lot of debate about what the word "substantially" means. It is going to be a lawyers' field day, but it is not going to provide much protection for the average consumer.

In conclusion, I want to say that Canada badly needs legislation to protect consumers from monopoly and predatory pricing practices. It badly needs legislation to protect smaller businesses from being gobbled up and eliminated, for no other reason than the desire for bigness. It badly needs proper anti-combines legislation. Unfortunately, Bill C-91 does not meet that need, and on this basis I urge the Government to bring in some proper amendments that will make it more effective.

Mr. Blenkarn: I would like to make a couple of comments and then perhaps ask the Member a question. He will realize that this is the fourth Bill that has been introduced on competition over a period of time. I remember one was introduced by one Tony Abbott, the Minister of Consumer and Corporate Affairs following the 1974 Parliament. He defeated me in the general election and went on to be Consumer and Corporate Affairs Minister, and the competition act defeated him.

Then we had the Hon. Member for Papineau (Mr. Ouellet)who introduced a paper on competition. It was circulated around the countryside, and every storekeeper, every small businessman, every person in the whole country that was in any way involved in franchises or whatever formed almost a squad to run the Minister out on the rails. That Minister was very fortunate in losing the portfolio of Consumer and Corporate Affairs. So the Bill has had a very rough time.

• (1220)

The Hon. Member will know that there has been a great deal of consultation. For example, the Consumers' Assocation of Canada has been heavily involved. The Canadian Federation of Independent Business and the Canadian Independent Petroleum Association heavily support the Bill. I wonder, in view of that support, and in view of the very hard history, why the New Democratic Party and, in particular, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), would not stand up and applaud the Government for introducing the legislation, and applaud the Minister of Consumer and Corporate Affairs (Mr. Côté), bearing in mind the way other Ministers of that portfolio have gone down the pipe with competition Bills. He should be applauded for having the strength of character to introduce this Bill.

Mr. Manly: Mr. Speaker, the Hon. Member talked about strength of character being needed to introduce this Bill. I am speechless at the idea that the introduction of a Bill like this requires strength of character. That is utterly beyond my comprehension, unless the Tories have a completely different understanding of what "strength of character" is all about. The Hon. Member talked about the great deal of consulation which has taken place. The labour movement was essentially asked a few questions, but there was no extensive follow-up with the labour movement, or any consultation. The Consumers' Association of Canada was essentially told to take it or leave it. It was not really involved in helping to draft the kind of legislation which is needed by the Canadian public for its protection. I do not think that the introduction of this Bill requires any kind of strength of character. Certainly, it is not the kind of Bill I would want to applaud.

Mr. Blenkarn: Mr. Speaker, is it the view of the Hon. Member of the New Democratic Party that, for example, Crown corporations should not be included in a Competition Bill? Is it his Party's view that the banks should be able to carry on the way they have and not be covered by a competition Bill? Does the Hon. Member not begin to understand that for the first time Governments have had the strength to be able to say to Crown corporations and the banks: "You, too, are going to be subject to the competition legislation this Government proposes"?

Mr. Manly: Mr. Speaker, I do not think at any point in my speech I said that everything in this Bill was wrong. What I said was that this Bill does not begin to deal with real problems facing the Canadian consumer. The Bill has the weasel words like "substantially" lessening competition. So what we have is a field day for lawyers. Instead of having a Bill with some teeth to give consumers some real protection, we have a Bill which is fairly thick, which has a lot of verbiage, but which does not do the job required.

Mr. Domm: Mr. Speaker, I would like to ask the Hon. Member of the New Democratic Party if he would explain why he would make the statement in the House that the Consumers' Association of Canada does not endorse the Bill, and has not been consulted? It has written letters of support. In fact, it was the Consumers' Association of Canada which asked that a tribunal be set up. It was one of its key thrusts, in order that we could have representation from the business sector in deciding whether major corporations were gaining a dominant position in the marketplace. Where did the Hon. Member get his information that the Consumers' Association does not support this Bill?

Mr. Manly: Mr. Speaker, I wish the Hon. Member would listen to what I said. I did not say the Consumers' Association of Canada did not support this Bill. I said that the Consumers' Association of Canada was in effect told to take it or leave it, like it or lump it, and that it had better start making the right noises. That is in effect what has happened. It is making some of the right noises, but that does not mean that the Bill really satisfies the Consumers' Association of Canada, or that is going to meet the needs of consumers across Canada.

Mr. Domm: Mr. Speaker, I think, in fairness to the Consumers' Association of Canada the Hon. Member should give his source of information. If the Hon. Member has been advised that it was told to take it or lump it, then I would like to know who advised him that that was the position of the Consumers' Association of Canada, which last summer in July and August endorsed the Bill and asked for certain things which are included. The Hon. Member rises in this House and repeatedly tells us he has been advised under the table, from a brown envelope or somehow, that the Consumers' Association of Canada has said it was told to take it or lump it. Would the Hon. Member be more specific? Who said to take it or lump it?

Mr. Nystrom: I was told by Blaikie.

Mr. Manly: The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) told the Hon. Member for Yorkton-Melville (Mr. Nystrom), and I heard it right from the horse's mouth.

Some Hon. Members: Oh, oh!

Mr. Blaikie: Point of order.

The Acting Speaker (Mr. Paproski): Are there any further questions or comments? The time for questions or comments has now terminated. Resuming debate.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I thought the last interjection by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) that he received his information from the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) was a pretty good indication of the depth of the research the New Democratic Party put into this Bill. I note the Hon. Member for Yorkton-Melville (Mr. Nystrom) said that he was also involved in this research into the Consumers' Association of Canada.

Mr. Blaikie: Believe it or not, Don.

Mr. Blenkarn: But, seriously, Mr. Speaker, when a Member of Parliament impugns an association like the Consumers' Association of Canada, that Member of Parliament is doing damage to a voluntary association. He should prove that it has said it has not been given a fair hearing, totally disapproved of the Bill and that it was told to lump it or leave it. That is a pretty serious accusation against a very valid association. To make that accusation and refuse to back it up is certainly, in my view, not the kind of thing we should expect from Hon. Members in this Chamber.

Some attack was made with respect to our philosophy in connection with competition. I want to make it very clear to this House, particularly to the New Democratic Party, that we believe very strongly in the private marketplace. But, we believe that the private marketplace should be open and free for competition amongst various parties in the private marketplace. It is our philosophy and our hope that there will be as many active competitors in the marketplace as possible. We do not, quite frankly, enjoy having to use the state, which really amounts to bureaucrats and the dictatorship of the state, to try to force the divestiture or control of businesses. What we want to do is create a climate whereby there is as much open competition as possible. Let it be very clear that if we cannot by persuasion create a climate of openness of competition, then we will not resist using the powers of the state. That also is the philosophy of this Party.

I want to point out to the Hon. Member, because he said some things about Members of the Conservative Party making some statements concerning the Genstar and Imasco matter, that not just Members of the Conservative Party but all of the Members of the Finance Committee last evening endorsed a resolution asking the Minister of State for Finance (Mrs. McDougall), who introduced Bill C-103, to block the Imasco takeover of Canada Trust. The Progressive Conservative Party is taking the lead on this whole question. We did not hear a thing from Members of the New Democratic Party for weeks and weeks, in fact, not until yesterday in Question Period in the House of Commons. They finally caught on to the fact that, perhaps, non-financial institutions would take over a very major financial company.

• (1230)

Mr. Orlikow: You know that's nonsense!

Mr. Gormley: Oh boy, there speaks an expert!

Mr. Blenkarn: Bill C-91 is a first-class Bill. For the first time it will set up a competition tribunal which will combine the judicial concept with the business concept. In effect, the tribunal will act as a court-type operation. It will deal with the serious business problems which come before us in terms of the conflicting views of businessmen and citizens generally. It will deal with them in a sensible and business-like fashion. It will be better than a court in that it will have an independent business attitude on the bench, so to speak. However, it will be a court in the sense that it will be staffed by people who have judicial training as well as by people with business training.

This legislation will leave us open once again to use the strength of our country so that our businesses can be internationally competitive. One of the problems with our present combines legislation is that it can be used to destroy the international competitiveness of Canadian business. Under the legislation which is before us, mergers and acquisitions which will assist Canada in its international dealings will be allowed to take place. In this way Canadian products and services can be marketed internationally. That is a very important thrust contained in the Bill.

Another important thrust in the Bill is the concept of pre-notification. In other words, if a takeover is contemplated by a company worth $500 million, then it must pre-notify the Minister. There are 21 days in which to reply. That is another important aspect of this legislation.

It is essential that, for the first time, we have brought the banks into the act as well as Crown corporations. Many Hon. Members will remember the situation with the former Government in which a cartel was established in connection with the sale of uranium. The only ones who could be prosecuted were the private companies which were part of the cartel. Here was a situation in which the Government was, in fact, illegally promoting the cartel, but the only people who could be prosecuted were the private companies. The Government members of the cartel were let off scot-free, including the Minister. Surely that was wrong. This Bill solves that problem.

I wish to congratulate the Minister of State for Finance who introduced Bill C-103 in an urgent fashion yesterday. That Bill again demonstrates the intention of the Government to stand tough with respect to how the financial institutions of the country are run and governed. In a sense that Bill is a companion piece to the legislation before us. It gives the Minister a great deal of power in preventing takeovers which are not in the Canadian interest.

Since the question of takeovers of our institutions is continually before us, it is important to analyze the whole question surrounding it. I would like to read into the record some of the testimony given by Bernard Ghert of The Cadillac Fairview Corporation to the Standing Committee on Finance, Trade and Economic Affairs. Mr. Ghert stated:

> The concern for public policy is not simply that those with such power will earn excess profits. Rather the concern is that these large groups will have the ability to earn an acceptable level of profits (e.g., sufficient to prevent a takeover) and be able to use their power to achieve objectivies other than increasing the shareholders' wealth. This power may be used to alter the behaviour of other firms involuntarily, e.g.,
>
> —by advancing the interests of some customers or suppliers and/or by penalizing others;
>
> —by undermining the position of rivals in ways inconsistent with maximizing the wealth of one's own shareholders;
>
> —by providing excess rewards, pecuniary or otherwise, to the top management coalition that effectively controls the corporation; or
>
> —by using economic power to influence public policy via the political process, i.e., expenditures on lobbying, advocacy advertising, public relations, campaign contributions and the ability to redirect corporate locational decisions.
>
> Corporate concentration with respect to financial institutions has potentially greater ramifications than in the non-financial or "real" side of the economy because of the particular characteristics of money and related near-money assets.

This testimony was commented upon favourably by writers in the financial papers and in the regular media.

The Finance Committee recommended this fall that there be serious controls placed on the ownership of financial institutions. A financial institution is not just a boot and shoe company. It has the power of massive leverage. For example, for every one dollar in assets of its shareholders' money Canada Trust is entitled to borrow $25 more from the marketplace. Thus it has a 25-to-one leverage. It is presently operating at about 18-to-one or 19-to-one. That is amazing gearing.

It means that for a couple of billion dollars one can gain control of $21 billion or $22 billion. That is the essence of this whole problem. It is unusual for a boot and shoe company to have more leverage than one-to-one or two-to-one. In such a company there is really very little borrowed money involved. Most of the money in such a company is equity money. In such a case we are really not talking about control of vast amounts of money because of the leverage involved.

Very little equity controls massive amounts of money in financial companies. When a financial company is involved, and there is this gearing, it is essential that we look very closely at who the shareholders of the company are and what group has control. This is so because the control of that massive amount of money means that all sorts of transactions can come one's way.

In meetings of the Finance Committee this fall I had a private chat with one trust officer who, for obvious reasons, will remain undisclosed in name. He said: "Don, you don't really make any money on the leverage operation or the management of a company. You buy these things because of the power you get to make the deals. It is a power which allows you to get in on the ground floor of a deal because you can supply the mortgage. This gives you the edge. The power is in the right to have access to this great pot of money". That is the very reason it is absolutely essential that there be controls placed on financial institutions.

For a moment I would like to talk about other takeovers. I think it only fair to point out to the House, and I think Hon. Members will agree, that just bidding the shares of a corporation up in value on the market-place does not create any new wealth. It does not create new jobs that build Canada. Indeed, it probably hurts the country. When shares are bid up, the new price level of the shares must be justified. There has to be a price-earnings ratio and a return on the investment again. The company has to be organized in such a fashion that the new high price can be validated.

• (1240)

In the Genstar takeover of Canada Trust, $1.2 billion in debt was created. If the Imasco deal went ahead, there would be another $2.4 billion in debt created. Where is the money to pay that debt going to come from? Does it come from the depositors? Does it come from the borrowers? Does it come from fast deals? What benefit is there to Canada? I think we all have to ask those questions because in many senses these transactions are financed by us.

Yesterday, the Hon. Member for Kamloops-Shuswap (Mr. Riis) asked the Minister of Finance (Mr. Wilson) what was the cost of borrowing and what was going to happen. It is clear that since there is interest deductibility in this country, when one buys a capital asset the person buying the capital asset is entitled to deduct from his other taxable profits the interest cost. Therefore, in many senses you and I, Sir, pay the bill.

One might ask why we allow that tax deductibility. The obvious reason is that we must have a tax system very much in line with the tax system that exists in the United States. Prior to 1970 Canada did not allow the deductibility of interest used to buy capital assets, but the Americans did. All sorts of companies in our economy were acquired by foreigners simply because the foreigners could deduct the interest and our guys could not.

I remember being involved in a takeover situation. A group of us from Port Credit were putting some money together to buy a construction company. My young brother is now involved in that construction company. We were faced with an alternate bid from an American construction company that wanted to get into Canada. The American company could pay a heck of a lot more than we could because it could deduct interest and we could not. We were a little faster than the American company and we managed to make the deal. However, our real problem was that that company could deduct interest and we could not. The Income Tax Act was subsequently changed to make that possible. But I would point out to the House that the effect of that change is to make takeovers very much more probable.

Without allowing the deductibility of interest, many of the takeovers, and indeed I suggest most of the takeovers that we have seen occur in the past two or three years would not have taken place. The proposed Imasco takeover could not take place without some borrowed money. Whether all the money has to be borrowed or not is another matter, but certainly some money has to be borrowed. The Genstar takeover of Canada Trust could not have happened without the huge amounts of money advanced by a syndicate put together by the Toronto Dominion Bank through Gordon Capital.

We might ask why we allow this kind of thing. The answer is that our tax laws have to be relatively in line with those of the United States. As we enter into trade negotiations with the United States, one of the things we might negotiate with the United States, since the Americans have the same problem with takeovers as we do, is limitations on the deductibility of interest for the purposes of takeovers.

I mentioned initially that competition legislation has been before the House on a number of occasions. The legislation has always failed, not because there was not enough time to put it through but because the legislation got to committee and was absolutely destroyed by representations made from all sides. It is difficult to have legislation that affects people right across the country without having it hurt some people.

While this Bill may have some imperfections—I suppose every piece of legislation we produce has imperfections—I suggest it is important that it proceed now and be passed speedily. For the first time in 16 years, we will at least see some changes made to the competition legislation, and for the first time in 75 years there will be some legislation on the books that makes sense.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. First, let me say that the reason the Bills did not pass when brought forward by the former Liberal Government is that there was a great deal of opposition to them. That opposition came mainly from the business community which did not get everything it wanted. This time, the Conservative Government avoided that by calling in the five big business organizations and letting them work on the Bill.

Until recently, when we spoke of competition legislation and the necessity for it, we were thinking of things like a steel company buying another steel company or a pulp and paper company buying another pulp and paper company and in that way lessening competition. However, what we are facing now are conglomerate takeovers. I would like to ask the Hon. Member how this Bill deals with those takeovers.

Let me give the Hon. Member a few illustrations of what has happened in recent years. Noranda took over MacMillan Bloedel and paid over $600 million for it. Then Brascade took over Noranda and paid $1.6 billion for that takeover. Canadian Pacific took Canadian International Paper and paid $1 billion for it. Bell Canada took over TransCanada Pipe and paid over $600 million for it. The Thomson interests took over the Hudson's Bay and paid about $641 million for it.

What did those takeovers accomplish? Was a single new job created? Do these companies really know the operations of the companies they took over? Do they know how to make them more efficient and bring in new technologies? They do not, and that has also been the experience in the United States. Big oil companies got involved in acquisitions of companies outside of

the oil business three or four years ago and are now selling those companies at huge losses because they realize they do not know the businesses they acquired.

Does this Bill in any way give the Government, Parliament or an agency of the Government the authority to look into these conglomerate takeovers which have become so prevalent and decide whether or not they are good for the country?

Mr. Blenkarn: First, Mr. Speaker, the pre-notification requirements in this Bill require every takeover company with over $500 million in sales or $500 million in assets, the big companies about which the Hon. Member and I are concerned, to notify the Government.

• (1250)

Let us look at the Gulf and Hiram Walker transaction for a moment. Hiram Walker is involved in the energy industry, and Gulf is also involved in that industry. There may well be something which would reduce competition, and if the Bill were in place it may well be that the takeover could be prohibited. With takeovers such as the one of which I am speaking we often find that they are occurring because another interest is ancillary, like or close to the interest of the business of the company taking over. In most cases the pre-notification and the provisions of the Bill will allow the Government to come to grips with the problem. Perhaps it will not in every case. However, if we take a look at the Bill, and at Bill C-103, we come to the realization that most takeover activity will be subject to pretty serious review.

Mr. Orlikow: Mr. Speaker, let me explore further the illustration which the Hon. Member used, the takeover by Gulf of Hiram Walker. I think Hiram Walker has been in the liquor business for more than 100 years. I presume it knows that business because of that, and it is a profitable business. In its desire to diversify, it bought into the oil and gas business. It is very new in that business and I doubt that it knows as much about it as it knows about the liquor business. Gulf is now proposing to take over Hiram Walker. Apparently Hiram Walker is not selling its oil and gas interests, just its liquor interests. Would the Hon. Member explain the economic rationale of that? I am not referring to the point of view of the people who own and manage Hiram Walker. I am sure that whatever they do will protect their interests, but how can that takeover possibly help Canadians?

Mr. Blenkarn: Mr. Speaker, as I said earlier in my remarks, obviously the question of whether or not Canadians will be helped in the takeover is one that would have to be reviewed under the provisions of the Bill. I really do not think that the details of the Hiram Walker and Gulf dance around the mulberry bush in court and elsewhere should be a concern of ours in discussing the particular Bill and its details. In that the Bill would require pre-notification, in that Hiram Walker is now partly an oil company with the ownership of Home Oil and Consumers Gas, and in that Gulf is in the oil and gas business, surely there is the possibility of a lessening of competition. It would seem to me that the Bill would cover that takeover. The dancing around the mulberry bush, which the directors are doing to protect their jobs or other interests, is a matter which perhaps the Hon. Member and I can enjoy and understand; if we want, we can invest in the stock-market and take our chances. However, the essence of the Bill is that it is a review mechanism so that the lessening of competition by the takeover route can be prohibited.

Mr. Orlikow: The tribunal which will be conducting the review, does it have the power or the right to say in respect of one of these takeovers that there is no benefit to the country, that it will not produce any new jobs or provide any new technology and therefore it cannot be done? Does the tribunal have that power? If not, what is the point of the review?

Mr. Blenkarn: The point of the review is that this is a piece of competition legislation, and if there is a lessening of competition then a decision will be rendered on that basis. Surely it is not the business of the Government to worry about whether there are profits or no profits in a transaction.

Mr. Orlikow: How about jobs? Should the Government not worry about jobs?

Mr. Blenkarn: We cannot expect one piece of legislation to solve all the problems of a society as complex as ours. Surely the Bill goes a long way toward getting at the issue of competition.

Mr. Orlikow: No way.

Mr. Blenkarn: I hear the Hon. Member. I suggest to him that the Bill is a good step forward. It is far better than anyone heretofore has been able to produce, certainly within the last 16 years.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Sudbury (Mr. Frith) rising on a question or comment?

Mr. Frith: Mr. Speaker, I should like to make a comment. In view of the fact that I will be the next speaker, I wonder whether there would be unanimous consent to call it one o'clock so that we can start afresh after Question Period.

The Acting Speaker (Mr. Paproski): The period provided for questions and comments is now terminated. I will recognize the Hon. Member for Sudbury as the first speaker. Does the House agree to calling it one o'clock?

Some Hon. Members: Agreed.

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

At 12.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POLITICAL PARTIES

PAYMENT OF NEW BRUNSWICK PREMIER'S LEGAL COSTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it recently came to public attention that the Progressive Conservative Party of New Brunswick paid $123,628 in legal fees for the defence of a Mr. Richard Hatfield against a charge of possession of marijuana.

The charge was laid by the RCMP in respect to Mr. Hatfield's standing as a private citizen and was not influenced by or initiated on account of his position or political office.

I request that the office of the Minister of National Revenue (Mr. MacKay) begin an immediate investigation into a legality of the use of funds solicited for political use in the legal defence against a charge of possession of marijuana.

I also request a ruling on whether anyone in receipt of such a benefit is required to pay income tax on what is clearly a taxable benefit.

Donations to political Parties are made by Canadians to ensure the continuation of Canada's democratic institutions. Is it correct that an individual's legal defence should be paid from such funds? I await the findings of the Minister of National Revenue.

* * *

NUCLEAR ARMAMENTS

YUKON LEGISLATURE'S VOTE AGAINST CRUISE MISSILE TESTING

Mr. Derek Blackburn (Brant): Mr. Speaker, last week the Yukon Legislature voted to oppose Cruise missile testing and increased military activity in the north. This was a free vote on a private Member's motion, and the Government Leader clearly urged all Members to follow their consciences. The Liberals, symbolically, split on this issue.

The Government should note that people who have to live with the Cruise missile hanging over their heads are not too happy about it. They frankly do not like Canada's contribution to the nuclear arms race. They are concerned for their safety when the Cruise missile crashes in two consecutive tests, and they do not want their backyards turned into playgrounds for the Pentagon.

While defence planners tend to look upon our North as a big empty space, just perfect for military exercises, northerners have a much different vision of their homeland. It is time that we took notice of that vision and consulted them before subjecting their homeland to low-level flights by Cruise missiles, NATO fighters, or B-52s. The Government should first assess the impact of this activity on northerners' lives and homes, and ask them if they approve.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

IMPORTANCE OF REGIONAL INFORMATION PROGRAMS FOR REGIONAL ECONOMIES

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I rise in this House to denounce the incompetence of the President of the CBC, Pierre Juneau and his colleague, Louis O'Neil. Last week, a great deal of publicity accompanied an announcement that cut backs would be made in regional programming at Matane, Rimouski, Sept-Îles and Chicoutimi, communities that are bound to suffer since the situation for the communications media is already far from ideal.

Mr. Juneau and Mr. O'Neil have opted for the easy way out by hitting those who cannot strike back. Why not seek out areas where money is really being wasted, and I am thinking of the duplication of responsibilities and the top-heavy administrative machine we find at the headquarters of this superstructure in Montreal?

The CBC will have to cut its expenditures, I agree, but I cannot tolerate this being done by depriving the Lower Saint Lawrence, the Gaspé and the North Shore of services that constitute an indispensable part of the economy of these regions.

* * *

[*English*]

PORNOGRAPHY

DISTRIBUTION OF PROMOTIONAL MATERIAL BY MAIL

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise on behalf of my constituents in Mississauga North who are increasingly concerned about the widespread and growing distribution of pornographic materials.

The number of complaints to my office concerning pornography has risen dramatically. This is not surprising in view of the fact that recently many of my constituents received in their mail a flashy looking envelope advertising an "exclusive video offer" addressed to "mature viewers only".

It may be unparliamentary to describe further the contents of this exclusive video offer, but you can be assured, Mr.

Speaker, that the private citizens, organizations, and even church groups, who received this so-called mail were deeply disturbed.

Canada Post very recently passed a regulation disallowing the distribution of such material. This is not enough. Our Government must act swiftly to pass legislation to control the spread of degrading, offensive, and harmful pornography.

* * *

AGRICULTURE

FUNDING OF COLOURED CATTLE RESEARCH PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government of Canada is giving some $10 million to Dreamstreet Holsteins to do some phoney research on the colour of dairy cattle. This obviously is a tax scam to rip off the taxpayers of Canada since the research seems to be useless.

Agriculture Canada researchers have denounced the scheme as something from which we should walk away. National Revenue apparently turned the project down several times last year before the Minister approved it in December.

• (1405)

What political pressure was brought to bear to get it approved? Who gets the money? Does it go to rich investors in New York? How does Canadian agriculture benefit from this scheme? Why does the Minister of Agriculture (Mr. Wise) support the project when his departmental officials do not? I call upon the Ministers of Agriculture and National Revenue (Mr. MacKay) to cancel the project, or come before a parliamentary committee and explain why they are spending millions of dollars of taxpayers' money this way.

* * *

RESEARCH

FUNDING OF RESEARCH COUNCILS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is becoming increasingly clear that the Government's claim that it will increase budgets to the three federally funded research councils by $1 billion over the next five years is, in the words of the Dean of Science of the University of Manitoba, Dr. Bigelow, "entirely a sham, created by bogus manipulation of the figures".

First, to reach a target amount to offset annual inflation at 4 per cent per year, the Government would have to commit $654 million by 1990-91. The Government has only committed an unconditional amount of $536 million, or a shortfall of $118 million.

Second, additional funds will have to be provided on a matching basis with private sector donations, a very dubious concept in that private companies are more interested in product applications than in research.

Third, even if maximum private donations are matched by the Government, the amount made available to the three research councils in 1990-91 would be $692 million, which is only 6 per cent higher than the amount required to offset 4 per cent annual inflation.

Mr Speaker: Order, please. Sixty seconds. The Hon. Member for Athabaska.

* * *

ENERGY

REMOVAL OF PETROLEUM AND GAS REVENUE TAX ADVOCATED

Mr. Jack Shields (Athabasca): Mr. Speaker, I cannot overemphasize very severe economic downturn in western Canada caused by the falling oil prices. Thousands of jobs are being lost as small, medium, and large producers cut staff and related exploration activity in an attempt to survive. Heavy oil and oil sands development, so vital to our country's security and economic future, is slowly grinding to a halt. The Government still collects a front end production tax. The Petroleum and Gas Revenue Tax is a profit tax. The problem is that there is no profit for producers at today's prices.

It is time for the Government to announce the removal of the PGRT once and for all. It is time for the Government to get rid of this discriminatory tax created by the former Government.

Let us send the message to western Canada that the Government still supports the need for a strong energy sector and that the Government still believes energy to be the engine for economic growth. Get rid of the Liberal PGRT.

* * *

NATIONAL DEFENCE

MILITARY AIR TRANSPORT—SENATE COMMITTEE FINDINGS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the recently published report of the Special Committee of the Senate on National Defence and Military Air Transport concludes as follows:

> Air Transport Group and Ten Tactical Air Group provide our country with excellent service, but they are over-committed, short of aircraft, at minimal or inadequate manning levels, and operate fleets which must be renovated and strengthened over the next 15 years.

The report, Sir, is highly critical of the "fits and starts" which characterized military procurement under the previous Liberal Government. Like the hon. Senators who authored this

excellent report, Members of this House also look forward to the early tabling of the promised White Paper on National Defence.

* * *

[*Translation*]

UNEMPLOYMENT

DECREASE IN NUMBER OF UNEMPLOYED

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the good news keeps coming in, ever since a Conservative Government was elected in Ottawa. Last Friday, Statistics Canada announced that the unemployment rate in Canada had gone down again. From 11.7 per cent in September 1984, it has now dropped to 9.6 per cent in 1986, the lowest unemployment rate in at least four years. Mr. Speaker, this is the result of sound policies, policies that promote the creation of real jobs throughout this country.

Among our youth, the unemployment rate dropped from 18.4 per cent during the last election to 15.9 per cent in March. This means a drop of more than 79,000 in the number of young people who are unemployed. I may recall that in four years of Liberal Government, 142,000 more young people became unemployed. When the Leader of the Opposition was Minister of Finance, 115,000 young people joined the ranks of the unemployed. Unlike our Liberal opponents, we don't waste time making the headlines, but we concentrate on putting Canada back on the road to prosperity.

* * *

[*English*]

NUCLEAR ARMAMENTS

UNITED STATES NUCLEAR TESTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, scheduling another underground nuclear test is not the way to create an atmosphere conducive to world arms control and mutual balanced force reduction. Canadians are saying that nuclear tests should become a memory of the past—they do not make sense. Therefore, Canadians, by and large, do not support today's test in Nevada because they are very uneasy about nuclear tests in general.

• (1410)

It is worth noting for the record that of the 1,509 nuclear tests held so far, India has held one, China has held 29, the U.K. has held 38, France has held 128, the Soviet Union has held 556, and with today's test the United States has logged 758. What real purpose is served by holding nuclear tests in this day and age?

S.O. 21

TERRORISM

INTERNATIONAL ACTION PLAN URGED

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, terrorism is a cancer festering in the body of our global village. Canada is no longer a peaceful nation which was once insulated from this bloodshed. The time has come to face the reality that terrorism is ultimately aimed at destroying the foundation of our civilization. No citizen of the world is immune from this threat.

The time has come for all peace-loving nations to join together in a common front. We need to go beyond the various UN conventions and the Helsinki Accord to establish an international plan of action. Our Government has initiated some much-needed improvements to deal with this threat in Canada. However, more needs to be done. Let Canada become the world leader in developing a sound, co-ordinated plan of action or agreement against terrorism which would be acceptable to any peace-loving nation in the world.

* * *

FORESTRY

CALL FOR CREATION OF FULL MINISTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the National Forestry Congress begins in Ottawa tonight to address the serious issues facing Canada's forest industry. The industry is under attack on a number of fronts, including the U.S. forest industry. It is facing serious underfunding problems and, in spite of being Canada's number one export industry, it still does not rate the status of a full federal Ministry.

Surely this is an ideal opportunity for the Government to demonstrate the priority this critical Ministry deserves by declaring in the next two days the creation of a full Ministry of Forestry for Canada. The industry is too important to be regulated to a third-rate status. Mr. Prime Minister (Mr. Mulroney), give the Minister responsible for forests something to do. Give him an opportunity to do a real job.

* * *

VOLUNTARY ORGANIZATIONS

TRIBUTE TO WORK OF SERVICE CLUBS

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, all of us owe a debt of gratitude to those who have taught us bits of wisdom and given us excellent advice and insight to understand better the world in which we live and work. We owe, as well, a tremendous debt to our country and our home communities which have given us safe and secure havens to build on our hopes, and to help fulfil our needs and aspirations.

We must, as well, acknowledge those organizations and service clubs which make life better for those around us. They keep reminding us that we owe society service above self-interest, that we have a responsibility to support the causes with which one can identify. They channel people's efforts to meet the needs of society, whether they provide service to the family, funding for education, medical care, social agencies or cultural pursuits. None of us can afford to decline the opportunity for self-involvement in order to make the world a better place in which to live.

* * *

FINANCE

TAXATION OF DEFERRED SALARY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the recent federal Budget of the Minister of Finance (Mr. Wilson) calls for new rules affecting salary deferment plans. From now on deferred salary will be taxed on an accrual rather than on a cash receipt basis. That effectively abolishes an excellent job- creation arrangement.

For example, teachers in Nova Scotia use the deferred salary leave to make openings available for others in their profession who are desperately seeking a year's work. The plan also helps school boards save money. This is a plan that works. It is essential and beneficial in relation to job retention and job opportunities, to phased-in retirement, and it permits teachers to remain abreast of current developments in the educational field. I call upon the Government to reconsider a job-creation plan far better than any it has imposed since it was elected.

* * *

SPORTS

BASEBALL—"NEXT YEAR" IS HERE!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, today that annual madness re-exerts its grip on the Canadian psyche. Strikes, balls, and double plays become the words of common conversation. Stieb, Reardon, Raines and Moseby—these names ring bells and encourage fond thoughts of relaxing summer afternoons at the ball park, stretching into fall pennant drives.

How well I remember sitting behind the dug-out in Montreal's Olympic Stadium as our beloved Expos were eliminated from competition by the nasty Dodgers in 1981; or, last year the ectasy of the American League East win over the Yankees, and the agony of Kansas City's final game victory over the Blue Jays. Oh well, hope springs eternal. This is now the "next year" we predicted would come at the end of last season.

Today we, all 25 million Canadians, take the field, represented by the young men of summer, in our quest for the elusive World Series. I wonder what they will say in New York, Detroit, St. Louis or Los Angeles as the World Series of 1986 alternates between Montreal and Toronto. This is the stuff dreams are made of!

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCIAL INSTITUTIONS

IMASCO BID TO TAKE OVER GENSTAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of State for Finance. We are faced in this country with a growing phenomenon of a concentration of corporate power. The Minister herself knows the danger of industrial companies taking over financial companies, particularly banks and trust companies. This allows companies in trouble to use depositors' money for their own purposes. In the instance of the Imasco takeover of Genstar, will she use the powers that she gives herself in the Bill she introduced yesterday to block that transfer?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is one of the areas that the Government has been very concerned about, and that is why we discussed it at some length in the Green Paper we produced about a year ago, after years and years of inaction in this area. When I have the facts at my disposal in this case, I will make my decision.

[*Translation*]

SELF-DEALING—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): The facts speak for themselves, Mr. Speaker. Self-dealing operations are the major cause of many bank failures in the United States, and the victims of such failures are ordinary citizens, including people who contribute to retirement funds.

Again here is my question: Will the Government honour its promise and make self-dealing operations illegal?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have indicated in our Green Paper, and I have done it in speeches in this House and in speeches elsewhere to the public, that we have a great deal of concern about self-dealing. It is one of the causes for financial institution failure, but it is not the only cause. Naturally we will look at any transfer of ownership that comes to our attention in light of what is in the public interest particularly for the depositors.

COMMITTEE'S UNANIMOUS REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the facts speak for themselves and we are bringing this particular instance to her attention. She is faced now with the unanimous report of the finance committee of this House which resolved that non-financial institutions should not be allowed to take over financial institutions. There is increasing rumbling in the back-benches of the Government. Will she accept the recommendation of the unanimous report of a committee of this House?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I will take into consideration the recommendation of the Committee as I will take into consideration other information, which includes information which is still to come from the company.

STATEMENT ATTRIBUTED TO MINISTER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. Before Imasco's bid to take over Genstar Corporation was made public the Minister told the *Financial Post* that she has no problem with industrial groups controlling financial institutions. Since the Minister was informed of the takeover bid before it was made public, will she tell the House whether she made that statement knowing that Imasco was bidding to take over Canada's largest trust company?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, that article was one of a series that was produced in the latter part of March in which we discussed a broad range of issues, and ownership policy is one of those issues. I cannot honestly tell you if it was before or after.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Exactly when did the Minister say that in her view it was all right for conglomerates to go their merry way, and is that still her position?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I never said that conglomerates could go their merry way. In the Green Paper we have produced some ways of dealing with the situation. The parliamentary committee produced some ways of dealing with this situation. We will consider all of those when we make our decision.

STATEMENT MADE BY SUPERINTENDENT OF INSURANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance. Last night the Superintendent of Insurance, who is responsible for Canadian trust companies chartered federally, indicated that he could provide no compelling evidence at all to show that Imasco's takeover of Genstar was in the best interests of Canada. My question to the Minister is can she?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not think he said the reverse either, and I have told the House that when I have all of the information available—

Mr. Orlikow: How much more do you need?

Mrs. McDougall: —which is to come from the company, then we will look at all of the issues involved. There are many issues besides ownership at which we intend to look.

REQUEST THAT MINISTER BLOCK TAKEOVER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Committee on Finance now in its report, as well as in a motion recently passed, stated unanimously that it wanted to recommend that the Minister block the takeover of Imasco. Given that probably every single Member of the House of Commons now supports the blocking of this takeover, would the Minister simply respond to the wishes of every single Hon. Member of the House and agree to block this takeover? Will she state that right now?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I will make the decision in the normal course of events when I have all of the facts at my disposal.

* * *

PETRO-CANADA

PRICE OF GASOLINE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. If the Government is interested in consumers as it claims, why is it allowing Petro-Canada, the people's own oil company, to charge Canadians 7.5 cents a litre more for gasoline than it is charging Americans?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I think if the Hon. Member looked into the situation a little further he would find that Petro-Canada is working at its refinery at Clarkson on contract to a company in the United States which has bought crude oil from Canada and is paying Petro-Canada to refine the oil for it in Oakville. Naturally, that gas is being shipped into the United States.

Mr. MacLellan: Mr. Speaker, this is Canadian oil which is being sold to Americans. Petro-Canada and Imperial Oil have no trouble meeting the American price—

Mr. Hnatyshyn: Order.

Mr. MacLellan: —but they won't sell it to Canadians at that price.

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Why is the Government continually allowing oil companies to pick the pockets of Canadians?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Government is not interfering in the market-place. The cheaper gasoline coming into Canada via independents from the United States is forcing prices to go down in this country. Fair competition like that will continue to keep the prices down and that is what we want for the consumer, fair prices for them here in Canada, low prices, and that is what they are now getting.

* * *

PHARMACEUTICAL INDUSTRY

MULTINATIONAL DRUG COMPANIES—PATENT LEGISLATION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. One Minister has just said that it is the Government's policy not to let conglomerates go their merry way, but the senior spokesperson for international trade in the United States, who reports directly to President Reagan, is reported to have said yesterday that the U.S. Government has become impatient with the Government of Canada for its tardiness in changing our patent laws as they affect drug prices and large conglomerates. Are we now going to have legislation introduced in Canada which will benefit the multinational drug companies, precisely because that is what the United States wants?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I will give the same answer to that question which was given in the House of Commons yesterday by the Minister responsible, the Minister of Consumer and Corporate Affairs. We will be announcing a policy. We are in consultation. The position will be the same as it has always been. When it is announced, whatever the policy is, it will create jobs.

Some Hon. Members: Oh, oh!

Mr. Domm: It will not eliminate generic manufacturing. I am sure that, unlike the former administration which found it impossible to deal with the situation in any form, we will deal with it in order to create economic growth and jobs.

Mr. Broadbent: Mr. Speaker, as a supplementary question for the Minister of National Health and Welfare, I will say to the Hon. Member who just replied that one thing we know—

Mr. Hnatyshyn: Order. Question.

Mr. Broadbent: —is that the change will cost Canadians $200 million a year in drug prices.

Mr. Speaker: Order, please. Question to the Minister.

POSSIBLE EFFECT ON SENIOR CITIZENS

Hon. Edward Broadbent (Oshawa): My supplementary question to the Minister of National Health and Welfare is this. Since the Eastman report has estimated that a change could cost Canadians some $200 million a year, and since senior citizens will be the major group of Canadians affected, will the Minister assure the House that, before legislation is passed, the senior citizens of Canada will have a chance to appear before that committee and have their views heard and listened to by the Government?

• (1425)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first, the Hon. Member should realize that Eastman also recommended changes to the present system. That is something which should be taken into consideration.

Second, the Hon. Member asked whether or not senior citizens and other groups would have the right to appear before the committee should the Government come forward with legislation. That is generally the procedure when legislation is before the House. I think it will apply in this case as well.

VIEWS OF PROVINCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we will take that as a promise and not as a sacred trust.

Since the Minister is responsible for health services in general—and he should obviously have a concern about this—will he assure the House that the changes contemplated in the years affecting the holding of patents will not be more substantial than those recommended in the Eastman report? Has the Minister consulted with the provinces to find out their views with respect to how they will be affected?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I hope the Hon. Member has more assurance of his own ability and that of members of his Party who sit on the Health Committee, or the appropriate committee to which any legislation might be referred. They can ask for whatever witnesses they want to appear or think should appear.

Regarding any elements of any legislation, the Hon. Member will have to wait until it is produced, if and when it is produced.

ENERGY

FALLING OIL PRICES—EFFECT ON EMPLOYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Last year the Minister promised to create hundreds of thousands of jobs in the energy industry. Today tens of thousands of jobs are being lost in Alberta and Saskatchewan, and thousands of jobs are at stake in Ontario at places such as Algoma Steel in Sault Ste. Marie. When will the Government act to preserve these jobs which are being lost daily?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can inform the Hon. member that at this moment the Minister is meeting with her provincial counterparts in order to discuss the impact of the low world energy prices on our producing provinces. I am sure an announcement will result from that meeting later on today.

REQUEST FOR GOVERNMENT PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, it is obvious that Alberta has acted already with $400 million worth of aid to the petroleum industry. When will the Government come forward with a program to save the jobs in these industries, such as the jobs in Sault Ste. Marie at Algoma Steel?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I can tell the Hon. Member this. If the National Energy Program were still in place today those same oil companies would be paying $1 billion more in taxes. The taxes were cut when we redefined the energy policies of the Government. That has helped the energy industry. They would be in deep trouble today—far greater trouble—if the National Energy Program were still in place. I can tell the Hon. Member that 700 small Canadian companies would be paying the PGRT today if the NEP were in place. That number is now down to 70 because of the policies of the Government. Help is there for the energy companies and—

Mr. Speaker: Order, please.

* * *

GENERAL STANDARDS BOARD

QUALITY OF DIESEL FUEL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Supply and Services. Farmers, truckers, taxi-drivers, and many others, have been complaining recently about the declining quality of diesel fuel. The fact is that this decline in quality is increasing the wear and tear on the engines of their vehicles. Can the Minister, who is responsible for the Canadian General Standards Board, the board which sets the Cetane levels for diesel fuel, assure the House that there will be no further downgrading of the quality of diesel fuel and that, in fact, there will be an upgrading of the quality of diesel fuel so that when users buy diesel fuel they can be assured it will not hurt their vehicles?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I will take notice of the representation made by the Hon. Member. It is a rather esoteric inquiry.

Some Hon. Members: Oh, oh!

Mr. McInnes: I will be glad to reply to him in the fullness of time.

MEMBERSHIP OF BOARD

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is not esoteric for the farmers of the country. Can the Minister explain to the House why the members of the Middle Distillate Fuel Committee of the Canadian General Standards Board are dominated by members of oil companies when this is the board which sets the very regulations which are supposed to guide them? Why are there not any farmers on this board? Why are there not any members of other diesel fuel users on this board? Why is it dominated by oil companies?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, the Hon. Member is making another representation. I will inquire to see if it has merit.

* * *

• (1430)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PATENT LAWS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask a question of the Minister for International Trade. Was it accurate when the U.S. trade representative, Clayton Yeutter, said that in fact the Government much earlier had made promises to the U.S. Government to alter the patent laws substantially? What promises were made to the U.S. Government, and why were promises made before the House had a chance to examine the legislation, know what it contains, and know what will be sacrificed by the Canadian consumer?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Government has no intention of doing anything that in the long run will be harmful to the Canadian consumer. That is not the way the Government operates, and it will not operate that way in the future.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, how about the short run? Was Mr. Yeutter correct in saying that the Government has already given concessions?

Was that discussed by the Prime Minister at the Washington summit? What kind of concessions were given and what kind of promises were made? Why is the Government doing this before the House has had a chance to examine the legislation?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as we advised earlier, the Hon. Minister of Consumer and Corporate Affairs will be making an announcement on this matter in due course.

* * *

HOUSING

EVICTION OF ROOMERS FROM VANCOUVER HOTELS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a question for the Minister of Labour who is responsible for housing. The coroner for the City of Vancouver, to whom I spoke this morning, told me that on April 4 at 9.15 a.m., at the corner of Pender and Carroll Streets in Vancouver, Harold Scarrow, age 61, who was to be evicted from a room for which he was paying $225 a month at the Lotus Hotel, to make way for Expo guests paying $50 per day, threw himself under a dump truck and died. What is the Government of Canada doing to stop this inhumane treatment of poor people who cannot really defend themselves?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can inform the Hon. Member that with the changes in the National Housing Program which we are now negotiating, we will meet the needs of those needy Canadians like the one he has described twice as fast as under the old program. I can inform the Hon. Member that last year the expenditures on social housing in the Province of British Columbia—

Mr. Turner (Vancouver Quadra): Went down.

Mr. McKnight: — increased 23 per cent in 1985 over 1984.

Ms. Copps: Because it was the lowest in the country in 1984.

REQUEST FOR FEDERAL INTERVENTION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I do not know if the Minister heard my question. Given that at the end of February there was another suicide of a man evicted from the Patricia Hotel in order to make way for Expo guests, would the Minister—

Mr. Hnatyshyn: There's no Minister of Hotels.

Mr. Waddell: Would the Minister use the good offices of the federal Government, through the Prime Minister, to deal directly with Premier Bennett of British Columbia and make sure that this situation does not continue?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, we recognize the concern of the Hon. Member and others in this matter. It does not fall within the jurisdiction of the federal Government. The federal Government is attempting to negotiate a housing agreement across Canada that will change—

Mr. Waddell: How many more suicides are we going to have?

Mr. McKnight: The Hon. Member asks how many more suicides there will be. I deeply regret the loss of life, but the Hon. Member must recognize that we are attempting to change a program, which under the previous administration only targeted one-third of its dollars to those in need, to a program that targets 100 per cent of the federal government expenditures to those Canadians truly in need.

* * *

NATIONAL REVENUE

INACCURATE ANSWERS GIVEN BY TAX OFFICIALS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of National Revenue. This is the worst year for accuracy on the part of Revenue Canada. Forty-three per cent of the questions addressed to the Department of National Revenue are wrongly answered. Why did the Minister of National Revenue not train his personnel to answer correctly all inquiries of Canadians who need answers to file their income tax returns?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell the House and my colleague opposite that the Department and I are deeply disappointed and puzzled by this rather poor performance by our people. We are looking at remedial action. Some of the outstanding recommendations of the Woods-Gordon report and other options are being studied at the present time. We could think of instituting a two-tier system. As the Hon. Member knows, we used to be involved in silent monitoring, which is no longer acceptable. I can assure the Hon. Member that our officials are studying the matter and we hope to improve the situation in the near future.

[*Translation*]

OFFICIALS' KNOWLEDGE OF THE LAW

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Canadians have 22 days left to file their tax returns. On whom can those Canadians rely to prepare their tax returns if Revenue Canada officials do not even know their own legislation?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I have already told my colleague opposite that we recognize the seriousness of the situation. We regret that the situation cannot be reported in a more favourable light. On the other hand, personnel are doing the best they can and it

may be that, upon analysis, the results will not be as disappointing as they may first appear.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBLE CLOSURE OF GM PLANT IN QUEBEC—REQUEST THAT MINISTER MEET COMPANY MANAGEMENT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I wish to direct a question to the Minister of Regional Industrial Expansion.

Does the Minister know that GM might close its Boisbriand plant as early as in 1987, and will he promise the House to meet with GM management to discuss the future of this plant which provides work for 4,000 men and women and tens of thousands of indirect jobs?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would be very pleased to take the Hon. Member's question as a representation. If it would be helpful to meet with the parties he has indicated, certainly I would be more than willing to do so.

[*Translation*]

REQUEST THAT MINISTER PERSUADE GM TO MODERNIZE PLANT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since it is a fact that this plant's production costs are the lowest in North America, can the Minister ask GM to use the plant's profits to upgrade its facilities?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I am sure most Members of the House are aware, and as the Hon. Member is certainly aware, GM has either spent or committed to spend $6.4 billion between 1980 and 1990. I think that is a very credible commitment to Canada and I would certainly suggest that the Hon. Member put his question in that context. GM has been a good corporate citizen in Canada.

* * *

[*Translation*]

CANADA LABOUR CODE

APPLICATION OF PROVISIONS TO BAGGAGE INSPECTORS AT MONTREAL AIRPORTS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, my question is directed to the Minister of Labour.

Because of a technicality in the Canada Labour Code, the Burns Agency, which has a contract with Air Canada at the airports at Montreal and Quebec City, pays its baggage inspectors $2.20 per hour less than their colleagues at other Canadian airports.

Could the Minister inform the House what he intends to do to force the Burns Security Agency and Air Canada to correct this unfair situation which, I may add, affects many of my constituents who are paid less for duties that involve greater responsibilities?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can inform the Hon. Member that the issue in the industrial dispute of which she is speaking is one that will be settled by bargaining between the union that represents the employees and Burns Security Services. I have put forward a mediator, Mr. Doucet, at the request of the company and the union, to assist them in their negotiations. The areas of work in question are not those areas covered by a provincial decree. Provincial decrees are within provincial jurisdiction. Industrial relations are within the federal jurisdiction.

* * *

AIRPORTS

AIR CANADA—TRANSFER OF INTERNATIONAL FLIGHTS FROM GANDER TO ST. JOHN'S NFLD.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is for the Minister of Transport who, in a sneaky fashion after the House closed for the Easter recess, approved an application by Air Canada to move its flights from Gander to St. John's, Newfoundland, despite the objections of tens of thousands of Newfoundlanders in all federal ridings. Was the Minister aware that Air Canada said the following a year ago:

> We cannot move to St. John's. Proper facilities do not exist at that airport for international flights.

Could the Minister explain what or who changed Air Canada's mind since the facilities have not changed?

Mr. Rodriguez: John Crosbie.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure what kind of correspondence the Hon. Member has in his hands but I have in my possession a letter from the President and Chief Executive Officer of Air Canada requesting that international flights to the U.K be transferred from Gander to St. John's. In my letter of—

Mr. Foster: The devil and Crosbie made you do it.

Mr. Mazankowski: In my letter to the President and Chief Executive Officer, I indicated that we would be able to accommodate Air Canada in that regard after consultation with my cabinet colleagues; namely, the Minister of Agriculture, the Minister of National Revenue, the Minister of—

Mr. Speaker: Order. Order, please.

• (1440)

REASON FOR CHANGE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I will tell the Minister what I have in my hand. Will the Minister not admit that the real reason they changed their minds and the Minister approved the application was a threat by the Minister of Justice that "Air Canada had better conduct transatlantic flights from St. John's or there's going to be trouble for someone"? Was that not the real reason for the change of mind by Air Canada? The Minister knows it.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know the Hon. Member will not like this answer, but the real reason is that Air Canada requested the move, and we responded in a positive fashion.

Mr. Turner (Vancouver Quadra): Oh, come on, Maz.

* * *

CANADIAN ARMED FORCES

SIGNING OF PETITIONS BY SPOUSES OF SERVING PERSONNEL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Associate Minister of National Defence. Could he tell the House why the spouses of present Armed Forces personnel are being bullied by the Defence Department not to sign petitions which protest recent UI changes?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as the Hon. Member knows, in keeping with the long-standing and well-founded tradition of not involving the military in political activities, base commanders have quite properly interpreted Queen's Regulations and Rules to mean that political activity of this sort is not proper on military bases.

Mr. Broadbent: For their spouses!

RIGHTS OF SPOUSES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the same Minister. Is it the Government's position that the spouses of Armed Forces personnel are restricted in the exercise of their rights by virtue of marriage? Is that what he is saying?

Hon. Harvie Andre (Associate Minister of National Defence): Absolutely not, Mr. Speaker.

Some Hon. Members: Oh?

Mr. Andre: Absolutely not. The question is on military bases and political activity on military bases.

Mr. Rodriguez: Where else should their spouses live?

Mr. Andre: Perhaps the Hon. Member feels that it is appropriate to have the military involved in political activity. We do not, in keeping with long-standing tradition, and base commanders are simply enforcing the rules.

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ROAD SAFETY

SCHOOL BUS EQUIPMENT AND STANDARDS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the best Minister of Transport Canada has ever had.

Some Hon. Members: Hear, hear!

Some Hon. Members: Next, next!

Mr. Speaker: Order, please. Question, please.

Mr. Taylor: What part does the federal Government play with regard to the safety of equipment on school buses which carry Canada's greatest treasure, namely, our girls and boys? Is any co-ordination being carried out leading to uniformity in equipment and operations in the provinces?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the Hon. Member for that question. I like those kinds of questions, especially the preamble. Perhaps George may not agree.

Mr. Hees: You can't win them all.

Mr. Mazankowski: To answer the question, yes, Transport Canada provides the design, manufacturing and functioning standards for school buses in Canada. There are some 35 standards. They are monitored and inspected on a regular basis by the Transport Canada Road Safety Directorate. As far as provincial safety equipment is concerned, that is co-ordinated under the CCMTA, an organization of which I am sure the Hon. Member is aware.

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ROYAL CANADIAN MOUNTED POLICE

REPORTED INVESTIGATION OF CONTRACTING PRACTICES IN CONSTRUCTION OF MUSEUM OF MAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Acting Minister of Public Works. Could the Minister confirm that a criminal investigation has been undertaken by the RCMP concerning the contracting practices of his Department in the construction of the Museum of Man in Hull, and will he indicate to the House the nature of the investigation?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, probably that question could be properly addressed to the Solicitor General. The Hon. Member will know that there have been press reports indicating that a police investigation is under way and, as a consequence, it would not be appropriate to comment further.

Mr. Speaker: I will listen to the supplementary question, but I remind the Member of our rules with regard to *sub judice* convention.

Mr. Boudria: Of course the Minister will know that as yet no charges have been laid as far as we know.

[*Translation*]

INQUIRY WHETHER CHARGES HAVE BEEN LAID

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, perhaps my supplementary should be directed to the Minister, since he seems to have other information. Were any charges laid? And if so, was a Member or were several Members of this House named in these charges?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member knows, in cases where there are police investigations it is not appropriate to raise the matter on the floor of the House of Commons so as not to prejudice the results of a police investigation or the ability of an individual to get a fair trial. I think the Hon. Member will respect that.

* * *

FINANCIAL INSTITUTIONS

IMASCO BID TO TAKE OVER GENSTAR

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of State for Finance. Does she see the decision last night by the finance committee as the first fruits of parliamentary reform in the new independence of committees and, if so, why will she not respect that spirit of parliamentary reform and heed the unanimous recommendation of that committee now?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this question was more or less asked before. I have said, first of all, that I respect very much the parliamentary reform process. I also respect very much the opinions of the people on that committee. I do not yet have all the information. At the risk of repeating myself as well, when I have that information I will make the decision in the best interests of depositors and the financial system of Canada, as I have always done before in matters of this nature.

PARLIAMENTARY COMMITTEE'S UNANIMOUS RECOMMENDATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, why does the Minister place the unanimous recommendation of a committee of the House as a fact along with any other fact? As far as the House and Members of Parliament are concerned, that should be a paramount fact in the mind of the Minister—a unanimous recommendation of a committee of the House.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not know if I could say it more clearly than I have. I respect the process, I respect the Members, and I will take their views well under advisement.

Mr. Turner (Vancouver Quadra): Thank you very much, Barbara.

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VETERANS AFFAIRS

WAR VETERANS ALLOWANCE BENEFITS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the jolly Minister of Veterans Affairs. Many veterans in my riding have expressed concerns—

Mr. Speaker: Could we please stop these comments now? A question, please.

Mr. Andre: How come insults are okay and not compliments?

Mr. Lesick: Many veterans in my riding have expressed concerns regarding the harmonization of the war veterans allowance assessment requirements and those used by the Department of National Health and Welfare for the Guaranteed Income Supplement. Could the Minister assure my constituents that the War Veterans Allowance Benefits will not be adversely affected?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I am very glad to be able to assure the Hon. Member for Edmonton East, who always takes a very keen and useful interest in his veterans and their welfare, that no recipient of the War Veterans Allowance will see his or her benefits reduced in any way due to harmonization. In fact, on the contrary, veterans will benefit from this move by seeing paperwork reduced and simplified, and the resultant administrative savings will be applied to the Veterans' Independence Program, a truly great and imaginative program.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

FINANCING OF PAPER MILL AT MATANE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, and it concerns the Matane paper mill. The answer given by the Minister yesterday in the House has created uncertainty in Matane with respect to the future of the paper mill project.

Therefore I want to ask the Minister, in order to reassure the people of Matane, whether he is still prepared to meet the commitment he made to the Government of Quebec, namely, to enter into a joint financing agreement for the paper mill project in Matane.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, when a similar question was raised yesterday, I indicated that certainly we are willing to carry on with our negotiations, including those with the Province of Quebec. At the present time the Saugbrugs company in Norway is not in a position even to consider a deal. In fact I spoke with its Chairman, Mr. Per Etholm, yesterday in Norway. He said that nothing could be done on the Canadian side at this point, until their annual meeting was held on April 24, at which time it will be decided who in fact is in control of the company.

[*Translation*]

COMMITMENT TO QUEBEC GOVERNMENT RELATING TO INVESTMENT—POSITION OF FEDERAL GOVERNMENT

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker. The Minister has not added anything to what he said yesterday. This is what we want to know: Does the federal Government still have the political will to meet the commitment made to the Government of Quebec, whether the investor is the Norwegian firm or any other serious investor? That is what the people of Matane want to know, and that is what I am asking the Minister.

• (1450)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sorry if the Hon. Member finds that when you ask repetitive questions you get repetitive answers. The point is, as I indicated yesterday, that we would very much like to see a major project consummated in the Matane area. We are certainly interested in discussing the project with all parties, including the Province of Quebec, and that interest will continue, hopefully, to a successful conclusion.

LABOUR CONDITIONS

LAY-OFFS IN BRITISH COLUMBIA FOREST INDUSTRY

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is for the Minister of Labour. It pertains to the 16,000 forest workers in British Columbia who have been laid off. More than 5,500 of them are over the age of 50.

Since the forest industrial relations people and the IWA have been trying to have a meeting with the Minister, would the Minister be prepared, while the group is in Ottawa for the forest conference this week, to undertake to have a meeting with them to discuss the plight of those workers and possibly set in place a labour adjustment operation, similar to the ones in Ontario?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can inform the Hon. Member that last spring I met with both the IWA and the industry. We discussed the concern on behalf of the industry and the union about the inability to have early retirement worked in to the pension plan which those members had.

Mr. Benjamin: A year ago?

Mr. McKnight: At that time I asked the executive of the IWA to provide me with all the information they could. Unfortunately, they were busy assisting in protecting the exports of lumber to the United States at that time and were not able to get back to me with information.

I have met with them before, I am willing to meet them again. I do not know what my schedule is now, but if there is a request, I will meet them. As the international vice-president of the IWA knows, my door is always open.

REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, they would appreciate that, and since they are in the lobby today, they will be bringing forward their request.

Some 5,500 of those workers are on pension. They have been laid off for more than two years, and a break in their pension will certainly be of harm to them. Would the Minister be prepared to discuss with these workers ways in which the Government of Canada can assist those who have been laid off and whose pensions are being destroyed now because of the break in the time they have worked?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member is aware, the Budget introduced by the Minister of Finance contained a Program for Older Worker Adjustment. Some $125 million was identified for it.

We are going forward with discussions with industry, the provinces, and with the unions to make that program work across Canada. I will see if it fits into the criteria that are explained to them.

EMPLOYMENT

REDUCTION IN TRADES TRAINING IN NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister. Fifty-seven persons employed in trades training in Nova Scotia have received termination notices which read, in part:

A substantial reduction in federal funding is unfortunately resulting in a reduction in training programs.

I would ask the Deputy Prime Minister on behalf of the Government to explain why Nova Scotians have to accept a 38 per cent reduction in trades training, thereby depriving Canadians in that region of training which would enable them to obtain meaningful jobs?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the specific question, I will take notice of it for the Minister of Employment and Immigration.

I would point out to the Hon. Member the positive side of the employment picture is that the unemployment rate has fallen from 11.7 per cent in September, 1984, to 9.6 per cent in March, 1986, the lowest rate in four years.

Mr. Benjamin: That was not the question.

Mr. Nielsen: Jobs are being created faster in Canada than in any other OECD nation. I could give the hon. gentleman further statistics, but I think I might bore his bias.

REQUEST FOR ADDITIONAL FUNDING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would remind the Deputy Prime Minister that at one institution in Nova Scotia there are approximately 2,500 people on a waiting list for the basic training skills development program. With these cutbacks, only 60 people will be available for that particular program.

Will the Deputy Prime Minister reconsider providing additional moneys in Nova Scotia for trades training for those people who are desperately seeking some form of job training for jobs in the future?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman should know that, compared with the administration that he supported when he was on this side of the House, jobs are being created almost 4.5 times the rate at which they were being created when his administration was in office. Total unemployment has fallen by 227,000.

The programs that have been put in place, far-reaching, imaginative programs, by this Government under the guidance of the Minister of Employment and Immigration have had that very positive result. Instead of complaining, the Hon. Member should be applauding.

COMMUNICATIONS

BELL CANADA TELEPHONE BILLS—REFUSAL OF CASH PAYMENT

Mr. Bob Horner (Mississauga North): Mr. Speaker, my question is for the Minister of Communications and Culture. It has come to my attention that certain Bell Canada offices, both in my riding and in other parts of the country, are no longer accepting cash for payment of telephone bills. In view of the inconvenience this causes many Canadians, and in view of the fact that cash is still legal tender, would the Minister take whatever action is necessary to correct this situation?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I am aware that in recent months Bell Canada has changed its policy regarding cash payments at some of its offices. I understand that Bell has taken this action in the interest of efficiency since, as in the case of most utility companies, the majority of Bell subscribers pay their bills by mail or at banks.

Mr. Guilbault (Saint-Jacques): Did you write the question too?

Mr. Masse: The CRTC is aware of this issue and has asked Bell for more information. I believe the CRTC is in the best position to determine how the public interest—

Mr. Speaker: Order, please.

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FINANCIAL INSTITUTIONS

NON APPLICATION OF OWNERSHIP RULE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of State for Finance. Why is the 10 per cent ownership rule, which applies to chartered banks in Canada, not appropriate for trust companies?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, ownership is only one of the factors that has an impact on solvency and capital in the interests of depositors. There are many other factors as well; the financial resources of the company involved, the quality of the management; all those things. My concern is for the depositors, the solvency of the institutions and the competitive nature of Canadian business.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize that that particular ownership rule was put in place to protect the depositors she now claims she is concerned about?

Why are the bank depositors protected in that way and trust company depositors left to their own devices?

Hon. Barbara McDougall (Minister of State (Finance)): I would like, with respect, Mr. Speaker, to correct one piece of information. The 10 per cent rule, as I recall, was put in to prevent foreign ownership of the Canadian banking system.

Mr. Deans: And to protect depositors.

Mrs. McDougall: As we have seen, not only in Canada but in other countries, ownership ordinarily held is only one of the factors that has an impact on how financial institutions behave and on their solvency requirements.

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HEALTH

MERCURY LEVELS AMONG JAMES BAY CREE POPULATION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is he prepared to use the power given to him under the Environmental Contaminants Act and request an inquiry into the pollution levels of mercury in the James Bay reservoir, levels that are so high that they are described by Allen Peen, Director of Lands and Environment Development for the Cree Regional Authority, as more extensive and widespread than anywhere else in the world?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we are concerned about the issue which the Hon. Member has raised. We are co-operating in whatever way we can, both within the jurisdiction of the federal Government as well as with the provincial Government. This matter is being monitored very closely by us. We have not yet come to conclusions on what kind of remedies, if any, should be found or can be made.

REQUEST FOR RELEASE OF DEPARTMENTAL DATA

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister at least release Health and Welfare's National Surveillance Program tracking data from the 1970s requested by the Cree Regional Authority from the Minister's Department a year ago, a request which has still not been acted upon? They would very much like to have ongoing tracking data.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will look at that request, and if it is possible, if there are no impediments, I will be glad to see whether we can meet that request.

• (1500)

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Côté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I take great pleasure in resuming the debate on Bill C-91. I would like to preface my remarks by indicating to you, as have other members of my Party, that we intend to support Bill C-91 in principle at second reading. We do so despite some misgivings about areas where we feel the Bill could be improved. We do so as well because we happen to believe, contrary to the belief of my colleagues to my left in the New Democratic Party, given the historical development and the difficulty we have had in getting any kind of competition Bill through the House of Commons, that this Bill is better legislation than that which exists today to protect the consumers in the country.

Given that caveat, Mr. Speaker, we are prepared to support the Bill in principle. I do, however, wish to speak on certain parts to which the Liberal Party believes it can move amendments in committee, to improve the legislation. We hope we will be listened to by the Government.

I believe that since the Hon. Judy Erola, previously the Member of Parliament for Nickel Belt, introduced the last competitions Bill, the current Minister of Consumer and Corporate Affairs (Mr. Côté) has done a reasonable job of consultation and has put forward amendments which I believe will improve the legislation. With regard to those improvements, Mr. Speaker, the Bill differs from the previous Bill in that problems with corporate takeovers will be referred to a tribunal rather than the court system. I believe that is a significant improvement. I understand it was the Consumer's Association of Canada which recommended to the Government that the tribunal system replace the court system for appeals. I believe that that in itself is an improvement to the legislation.

I also believe very strongly, Mr. Speaker, that appointing lay members to the tribunal will be a step forward.

Mr. Speaker: Order, please. Could I ask Members to hold their meetings somewhere else, out of respect for the Hon. Member who has the floor?

Mr. Frith: Thank you, Mr. Speaker. I want to speak about the improvements to the Bill because I think they are fundamental to the reason the Liberal Party will support the Bill in principle at second reading. I firmly believe that the tribunal system is an improvement over the previous legislation. The

tribunal system will allow, for the first time, lay members to be appointed to ensure that consumer voices are heard when these matters are discussed.

Another improvement in the legislation is that Part VII matters have been removed from criminal jurisdiction and are now a matter of civil liability. That in itself is an improvement because restrictive trade practices and anti-competitive behaviour would then only require proof "on the balance of probabilities" as opposed to the criminal burden of "beyond a reasonable doubt". I believe that having it under criminal jurisdiction in previous legislation was a detriment to the ability of the inspectors within the Department of Consumer and Corporate Affairs to successfully charge corporations with violations, or restrictive trade practices.

Before I continue in a general way to outline some of our other concerns, it is important to note that Bill C-91 is before us to ensure, first and foremost, that free competition exists in the country. That is a very important principle. Second, the interest of consumers would be protected by this legislation. A third major and probably very controversial point, Mr. Speaker, is the achievement of economic efficiency. A number of speakers have already taken part in this debate. They have spoken about the need for maintaining free competition, the need to prevent abuses of economic power—in other words to protect the consumer—and the paramount need, in terms of our legislative program, to achieve economic efficiency in the economy.

I know that some Members have indicated previously that they find it odd that the five big lobby groups in the country have had a significant impact on previous legislation. Speaker after speaker has indicated that previous Governments have had difficulty passing any legislation with respect to competition because the lobby groups have been very successful in putting forth their viewpoints. Consumers have been very difficult to motivate in terms of lobby groups and, as a result, the weighting has been more on the side of big business than on that of the consumer. That fact is pointed to as one of the major reasons that previous Governments have failed to pass a competition Bill with objectives similar to those outlined in Bill C-91.

I do not find that surprising, Mr. Speaker. We in this House are not political virgins. We recognize that lobby groups are involved in every piece of legislation that comes before Parliament. I have no dispute with the big five, which includes the Canadian Manufacturers Association, the Business Council on National Issues, and the Canadian Chamber of Commerce. They have done the job which lobbyists are expected to do. It is our job, as Parliamentarians, to take into consideration the testimony given to the committee. We must also listen to the viewpoints expressed by other interest groups in the country. That is part and parcel of the political process in the country.

My colleagues to the left in the New Democratic Party have chastised some members of my Party on some of their interventions. They have asked why the Liberal Government was unable to get certain pieces of legislation through the House of Commons. It sounds to me like they are political virgins, that they are surprised that lobby groups have that degree of power.

When the Liberal Government brought in its Budget in November of 1981, through which we were attempting to make the tax system more equitable, the then Minister of Finance told our caucus to expect a great deal of pressure from lobby groups. He indicated that as a result of that Budget of 1981 one million more Canadians would have more disposable income in their hands. In other words, the Budget of 1981 was going to beneficially affect one million Canadians, and only approximately 225,000 Canadians would be adversely affected by that Budget.

Being a neophyte in the political arena, it came as a bit of a surprise to me that not one of the one million Canadians who would benefit from the legislation bothered to phone me as a Member of Parliament. However, I can assure you that all of the 225,000 Canadians being adversely affected by the legislation made sure that their views were made known to the Liberal caucus.

I recall very clearly, Mr. Speaker, that when it came time to vote on that Budget, through which we were attempting to rectify inequities in the tax system, my colleagues in the New Democratic Party consistently voted with the 225,000 Canadians who lobbied hard to reverse a number of major measures in that Budget. It therefore comes as a surprise to me today that the New Democratic Party is now pointing to the Liberal Party and chatising it for its inability to progress with competition policy.

• (1510)

I want to speak for a few moments on the principle of economic efficiency. That in itself is a laudable goal of any competition policy. Perhaps it is at the heart of the debate which will take place here regarding the Imasco takeover of Genstar. But more importantly, it allows us to raise the issue of other takeovers which have created a great deal of concentration of ownership of questionable value to the public interest. That is at the heart of the issue of achieving economic efficiency.

There are many in this country opposed to the Government intervening in corporate takeovers. The basis for their objection is that if Canadian conglomerates are going to compete in an international economy, they will have to do so with the same financial clout as the other players. In other words, as the Hon. Member for Mississauga South (Mr. Blenkarn) pointed out this morning, it hinges upon the degree of integration that our economic system has with its American counterpart. It also raises the question of the extent to which we can use Government intervention to prevent corporate concentration from the standpoint of taxation.

As you know, the integration between the Canadian and American tax systems plays an integral part in corporate

decision-making in North America. The Canadian tax system cannot be completely out of whack with the American system when it comes to allowing conglomerates on either side of the border taking over other conglomerates. We will have to distinguish between the non-financial corporate takeover of a financial institution from other takeovers in which financial institutions are not involved.

For example, let us go back to the takeover of Northern Telecom by Bell Telephone. There were those who argued that the degree of corporate concentration would not be in the public interest. I would argue that to some extent each one of these takeovers has to be judged on its own merit. That is why I am pleased to see that the Government has introduced the principle of a tribunal review. My argument is that that kind of corporate takeover was beneficial to the public interest because it created a company which is recognized world-wide as a leader in its field. As a result of that merger, Canadians have achieved some supremacy in the field of communications, which supremacy would not have been achieved had that takeover been prevented by Government legislation.

On the other hand, I have serious misgivings about some of the other corporate takeovers in this country. I am not now talking about the Genstar and Imasco deal, I am talking about takeovers involving two non-financial institution conglomerates. For example, last summer's takeover of Gulf Canada by Olympia & York. I do not disagree with the accounting principles used by Olympia & York. Frankly, they are doing what every other Canadian company does every day, and it is legal. However, that takeover cost the taxpayers $1 billion in foregone tax revenue, and not one job was created.

That is the kind of takeover this legislation will cover and justifiably so. That kind of takeover should go before the tribunal. It should be ascertained whether or not the public interest is being served. That is where I find fault with this legislation to some extent. In more cases than not there is no specific clause in the legislation which will allow class action suits to take place. There is nothing in the legislation which will allow a determination of whether the public interest is being served.

As another example we have the latest attempt by Olympia & York to purchase Hiram Walker. Whether or not they are successful remains to be seen. Hiram Walker, in an attempt to get around the bid by Olympia & York, is attempting to divest itself of its liquor business. The point I am making is that under this proposed legislation it would not be possible for that deal to be referred to the tribunal to determine whether or not it makes good sense for the workers involved in Windsor. This is the kind of thing that I believe should be added to the Bill.

As I indicated, I hope we can get this legislation through and into committee as quickly as possible. I hope members of the committee will view the representations made by various interested groups and Members of the Opposition to enhance the ability of the tribunal to look at corporate takeovers from the point of view of whether or not they serve the public interest.

I have indicated as well that I have some concern about the degree of corporate concentration of ownership in Canada over the last 15 to 20 years. I must share part of the blame, I suppose, if there is blame to be attached. However, whether it is a Conservative Government or a Liberal Government matters little. The point is that whenever we talk about corporate concentration, the argument is made for the need for integration of the tax system here and in the U.S. That argument was made when we were in power and it is being made now that the Conservatives are in power. It seems to me there is some validity to the argument.

I do not believe we live in a self-contained world. The tax system here has implications for foreign investment and foreign takeovers. The Hon. Member for Mississauga South properly pointed out that prior to 1970, when U.S. companies purchased Canadian entities, the interest on the money they borrowed to do so could be deducted from income from other sources. Yet Canadian corporations were not allowed the same benefit in Canada. As a result, up until 1970 we had ever-increasing foreign ownership of key sectors of our economy. That led to the pressure to change the tax laws to allow Canadian companies the same tax privileges as those in the U.S. We could then have Canadian conglomerates becoming larger and larger. To some extent I think that has been beneficial for the Canadian economy.

However, there has to be a public debate on how we are going to prevent abuse of corporate concentration of power, compatible with a tax system which we all recognize has to be integrated with that of the U.S. I would point out that in Canada at present 100 of the largest corporations control more than 50 per cent of the business assets. In the U.S. it is only roughly 30 per cent. So the concentration of power issue in Canada is of paramount importance, and we still do not address it in this legislation. Yet it will become of increasing importance, particularly when we have six or seven families in Canada who control the majority of the assets of the corporations listed on Canadian stock exchanges. That I hope can be addressed in committee, and with that I will entertain questions.

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

• (1520)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is with a great deal of interest that I rise today to speak to Bill C-91. We welcome this Bill. Its main quality is that it is better than the present almost non-existent legislation dealing with competition. As my hon. colleague just said, the incredible concentration of power now in the hands of six or seven families is of serious and ongoing concern. It is rhetorical to ask wehther do we need this piece of legislation. It is timely because of the number of mergers taking place across this country in the past year or so. Such a concentration of power in the hands of too few is counterproductive for most Canadians.

Competition is a vital key to the private sector and the private enterprise system. Some economists tell us that the more competition in the market-place the better it is for everyone because prices are lower due to the wide variety of choice of firms producing the same or similar types of products. This makes for better competition. Small business, provided it can face the competition, as it must, can assume its special position in the market. The challenge, with the innovation it brings, can lead to improved products and services, as well as keep the competition on its toes. This will in the long run benefit all of us—the consumer—that is you and me. In other words, the consumer benefits from lower prices and the wide range and variety of products available. On the other hand, when there is little competition product choice is restricted and prices are generally high.

I remember the sugar fiasco we all lived through. We went into the store and took a bag of sugar off the shelf. By the time we looked at the price and got to the checkout counter the price had gone up and we had to pay more.

Consumers and small businesses suffer the most from restricted trade and restricted competition. In a few moments I will give some examples of how the concentration of ownership has caused problems for a sector of the cultural industry, leading inevitably to a lack of ability to compete. This is not an esoteric subject, this is quotidian for monsieur et madame; it is tout-le-monde. What we are discussing here is a restraint through competition which leads to a restraint of self-expression on the part of hundreds and hundreds, perhaps thousands of talented and creative Canadians in a wide variety of fields.

Essentially what we do is take the food out of their mouths. Most certainly we shrink their take-home pay when we have a high concentration and lack of competition in the field of cultural enterprises—artists, musicians, singers, sound and light technicians, film and script writers, stage and screen actors, producers, people iwth diversified jobs. That is what we are talking about and that is what competition in the cultural industrial field is all about.

Small entrepreneurs create the bulk of jobs that exist in Canada. We have an obligation to encourage and protect competition and fair trade practices to ensure the best conditions for an active, healthy market-place. The Liberal Party will be looking for indications that small business is protected from unfair competition by Bill C-91.

Let us look at competition in the film industry. The vertical integration of distribution and ownership concentration in the Canadian film industry has a severe negative impact on competition in this country, because it restricts trade andprevents entry into the Canadian market. The showcasing through our theatre screens is thereby limited, because "Distribution determines who can see what, when and how", to quote a report from the film industry task force.

As a result a special relationship between distributors and exhibitors in the 1920s large American studios were able to take control of the Canadian market, and things have not changed very much since then. An inquiry into these exclusive relationships in the film industry reached the following conclusions: That a combine exists in the motion picture industry in Canada within the meaning of the Combines Investigation Act; and that a combine exists and has existed at least since the year 1926. It is also felt that the combine has operated and is likely to operate to the detriment of the interests of the public.

The commissioner identified the members of the combine as Famous Players and the distributors, Paramount, Universal, Fox, Columbia, RKO, Warner, First National and a few others. He concluded that by reason of agreements, arrangements and other activities of the above mentioned, Famous Players in this instance has been able to acquire, particularly in the large cities and towns in Canada where the most profitable business is, such substantial control as to reduce competition to a minimum, making it extremely difficult for the independent theatres to survive. Booking arrangements have been restricted by the pooling and operating agreements and acquisitions I have just mentioned.

Canadian law at the time provided no remedy. Not much has changed since then, regretfully. Canadian law as early as 1930 demonstrated no apparent concern about the lack of open competition in Canada's film industry. We addressed this issue again in 1982, and I will have more to say about that in a moment.

Our neighbour to the south had the same situation with concentration of distribution. The United States Supreme Court decided in 1948, under the Sherman Act, that it was contrary to the public interest to have direct or indirect control over American theatre networks by these companies. The Supreme Court subsequently forced the five vertically integrated distribution companies—Paramount, Twentieth Century Fox, Loew's, which is now MGM, RKO and Warner Brothers—to divest themselves of all interest in film exhibition. In order to reduce ownership concentration in exhibition, the five had to give up about 1,200 of the 1,300 theatres they directly or indirectly controlled. As a result of that judgment, competition intensified at all levels, and the creativity and performance of the American film industry improved substantially. I think we could look forward to the same thing here. It is an unfortunate fact that the American action has not had any influence in Canada. This is just an overview or simplification of the major areas of concern for our cultural industries.

In 1982 the Cineplex Corporation, a Canadian theatrical chain, lodged a complaint with the Restrictive Trade Practices Commission. Cineplex alleged that seven of the large distributors operating in Canada had concluded long-term contracts under which they were committed to furnishing films to the two largest theatre chains, that is Odeon and Famous Players, excluding Cineplex and other companies. In other words the showcase was cut off and we had a restrictive trade practice, a cutting back of competition.

As a result of the allegation, negotiations took place. An agreement was reached with the distributors to modify their distribution practices to "allow exhibitors to compete for each film". Following a decision of the Restrictive Trade Practices Commission under Section 31.2 of the Combines Investigation Act we got the commitment to modify the distribution practices and allow for the present "open bidding" system. In fact the report of the film industry task force, which reported to our Minister of Communications(Mr. Masse) in December, did not find that "open bidding" had really begun or was really truly working.

Let us consider Cineplex, as an example. In January of this year France Film lodged a complaint to the director of the Restrictive Trade Practices Commission stating that open bidding has not been the practice and that the 1982 agreement has been broken.

[*Translation*]

—Mr. Speaker, I draw your attention to this article published in *La Presse* of Thursday, January 16, 1986 under the heading: "France Film attack against Odeon and United Cinemas":

Yesterday the France Film cinema chain filed a request with the Canadian Restrictive Trade Practices Commission in an attempt to put a stop to unfair competition from Cineplex-Odeon and United Cinemas. France Film President Pierre René stated that "we were often among the highest bidders last fall, yet we failed to get any of the films we wanted to have".

"We are convinced that Cineplex and Famous Players, a Gulf and Western subsidiary—

—and we in the House know all about Gulf and Western—

—and parent company of United Cinemas, did obtain copies of the films they wanted without even bidding, or by submitting lower bids than we did—

France Film, which supplies the Saint-Denis and Desjardins Complex cinemas as well as the Cinéma de Paris in Quebec City and Sherbrooke among others—all told 30-odd cinemas in Quebec—was unable to obtain any of these American films—

At issue here was a matter of money, a loss of income at the most crucial time of the year, the winter holiday season—

• (1530)

[*English*]

We are still awaiting an answer from the Restrictive Trade Practices Commission on the complaint lodged by France Film. Hon. Members in this House probably do not realize the intensity and seriousness of the problem of concentration in the Canadian film industry. I can say the same for many of the sectors of the cultural industries which are big business. In 1985 in Canada there are still only two major theatre chains, Odeon-Cineplex with 472 screens and Famous Players with 471 screens. Together, they take in over 60 per cent of box office receipts. Each theatre chain is vertically integrated with a distributor. Famous Players and Paramount are both owned by the same conglomerate, Gulf and Western. Cineplex-Odeon is associated with Pan-Canadian and Universal through its MCA interests.

Any distributor vertically integrated with either of the major theatre chains can use this access to the main points of sale to acquire all commercially valuable foreign or domestic movies. As a result, other Canadian distributors' access to the major theatre chains is decidedly limited. By controlling distribution of the most lucrative productions, the company consolidates its position as an exhibitor, it is in a position to limit competition in exhibition and cause difficulties for other chains' mini-circuits and independent theatre owners. The last two are then vulunerable to buy-outs and takeovers. The resulting impact is that a few companies are allowed to get bigger and bigger by swallowing up smaller, innovative enterprises.

By the way, this also hits our consumers who are captive to the promotion which can be put on these larger chains and which are often not equally accessible across our lands. I think it is wonderful that Golden Agers can, I believe, either Tuesday night or Wednesday night, go to all the films and cinema they wish for $2.50, if they live in the major centres. But what about those who live in the hinterland where there are no such theatres? The film industry identified the problem with concentration in the film industry. It felt that this was a problem because significant competition is essential to a healthy and orderly market-place and therefore recommended that the Government take the necessary steps to prevent and eliminate any vertical integration of distribution and exhibition which would limit competition and restrain trade in the Canadian film industry.

Not only in the film industry do we find examples of concentration of ownership and power. The Canadian broadcasting industry is currently seeing firsthand the old bugaboo of corporation ownwership in broadcasting and cross-ownership in broadcasting, newspapers and electronic media. In a current case before the Canadian CRTC, arguments are being presented over whether the Power Corporation of Canada, a large and diversified holding company, will be granted permission to buy Tele-Metropole Incorporated. If that deal is approved, we will see Montreal's largest French language newspaper, *La Presse*, which owns as well three other daily newspapers in the province, eight weekly publications and a radio station, now take over a major television network. I would suggest that this is of serious concern. This application would have been virtually unthinkable in the days of the Kent Commission in the early 1980s. I believe that is the most striking example of a new era of deal making in the communications industry. We are as well witnessing other media magnates such as the Bassett and Eaton families of Baton Broadcasting and Allan Waters of Chum Ltd. who are getting into the act and expanding their operations through acquisition. This is totally unacceptable and leads me to believe that power tends to connect and absolute power connects absolutely.

The Conservative Government signalled support for such concentration and cross-media ownership last May by cancelling, without so much as a whisper, a former 1982 cabinet directive that the CRTC prevent cross-ownership. The

directive, I believe, was applied only once in its short life in a 1983 case involving the broadcasting licence of New Brunswick's Irving family. Its request for cross-media ownership was turned down, in essence, because it would have allowed too high a concentration of power in the communications field. The question was, basically, how much one owns of what is available. In this instance, there was very high concentration of ownership in a small area.

Last September the Conservatives dropped the Liberal directive and the CTRC now has the authority to allow K. C. Irving and his sons to control newspapers, television and radio stations in New Brunswick. I was tempted to show you a list of their holdings, Mr. Speaker, but I decided that it was not such a good idea. It is just that it does create a certain series of problems when one looks at competition and control.

David McKendry, a regulatory industries analyst with the Consumers' Association of Canada, said that the Irving decision, "was as good as telling the industry that cross-media ownership is fine and this Government is not concerned about it". But we have to be concerned about every-day Canadians and their right to unbiased information with such a concentration as that of the Irving family and, potentially, the Power Corporation, which has significant and diverse holdings not only in the media industry but also in other fields which require the free investigative powers of journalists and the electronic media to ensure coverage of vital issues with a relevantly unjaundiced eye. The Power Corporation and the Irving family can assure and reassure us over and over again that they do not interfere in the editorial policy. Perhaps they do not and perhaps they have no intention of doing so. But they may not always be the owners of these mechanisms of communication and who knows what the other corporate takeover entity might do and what the impact would be on journalistic independence. When it comes to the power of the pocketbook, there is every possibility that the media would remain silent and compromise journalistic freedom for the sake of their pay cheques from those it is protecting.

In summation, access by the Canadian public to the media and to the theatre is an important element of social and cultural enrichment. By ensuring free competition, we are allowing small enterprises to flourish and at present, with such a large emphasis on employment, I would think that the Government would understand it is in small business that employment is created and thus strengthen this Bill even further to disallow such concentrations of ownership.

In relation to cultural industries, we are very concerned with two areas which are of importance with respect to Bill C-91, that is the abuse of the dominant position and mergers. The Liberal Party is concerned about the abuse of dominant position provisions because Bill C-91 has added a new requirement concerning the object of the practice. This in effect becomes an additional test and renders proof more difficult. How will we be able to prevent film, cable and book distribution from abusing the dominant position?

[*Translation*]

Mr. Speaker, all this may seem very technical, and that is why I am now going to talk about the provisions regarding mergers involving cultural industries. In fact, this is the Achilles heel of the present legislation, and it is quite easy to prove. Since 1910, there has been only one conviction under this section of the Act.

[*English*]

I think we have taken the right approach by transferring this matter from criminal to civil law. This Bill has been weakened considerably, if we consider that in Bill C-29 we took into account 12 factors in determining if the law had been breached. In Bill C-91 the following important factors have been left out: the size differential between the relevant business and its competitors; any history of anti-competitive behaviour; any likelihood that the merger will result in the removal of a vigorous and effective competitor; any evidence of intent to prevent or lessen competition; and the likelihood that the merger will stimulate competition.

• (1540)

In the field of telecommunications we will have to monitor competition policy carefully as we are faced with much new technology—the implications of satellites, fibre optics and cable. Therefore, I deplore that in Clause 65 of the Bill concerning criteria for evaluation of mergers the nature and extent of change and innovations in a relevant market will no longer be applicable. Consequently, in view of all this, Bill C-91 will not be as effective for cultural industries because it does not address mergers on as wide a criteria base as is needed for these industries. They have either been diluted or removed.

[*Translation*]

I have to challenge the priorities of the Bill's objectives. In fact, I think it is clear that this Government is too concerned about economic efficiency at the national and international levels, so much so that it seems to have lost its perspective and completely forgotten the consumer. A striking example is the difficulty third parties will have in gaining access to the Competition Tribunal, which also goes to show how little consideration the consumer is given in this legislation.

[*English*]

I would like to finish by asking the same question as was asked by Adam Smith. "Is . . . improvement in the circumstances of the lower ranks of the people to be regarded as an advantage or as an inconvenience to the society?"

Perhaps we might all feel that this Bill will improve upon the existing legislation—it will. However, it might not be what we want. We should seek to improve the circumstances of the greater number of Canadians who are at a disadvantage when there is little competition in the market-place. In this case I stress the importance of the circumstances of the greater number of Canadian consumers of cultural goods.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm).

Mr. Domm: Mr. Speaker, I would like to ask a question of the Hon. Member for Mount Royal (Mrs. Finestone). Given the fact that there is a provision in Bill C-91 which provides the Government with a mechanism to deal with the problems in the film industry when competition is unduly lessened, why will the Hon. Member not support the Bill?

Mrs. Finestone: Mr. Speaker, if my colleague thinks that I said I would not support the Bill then I regret that. I started my remarks by saying that it is a good Bill but that it needs some improvement. I said that this was the time for change and that the time had come. I said that I welcomed the Bill. What I pointed out was the removal of certain constraints and measures which would be used to evaluate mergers. That was my concern.

Mr. Domm: Mr. Speaker, in the Hon. Member's remarks with respect to the film industry, what is it that bothers her with respect to the idea that integration vertically in the film industry would create a lack of competition? How would she stiffen up that provision?

Mrs. Finestone: Mr. Speaker, I was referring to the factors which have been left out. I would be appreciative if members of the committee would reconsider these factors when the Bill is being studied. I suggest members of the committee look at Bill C-29 and compare it to Bill C-91. In so doing, they will see that the factors which are left out are of concern, particularly with respect to all cultural industries where the distribution of films and books, et cetera, are key factors. The size differential between the relevant businesses of the parties to the merger and their competitors is a key issue, particularly here in Canada where our industries are smaller and must face the large American competitors coming into the country.

If the Hon. Member recalls, yesterday I asked where the criteria of Investment Canada begin and end in terms of this Bill. I think there is an overlapping of jurisdictions which needs some clarification, particularly with respect to that factor. Also, any history of anti-competitor behaviour on the part of any party must be considered. I do not want to name names but I can tell Hon. Members that there is a fine history of anti-competitive behaviour in Canada. The report with respect to France Film which is before Hon. Members is good proof of that. The report deals with Cineplex Odeon, Famous Players and France Film. Cineplex Odeon brought the complaint before it was joined by Odeon and the Rank firm. I think it is quite relevant.

Another factor which has been left out of Bill C-91 is with respect to any likelihood that the merger will result in the removal of a vigorous and effective competitor. Then there is the factor dealing with any evidence of intent to prevent or lessen competition. There is also the factor with respect to any likelihood that the merger will result in a substantial foreclosure of sources of products or distributors. I would ask the Hon. Member to take a look at what is happening in the book publishing and distribution industry and what happened to a number of booksellers which we have out in the market-place.

There is another factor with respect to the nature and extent of change and innovation in the relevant market. I would ask the Hon. Member to look at what is happening in the cable and satellite industries and to consider the fact that technology is changing at such a rapid pace. How can we measure if we do not have a measuring stick in place when looking at mergers? It is very important.

Then there is the likelihood that the merger will stimulate competition. This is another factor which I think should be taken into consideration.

Mr. Domm: Mr. Speaker, I would like to point out a few things to the Hon. Member. When talking about Bill C-29 we are talking about a Bill which was not enacted. It was a Bill of the former Government. We have been talking about these types of Bills for 16 years now. We have been dealing with competition legislation which has been in place for some 75 years.

Let us consider the five points which the Hon. Member has mentioned. First, this Bill strengthens rather than weakens or lessens control in the following ways. The maximum fine for conspiracy is increased up to $5 million from considerably less than that in the previous Government's Bill. The Hon. Member spoke about lessening competition. The "test in merger" which we are using states "lessen competition substantially". The test that would have been used by the Hon. Member's Party was to "lessen competition significantly". The Hon. Member can play on words all she wants. When we talk about competition and substantial reductions in it there are more teeth contained in the word "significantly" than were contained in Bill C-29. The thresholds for pre-notification have been reduced. In Bill C-29 one had to acquire a company in excess of $70 million. That was the threshold. In Bill C-91 it has only to be in excess of $35 million for investigation, pre-notification and a hearing before the tribunal to take place.

As admitted by the Consumers' Association of Canada in its press releases, the setting up of a competition tribunal is a strengthening of the legislation. It is pleased to see Bill C-91 allowing a tribunal to investigate mergers which might create a lessening of competition. Finally, the investigative powers of the director of investigations and research are made more effective in conformity with the Charter of Rights and Freedoms.

With these five strengthening provisions that we can use to get at mergers which reduce competition in the market-place, I think that the Hon. Member would be anxious to see not only some ideas of the former Government put in place but some strengthening ideas which have been included in Bill C-91. The sooner we get the matter to committee the sooner we can call all the witnesses the Hon. Member would like to hear from

and the sooner we can bring the legislation back for third reading. A great many mergers which have taken place in the last 20 years have taken place because no Government has brought in any legislation with any teeth in it to stop what the Hon. Member wants to have stopped.

Mrs. Finestone: Mr. Speaker, first, I appreciate the Hon. Member bringing these points to my attention. I am delighted that the Government has taken into consideration Bill C-29. It is not interfering by filibustering as Members opposite did when they were in opposition when Bill C-29 was before the House. At that time they rang the bells and made life very difficult for a Party that was in a minority position. We are responding in the way that we must respond. We are pleased that there is now a position of dominance, perhaps, which is covered in the Bill. Therefore, we will not be subject to the harassments and pressures of big business. We will not cave in. Further, we will support the Government's efforts in this regard. I would like to suggest that the Government review some of the defences since fines are not enough. By the time we get around to imposing fines the damage is sometimes irreversible.

• (1550)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too wish to say a few words on the principle behind Bill C-91, the amendment to the Combines Investigation Act. I have been here since 1968 and I can recall many times when attempts were made to bring combines legislation into the House. In fact, if my memory serves me correctly, this is the sixth time legislation has been proposed to amend the Combines Investigation Act.

Way back in 1969, the Economic Council of Canada did a study and recommended that we needed a stronger combines legislation to provoke more genuine competition in the marketplace. As a result of that, a whole string of Bills were introduced starting with Bill C-2 back in 1971 and then moving on to Bill C-256, Bill C-42, Bill C-13, Bill C-29 and now Bill C-91.

I see we have a new Speaker in the House. I would like to commend you on your new position, Mr. Speaker. You look very distinguished sitting in that chair. I am sure that your constituents in The Battlefords—Meadow Lake will be very proud. There is no increase in pay, by the way.

This is the sixth attempt to amend the competition legislation in Canada. I suppose the only positive thing we can say about this Bill is that it will probably pass. It is better than the others and so it will pass. In the past, tremendous business lobbies have persuaded various Ministers of previous Liberal Governments to withdraw legislation, sometimes in a minority Government and sometimes in a majority Government. However, in all cases the business lobby was very powerful and well financed and hired efficient PR people. These lobbyists persuaded parliamentarians to withdraw the legislation.

The legislation we have today is in many ways still very much of a toothless tiger, as our critic, the Hon. Member for Winnipeg North (Mr. Orlikow), has said. As reported on page 11935 of *Hansard*, he said:

> If we are going to be fair, we must say that this Bill is better than its predecessor. I say that only because the legislation we have had until now has proven completely useless. Previous Bills have failed to do anything to control mergers or see that we have any real competition.

The Bill that we are dealing with today is in many ways like a toothless old hound dog and one reason for that is that, as I understand it, the advisory committee to the Minister included five very powerful groups that were in the same ball park regarding their interests. Those groups were the Business Council on National Issues, a very powerful lobbying group with a certain point of view; the Canadian Chamber of Commerce, a very large business group with a certain point of view; and the Canadian Manufacturers' Association, again a business group representing large manufacturing firms with a certain point of view that is not unlike the point of view of the two previous groups. As well, there was the Grocery Products Manufacturers of Canada Association, again an organization of business types with a very similar point of view to that of the Chamber of Commerce, the Manufacturers' Association and the Council on National Issues. These four groups come from the same general sector of Canadian society in terms of outlook, interests and ideology. They were joined by the Canadian Bar Association, not a business organization but a fairly conservative, staid type of organization.

[*Translation*]

I am sure the Hon. Member from Quebec agrees with me. He is entirely in agreement, because these five organizations are even too conservative for the Conservative Member from Quebec, because he is a red Tory, a Conservative who is more progressive than his Minister.

[*English*]

What is the definition of a red Tory?

Mr. Bouchard: The meaning of red.

Mr. Nystrom: I am asked about the meaning of a red Tory. I am sorry that you are in the chair, Mr. Speaker. Perhaps you could define that better than I. I was here for many years with John Diefenbaker. His riding bordered yours, Mr. Speaker, and was not too far from mine. He was a good example of a red Tory in certain ways, as was Robert Stanfield. There have been a few members of the Conservative Party who at times have been more progressive than Liberals.

Mr. Crosbie: That wouldn't be hard.

Mr. Nystrom: The Minister of Justice (Mr. Crosbie) says that that would not be hard. He too is in many ways a red Tory, but of course he was a Liberal for many, many years back in the days of Joey Smallwood.

Mr. Crosbie: I'm a black Tory.

An Hon. Member: Everybody is entitled to one mistake.

Mr. Nystrom: He is entitled to one mistake? I hope he keeps it at one mistake.

Mr. Crosbie: I'm not going over with you guys, I can tell you that.

Mr. Nystrom: Well, John, you are progressing. You moved from the Liberals to the Conservatives. By the time you're 50, you will probably be here.

The reason this Bill is so conservative is that these five groups were on the advisory committee. I am very curious about this fact. I have nothing against the Chamber of Commerce or the Canadian Manufacturers' Association. In fact, there have been New Democratic Party Governments in Manitoba, Saskatchewan and British Columbia that have had advisory committees composed of Chambers of Commerce and manufacturing groups, but while these people were on their advisory groups, there were also representatives of trade unions or farm organizations, consumer groups, academic groups, women's organizations and community groups.

It seems to be fairly strange that we have a relatively new Government and a new Prime Minister (Mr. Mulroney) who has spent much time criticizing the old Party of the Minister of Justice, the Liberal Party, for being very centralist and for being controlled by the bureaucracy and a few people within the Prime Minister's Office rather than listening to the people of Canada. The Conservatives said that they would open up the Government. To use the words of a former Prime Minister, Conservatives said that there would be more participatory democracy and openness in this Government. Yet on the drafting of a very important piece of legislation, farmers and fishermen were not represented nor were consumers or ordinary Canadians.

I am sure that if you were not in that chair, Mr. Speaker, you would be making a speech about how concerned you are that your constituents like mine have been frozen out from representing their views on this committee that advised the Minister when he drafted the new competition legislation. In a democracy, it is very important that advisory groups to Ministers who are members of any Party be reflective of the country as a whole, but this did not happen in this case. That is one reason why this legislation is acceptable to big business. That is one reason why big business is not fighting this legislation. Big business is getting about 90 per cent, if not more, of what it wanted from the Conservative Government.

I would like to make only one point and that is that we need much stronger legislation. Our Party has been consistent on that point. The Hon. Member for Winnipeg North, our spokesman, has outlined the different things he would like to see changed in this particular Bill. He has mentioned legislation that he would like to see strengthened. I hope that when this Bill gets to committee stage, there will be a broad cross section of Canadians who will come before the committee to tell us what they want in a competition policy for Canada. We need a competition policy. We need legislation to make sure that companies do not form monopolies or oligopolies or become monstrous giants that gouge, steal from and pick the pockets of ordinary Canadians.

Before I sit down this afternoon, I would like to tell the House of one example of an industry in which there is, in my opinion, a near monopoly created because of a lack of legislation. Here I am not criticizing the Conservative Government because it has only been in office for 18 months. I am talking about farm chemical companies. In Canada, there are a few farm chemical companies, almost all of which are owned by Americans or foreign companies. These companies sell chemicals to Canadian farmers and they have a monopoly on their patents of 17 years once the chemicals are registered.

When looking at the price of chemicals in Canada, one sees that farmers are being gouged. They are paying excessive rates for farm chemicals. The reason I mention this now is that it is so relevant to the question of competition. I think Parliament should pass a law to provide for generic farm chemicals just like the one that provides for generic pharmaceuticals. If a chemical company develops a new chemical at the present time, it has a 17-year exclusive monopoly on the sale and production of that chemical in Canada. There can be no competition whatsoever under Canadian law. That is not good enough. It is particularly not good enough in a Parliament which is discussing competition policy.

• (1600)

I should like to put a few facts on the record about farm chemicals as an example of why we need stronger competition policy. A survey was conducted recently by the Manitoba Institute of Agrologists for the Senate Committee on Agriculture. The Senate is a fairly staid and conservative institution.

An Hon. Member: Sometimes.

Mr. Nystrom: It has become radical in recent weeks, but it was a fairly conservative and staid institution before that time. The Manitoba Institute of Agrologists indicated that the price of active ingredients in a sample of non-patented herbicides averaged $2.96 per pound while a sample of patented herbicides showed a price of $29.67 per pound. On average it was 10 times as high. When active ingredient chemicals were off patent, the price was one-tenth of the price of chemicals under exclusive patents held by multinational companies.

Let us look at the price of Round-up, which is produced by a company called Monsanto. By the way, Monsanto is a very large multinational company which produces a chemical used very widely in your province, Mr. Speaker, as well as in mine. The company is foreign owned. It has an exclusive 17-year patent on the product called Round-up. According to a study conducted by Merrill Lynch, a very renowned stockbrokerage firm, in June, 1982, the market share for Round-up was 100 per cent controlled by Monsanto because there was no competition. The Round-up sales in 1982 amounted to $472 million. Its gross profit margin was 75 per cent, and its gross

profits were $357 million. Its net income was $181 million and the earnings per share were about $4.50. Let us refer to the projected market share, the projected earnings and sales of the Monsanto product, Round-up, according to Merrill Lynch. From 1982 to 1988 it will keep 100 per cent of the market because it has an exclusive patent for the product. No competition will be allowed under Canadian law. The company will have that exclusive right. The $472 million of sales in 1982 will go up to $1 billion in 1988 according to the projection. Also we see the net income of the company going up from $180 million to $333 million, guaranteed by the law. We see the profit or the earnings per share going up from $4.50 to $8.25, again guaranteed by the law. It is an example of why we should not only look at competition policy but at the patent laws as well. However, the Minister of Consumer and Corporate Affairs (Mr. Côté) is now entertaining the thought of perhaps changing the generic pharmaceutical legislation to allow for an exclusive patent once again as was the case prior to 1970. That is a backward step, a step toward giving more and more power to fewer and fewer people who control pharmaceuticals in Canada.

Returning to Monsanto for a few moments, I know the Parliamentary Secretary is not a westerner and is not as familiar with some of these terms. Round-up is a very important chemical for farmers. The evidence before the Senate Committee on Agriculture indicated that the price of Round-up in Canada was sitting at $24 per litre. However, the price in Australia was some $17 per litre, again according to the study by Merrill Lynch. The price is about 40 per cent higher in Canada despite the fact that it is 9,000 miles closer to the source where Round-up is produced. Round-up is patented in both countries, but for marketing purposes it is sold for a lower price by Monsanto in Australia. In fact, in order to indicate the size of the particular company, its development costs are about $40 million, and these costs are recovered every 24 days through the company's sales around the world. Every 24 days it sells enough chemicals to make up its development costs of some $40 million. This powerful, multinational company is gouging farmers by charging excessive rates for its farm chemicals. However, in Australia, where the stuff has to be shipped an extra 9,000 miles, the company charges 40 per cent less.

There is something wrong with our laws when we as parliamentarians allow that kind of situation to occur in Canada. That is why we should not be afraid of big companies and should be drafting tougher laws when it comes to competition, patents, generics and such things.

I should like to refer to a few more examples of what I mean. There is a chemical called Atrazine which is used out West on rape-seed and in central Canada on corn. Perhaps the Hon. Member for Peterborough (Mr. Domm) will be more familiar with that particular chemical. Atrazine dopped by about 30 per cent in price from the late 1970s despite inflation because it came off patent. In the late 1970s the price of Atrazine was $43.50 for a 10-litre jug. The price after patent in 1984 dropped down to $30 for the same 10-litre jug, a drop of some 30 per cent, without even taking inflation into account. It was because it came off patent and there was some competition for the particular product. It is a good example of what can happen when there is more competition in the marketplace and what can happen when a certain company has a monopoly. It is a good example to use when discussing the principles of the Bill before us, why the Bill should be strengthened and why good competition legislation is needed in Canada.

There are various other examples one could use. The Hon. Member for Winnipeg North recently spoke in the House about generic pharmaceuticals. In 1969, when I first came down here, I recall that there was legislation before the House to end the exclusive 17-year patents for pharmaceutical companies. They were ended and, as a result, we have found that pharmaceutical prices dropped significantly compared with those in the United States. In fact, the Eastman Report indicated that the average price of chemicals in Canada in 1969 was about 9 per cent higher than the price in the United States. By 1976, after we had generic pharmaceuticals for a few years, the average price of pharmaceuticals in Canada was 21 per cent lower than the price in the United States. In fact, there was a time when Hoffman-Laroche was so determined to stop copies of its popular tranquillizer, Valium, from getting into hospitals that it gave away Valium to hospitals for one year. That just shows the size of the company and the assets it has to promote its tranquillizer, Valium. It is another good example of why we need strong competition legislation. If we do not have it, farmers and consumers will pay much more than they should for the various products they must buy.

The reason I have used farm chemicals as an example this afternoon is that I come from a farm riding. Because of the economic situation in the world today, I know that the income of farmers is going down. The price of grain is also down. The Americans have a farm Bill which is very protectionistic. It will drive the price of wheat down by another 20 per cent to 25 per cent, according to the federal Government. Also there has been a drought on the Prairies. On the other side of the ledger, there has been a tremendous increase in input costs for products such as fertilizers and up until recently fuel costs. By the way, the price of diesel is still not tracking its way down, as it should. However, one large input cost is that of farm chemicals. In my remaining minute let me say that in 1984 the Canadian farm chemical business had sales of $778 million, three-quarters of $1 billion. It is a big industry and there are big rip-offs, Mr. Speaker. In fact, there is a gentleman named Mr. Gawdy, who you may know, at Melfort who is trying to set up a company in competition with some of these huge multinationals. He could sell farm chemicals 20 per cent, 30 per cent, probably 50 per cent or 60 per cent cheaper to farmers in our province if we had a change in the patent laws and in the product specification Act of this country. Not only Mr. Gawdy, but the co-operatives, the wheat pools, the provincial wheat pools, provincial Governments or the federal Government or joint ventures between all sorts of people can

produce farm chemicals at a much cheaper rate. We can produce a lot more at a much cheaper rate in this country.

• (1610)

I make an appeal to this House to make sure, when the Bill goes to committee, that we strengthen the legislation, that we get input from more than just the big business community and big business concerns and that we have some genuine competition legislation. Later on we should amend the Patent Act so that we can get farm chemicals and other products to ordinary Canadians at a price that is reasonable so that they can carry on their livelihood and make a contribution to this great country of Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Gormley): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Penitentiaries— recommended abolition of mandatory supervision release; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs— Acid rain—United States' emissions. (b) Prime Minister's discussions with the United States President; the Hon. Member for Beaches (Mr. Young)—Child Care—funding of services. (b) request for additional funding.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Côté that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Domm: Mr. Speaker, I have a question for the Hon. Member for Yorkton—Melville (Mr. Nystrom). Is the Hon. Member really convinced that there has not been consultation with the kinds of people the Hon. Member represents in his riding in Saskatchewan?

Mr. Nystrom: Mr. Speaker, I am told by the Hon. Member for Winnipeg North that the Minister announced there was an advisory committee that included the five groups to which I referred. If that is the case, that is certainly not a wide enough consultation. Those five groups represent four big business interests and the Canadian Bar Association. I do not think that is good enough.

I know that there are businesses in my riding that belong to the Chamber of Commerce, but there are many small businesses. When the Canadian Chamber of Commerce speaks, it usually speaks for bigger companies not for the small people in a place like Kamsack, Saskatchewan. I made the point made by the spokesman for my Party that the advisory council consisting of only four business groups and the Canadian Bar Association is not good enough.

Mr. Domm: Mr. Speaker, I think I should clear up the misconception that in the West and in the area of Saskatchewan and other prairie provinces as well as in British Columbia there was more than just correspondence in the form of consultation. I was part of a group, including the Minister of Consumer and Corporate Affairs (Mr. Côté) who went to the western provinces and met with Ministers of Consumer and Commercial Relations in the provinces. I think they are well able and capable of speaking for consumers in the various provinces. We met with them, we discussed our intent as it pertains to competition legislation. We heard their input. If that is not good enough, I am sure the Hon. Member for Yorkton—Melville (Mr. Nystrom) will know someone in his area who is a member of the Canadian Federation of Independent Petroleum marketers, not big corporations but independent marketers across this country, and we had full consultation with them.

To add to that, there must be people in Saskatchewan who belong to organizations like the Canadian Federation of Labour. We had correspondence directly with its President. He had dialogued directly with officials within the Department of Consumer and Corporate Affairs. It was at his urging in large measure that we incorporated into Bill C-91 the provision for the tribunal. He liked it.

I am sure the President represents a lot of labour in the province not only in Saskatchewan but in other provinces as well. There was consultation with organizations like the Canadian Federation of Independent Businessmen, one of the largest national organizations representing businesses doing less than $2 million a year, and 100 representations were made to the Department of Consumer and Corporate Affairs and the Minister directly so I fail to see that there has not been a broad range of consultation and a general consensus that this Bill is urgently needed. I have yet to hear from anyone who does not want the Bill to proceed to committee directly. If there is some fine tuning, that is the place to do it, not by taking up too much time in this House.

Mr. Nystrom: Mr. Speaker, the Parliamentary Secretary mentioned the Canadian Federation of Labour. It is indeed very small in Saskatchewan. Most of our people are affiliated with the Canadian Labour Congress.

The Parliamentary Secretary was very careful to say that there was full consultation with all these groups by himself or the Minister, that there was correspondence with a whole

series of organizations and individuals, and that there was dialogue with all kinds of different people concerned about this Bill. These are words I heard from Liberal Governments year in and year out: dialogue, correspondence, communication and so on.

Is it or is it not the case that there was an advisory committee and that the advisory committee consisted of the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Grocery Products Manufacturers of Canada and the Canadian Bar Association? The Parliamentary Secretary nods.

I have been around the workings of Parliament and Government long enough to know that when there is an advisory council, that council usually has an awful lot of influence. Often when you consult other groups that are not on the advisory council, it is window dressing, it is lip service.

I could probably go through *Hansard* and dig out speeches which the Hon. Member for Peterborough made when he was on this side of the House in which he said similar kinds of things. The Liberal Parliamentary Secretary would get up and say "Well, we consulted the farmers or the NFU. We consulted the steelworkers of America" and so on. The important thing is who is appointed to the advisory council.

Four business groups and one group of lawyers who represent the business groups were appointed. We have business groups and their lawyers advising the Minister on this issue. That is the point I made. I do not see that as having real input from various groups. Sure you can get a letter from the Consumers' Association of Canada. You can call up that Association and ask for advice. You can dialogue a little bit if you want with the President of the National Farmers Union or someone else. Why not put representatives of the farming community on the advisory committee? Why not put representatives of the labour movement on the advisory committee? Why not put some consumer representatives on the advisory committee? Why not put someone from the Status of Women or the Action Committee on the Status of Women on the advisory committee?

It seems to me, Mr. Speaker, if you want to have a truly representative piece of legislation, that is where you put them. These advisory committees have a lot of influence. They are the ones who tend to have more expertise, who tend to dialogue with experts in the area and who tend to have the ear of the Minister. Maybe this Parliamentary Secretary did an awful lot of consulting on his own. I do not try to pretend that he did not, but it is a lot easier to be consulted in a genuine way if you are a member of the advisory committee. Perhaps I could ask why this was not done.

Mr. Domm: Mr. Speaker, perhaps it would be an ideal situation if we took the 2,850 associations and organizations across Canada and had formed an advisory committee.

Mr. Nystrom: Now you are being silly.

Mr. Domm: We cannot have all of them on the committee. I was glad to hear the Hon. Member for Yorkton—Melville (Mr. Nystrom) agree that we should have had organizations like the Canadian Labour Congress because he has members from that group in his riding. I can report to him that we did. We had correspondence with the Canadian Labour Congress. We asked to meet.

Mr. Nystrom: A letter?

Mr. Domm: They wrote us a letter and told us what they would like. The net result is that our people from the Department of Consumer and Corporate Affairs met them. They did not come to meet the Department's people. As a result of that meeting, they asked us to give serious consideration to the tribunal as a method of judging the dominant position in the market-place. We did, and I am sure they appreciate it. I want the Member to know that we did consult with the Canadian Labour Congress.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, today I also have a few comments to make on Bill C-91, and I may say that the Liberal Party of Canada feels that sound competition legislation is necessary to ensure genuine competition on the Canadian market. However, in the course of this debate, we would like to contribute some ideas and solutions, to give this legislation teeth so that it can truly deal with the intolerable situations that develop every day in this country.

Yesterday, the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm) said that the Bill would be a great help to Canadian small businesses.

Mr. Speaker, I would like to take this opportunity to read a long letter from one of my consitutuents in the riding of Saint-Léonard—Anjou, a small businessman who, after many years of research and hard work, managed to invent a new process. He converts cars and trucks from gasoline to natural gas. This gentleman got in touch with Gaz Métropolitain Inc. Mr. Speaker, I shall quote directly from a letter of which I sent copies to the Minister of Energy, Mines and Resources (Ms. Carney), the Minister of State for Small Businesses (Mr. Bissonnette) and the Minister of Consumer and Corporate Affairs (Mr. Côté).

I hereby wish to inform you of the problems and difficulties I have been having with, both personally and as a business, in addition to the machinations of G.N.C. Quebec,

—a branch of Gaz Métropolitain—

—Conversion Division, and especially Réal Lefebvre and Sylvain Denis. I urge you to take action as soon as possible, if possible before Christmas. I want to be quite clear about the following items—

The letter is addressed to Mr. Martin, President of the company. Item one

1. Stop raiding my workshop for customers and trying to convince them that G.N.C. does a better job.

2. G.N.C. should not work on conversions already done by us without our permission (we have had no returns to date except for adjustments or defective parts).

3. A guarantee applies to work done in our workshop.

4. Stop urging customers to avoid our workshop and stop all negative criticism of our business—we have proof this is happening.

5. Mr. Lefebvre and Mr. Denis are to stop immediately any abuse, either in writing or verbal, for the purpose of making me close my dealership.

6. Stop all discrimination against me because of my Italian ethnic background.

7. Stop immediately all threats about closing down my business if my prices differ from G.N.C.'s, since this is illegal and against the "Price Fixing Combine Act".

8. The G.N.C. centre should be a technical centre to help dealers and should not compete directly with them. It should stop all unfair competition.

9. Stop preventing G.N.C. employees from working in another concession.

10. As far as their so-called "Come Back" is concerned, I am a qualified first class technician, #101177. G.N.C. has an incredible number of dissatisfied customers and repairs, unbeknown to its senior executive, so that people are becoming reluctant to having their cars converted.

11. I suggest the formation of an independent G.N.C. committee to control operations of systems installed throughout Quebec, which would include customer service.

12. I want a guarantee on the land for my dealership.

13. According to Sylvain Denis, they want to close down my dealership and give it to the Shell Station only.

There is another whole page, and I will stop here at the end of the letter, Mr. Speaker—

Mr. Martin, I hope you will understand what I am trying to say. I am personally willing to meet you at any time if you want further details or want to discuss anything. I am in business, I create jobs, and I want things to be fair for small businesses as well as for the multinationals. I am a resident of Quebec and I pay my share of taxes. Awaiting your reply, and hoping you will answer as soon as possible, I remain,

Yours very truly.
Carmelo Nicolo

Mr. Speaker, here is one of thousands of small business people who are always struggling against the competition. Even if we do get through Bill C-91 today, this is not going to solve any of their problems.

Nevertheless, in their speeches and whenever they rise in the House, Government Members constantly refer to small businesses and mention everything they have done to help this group.

We saw another instance of this last week, when the Minister of Finance (Mr. Wilson) announced his new regulations on small business investment in pension plans. What was missing from or rather, what should have appeared in this press release? It was the words: small businesses. And they were missing because the new rules apply mainly to large businesses. Mr. Speaker, according to these regulations, the entrepreneur, members of his family and his associates may not invest in small business. How are investors going to invest in small business without asking for certain guarantees, without having a system that will ensure they get a return on their investment and that their investment is a good one?

The Government does not want to understand all this and keeps prohibiting small business from investing in its own pension fund and its own business.

Mr. Speaker, this is obvious from the document entitled "Investment in Small Business", published by the Minister of State for Small Businesses. It mentions that a pension fund would take the money and administer it through the small business. Upon reading this paper we realize that the whole scheme is unacceptable and unrealistic.

● (1620)

[*English*]

Mr. Speaker, I do not know if the Hon. Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm) read press release 10 of the Petroleum Marketers Association of Canada. It reads:

There is no doubt that the Minister has brought forth an elaborate package, with all the appropriate buzz words (trade enhancement, job creation, fairness, reliance on market forces and private sector, as the trend to deregulation continues, etc.).

Unfortunately, the Minister has listened too much to the representatives of Big Business (B.C.N.I., Canadian Chamber, C.M.A., Grocery Products Mfg. Association, and Canadian Bar Association), and not enough to consumers and small business . . . .

Our next step is to greatly strengthen this Bill at Second Reading. We believe that we can count on M.P.'s of all parties for this non-partisan effort, which the McGrath reforms now make possible.

We know that our concerns are shared by the Consumers Association of Canada, the Canadian Federation of Independent Business, the National Automotive Trades Association, and the Canadian Organization of Small Business, and we look forward to working with them on this most important endeavour.

That is in response to the Parliamentary Secretary's statement that he had the support of the small business groups. As seen in the press release of the Petroleum Marketers Association of Canada, that is not so.

[*Translation*]

Mr. Speaker, I would also like to talk about something that happened in my riding at the end of the year. It involved an industry in my riding, SKD Technology at Ville D'Anjou which has lost 200 jobs, and neither this Bill nor the present Bill nor the Bill on foreign investment would have been able to save these jobs, and Government Members did nothing to help these employees keep their jobs. The facts are as follows: Continental Can had a shock absorber plant at Ville D'Anjou, which employed about 200 people, and a decision was made to sell the plant to the Marmon Group. At that time, if the transaction had been arranged directly, there would have been some problems with the Investment Canada Act, since both companies are foreign entities. They decided to announce the plant was closing down, and Marmon Group bought the building and equipment, and in that way was not obliged to go through Investment Canada, and the upshot was that 200 jobs in Montreal East were lost, out of a total of 5,000. Mr. Speaker, if we read through this Bill, there is absolutely nothing there to protect those jobs.

There is also a letter written to one of my colleagues by a wholesaler, and I would also like to quote a few passages, for the record, so that Members will realize that there is competition and very strong competition at that, between small businesses and large businesses. And when Government Members stand up in the House to say that a Bill like C-91 helps small businesses, that is just not the case, and this letter emphasizes the fact it is not, although the Government would have us think otherwise.

• (1630)

[*English*]

I quote a letter from W. A. MacLeod & Son Ltd:

The danger we face as wholesalers comes in the form of large anti-competitive conglomerates who threaten to damage us irreparably by marshalling their economic might against us. Their tactic is loss leader selling. Because of their huge size, they can sustain temporary losses. Slowly but surely, the use of this tactic can drive us out of business.

[*Translation*]

Mr. Speaker, we know very well—we often see advertisements—I see my colleague from Dollard (Mr. Weiner), a former drugstore owner who surely had such experiences—as I was saying, we often see cartons of cigarettes advertised at below cost price to attract customers. This Bill will do nothing to remedy that situation. Hopefully we will be able to get a closer look at that in committee, because it is now a problem for small businessmen and no independent storer owner can face that kind of competition. I continue quoting the letter:

[*English*]

Never before has the threat been as great. With the recent spate of mergers between large companies, the critical balance between big and small businesses could be irredeemably tipped towards the huge conglomerates. If their unreasonable and unfair practices go unchecked, the economy could be severely crippled. Wholesaling will become dominated by very few large sellers who will each have an entire market to themselves.

As with my fellow NATCD members, all the profits from my company remain in this locality. As an independent entrepreneur, I am part of the backbone of a healthy economy. In this age of rapid change, Canadian business needs all the imagination, flexibility and entrepreneurship it can muster.

As the owner of a small wholesaling business, I can be more responsive to changes in the business climate than a large bureaucratic, centrally located conglomerate.

Some examples of such business in direct competition with us. TRA Wholesale owned by the Sobey's group, Mason's Wholesale owned by Bolands Ltd. would operate IGA Supermarkets. Another serious threat to us in this area is Atlantic Wholesalers owned by Loblaws who are not yet in the area, but there have been rumours of this for some time now. Ever since TRA Wholesale have moved into Sydney, we have watched our profit margins on confectionery drastically decline. They regularly practise the use of "loss-leaders" and you and I know they can afford to. However, as a small independent wholesaler, I cannot.

On November 18, 1985, the NATCD President, Bill Marcus, wrote to the ... Minister of Consumer and Corporate Affairs, requesting an amendment to the Combines Investigation Act to prohibit loss leader selling. The Minister in his reply of December 11, 1985 recognized our concerns:

I appreciate how damaging below cost pricing can be when it is engaged in for the purpose of lessening competition or eliminating competitors from the market.

Nevertheless, the Minister's full response was less than satisfactory. He considered it not appropriate to legislate an outright prohibition against loss leading pricing, suggesting that his forthcoming proposals to amend the Act (subsequently introduced in the House on December 17, 1985) would enable competition law to deal more effectively with predatory conduct through a new civil provision dealing with abuse of dominant position, to be adjudicated by a new Competition Tribunal.

I could continue because there are another two pages to the letter, but let me just say that small business is simply asking for a competition law with teeth. We must be able to stop some unscrupulous big businesses who are trying to take away the markets of small business which create most of the jobs in the local community. I do not see anywhere in this Bill that such protection can be achieved. Therefore, once this Bill moves to committee I hope Members will look into these details and make sure that all small business and consumer groups have their say. Then, when the Bill comes back to the House for third reading or clause-by-clause study, we can make sure that we have a competition law with enough teeth to protect consumers and small business.

Another example of what we can deal with under this legislation is the crisis in the liability insurance business. We had to ask the Minister to intervene in this situation, and when he did not we had to use the law to get an inquiry. We are still waiting for an answer and this is a problem which has to be solved. Then we have the Gulf refinery closing in the east end of Montreal. One company threatened to close its refinery and leave Quebec if another refinery was sold to someone else and remained open. This is the kind of situation we have to deal with today. We have to solve this problem once and for all and make sure that everyone in Canada is allowed to do business without being pushed around.

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

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the question before the House is of enormous importance. It is one of the two or three most important economic questions facing this Parliament. I wonder if you could ascertain whether there is a quorum, given the vital importance of this legislation.

And the count having been taken:

The Acting Speaker (Mr. Charest): Technically there is no quorum at present in the House. Ring the bells.

And the bells having been rung:

The Acting Speaker (Mr. Charest): There is now a quorum. Debate.

• (1640)

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate your recognizing the lack of a quorum a moment ago and ensuring that more Members are in the House.

As I said a moment ago, the question of competition in the Canadian economy is surely among the two or three most important questions that come before this Parliament. I would suggest that, in terms of cost to the middle and lower-income Canadians particularly, the only thing that could match or top this concern is the unfairness of the present tax system which

extracts billions of dollars from the pockets of individuals, while at the same time wealthy Canadians and big companies get off almost scot-free. There are those who avoid paying taxes for years at a time. I suggest that that is the only topic that is more important than this matter of competition which is before us in Bill C-91.

There are a few topics I have looked forward to discussing in this Parliament with more anticipation than this particular topic because I have made a study of the development of market controlling companies in the years around the turn of the century. I have also had an interesting time looking at the development of the laws of this land which are supposed to provide for competition. In looking at the early development of competition law in this country I have seen just the sort of behaviour by Governments which the Conservative Government is serving up in Bill C-91.

One of the remarkable things about Canadian consideration of competition is the fact that a Canadian Act, the Act of 1889, is actually older than the Sherman Act, which was passed a couple of years later. The remarkable thing is that at the national level the Canadian Parliament was ahead of the American Congress almost 100 years ago in looking at the threats to competition that faced companies.

One of the most interesting questions that faces one in looking at the situation of that first attempt to deal with competition is the question of whether the attempt of 1888-89 was in fact a serious one. There are colleagues of mine in the historical profession who are convinced that it was not a serious attempt. I, for my part, in reading very carefully what was said in the House of Commons in 1888-89 in the last century, as well as what was said in the Senate, have come to the conclusion that it was a serious attempt by some Members of Parliament. It was a serious attempt which is very much like the efforts that the Member for York-Scarborough (Mr. McCrossan) and the Hon. Member for Don Valley East (Mr. Attewell) have been making in the last days. It is always interesting to hear back-benchers speak up and try to influence the policy of Government.

It is distressing and depressing to see the way in which these Members fail as Governments yield time after time to the pressure of big business and refuse to legislate effectively. That is why I look back a hundred years in scanning something of the history of competition law in this country. It is a very similar process and situation time after time of Governments yielding to pressure with the result that there is not any effective law.

One of the evidences that I see in 1888 that convinces me that N. Clarke Wallace—who was the leader at the time of this effort to control combinations in restraint of trade—is the fact that he had a select committee struck to look at the situation. That select committee included not a single big city lawyer, not a single representative of the corporate interests of Canada in the 1880s. Instead, it included a variety of business people, people who were involved in trade in small towns; some millers, a few lawyers from outlying areas and a farmer or two. That mix of Members of Parliament that he put forward in 1888 looked at the question of whether there were already then companies that had a sufficiently strong position in the Canadian economy to necessitate a law to restrain them in their getting together in combinations against the interests of consumers. The fact that he struck that kind of a committee is one of the reasons that I am convinced that N. Clarke Wallace really wanted a strong law. I do not have anything like the time to explain and explore what he did at the time, but let me say that the sad fact is that he put forward a Bill in 1888 and in 1889 presented it again, but because it was too late in 1889 to carry it through, before the House of Commons had passed something, that Bill of his had been transformed into something else. Before the Senate had passed the version that he had to settle for, we had the law which ended up in the 1890s in the Criminal Code. We had all that paraphernalia of having to restrain competition unduly, which has been a delight to lawyers ever since, and which has allowed the business people of this country to combine together in various ways with impunity. There has been very little successful prosecution.

The fact that that happened in 1889, almost a hundred years ago, suggests at the very beginning what the difficulties of Members of Parliament would be. Governments yielded to these business interests, and the result was that there was no effective law.

There were some interesting developments in the 1890s in an attempt to strengthen the law. Those Members of Parliament, and a few Senators too, who thought that the law should be stronger, made diligent attempts year after year to try to amend the Act, to strike out this adjective "unduly", which was particularly restrictive on prosecutions. One of the most amusing incidents occurred in the Senate. It became clear that if a Bill could not pass the Senate, there was no point to passing it in the Commons. When one year a Senator put a measure forward and used arguments about the importance of Senate action regarding a combination between undertakers and casket manufacturers being one of the agreements amongst business people that cost consumers money, he seems to have appealed to a concern of some of the Senators who were, after all, near their last days and a little concerned about the cost of funerals. The Bill actually passed the Senate that year and got absolutely nowhere in the House of Commons, as a demonstration that the Government was going to ensure that if the Senate actually slipped up that way and passed it the Commons would not have the chance to make it the law of the land.

The difficulty that faced legislators in those days was their conviction that the reason there were such agreements among Canadian companies is that we had a tariff, and behind the Customs Tariff barriers companies were able to get together and rip off the consumers who were buying their products. All of those Liberals who were free traders in those days of course wanted to take care of the Customs Tariff, to get rid of the national policy which they were blaming for all of this. Wallace, of course, believed in the national policy and was not

concerned about whether it was the reason or the cause for it. He wanted an effective law that would allow the prosecutors to deal with agreements of this sort. The law actually had some effect on business people even though I have been describing it as—I think any scholar would—completely useless because of the almost total lack of effective prosecutions. It led business people to get together in mergers rather than to have agreements among themselves.

• (1650)

I believe that can be seen from one particular pair of mergers which occurred at the beginning of the 1890s. There was no doubt almost 100 years ago that the manufacturers of cotton textiles had come together in two groups, one controlling the grey cotton producers and the other in charge of the whites and coloured cottons. These agreements very obviously worked. When there was an over-production situation, they closed down plants. There was not much doubt in the minds of the public that they had in fact colluded in this way. Yet with the Act passed, how could they be sure that they would not end up in court being prosecuted? So the result was a merger of these two groups into two companies. One company ended up in 1905 being transformed into the Dominion Textile Company, and it has gone on victoriously ever since as a product of the merger of the early 1890s and the second reorganization in 1905.

This response by businessmen indicated that they were very uncertain about what the effective law might be. The Government tried to reassure them with weak law. I think the only thing one needs to say about the Combines Investigation Act of 1909 is to recognize that the Government of those days—the Liberals even more then than the Conservatives—was prepared to consider the possibility that the Customs Tariff was the cause, and if there was some kind of agreement among producers behind the tariff barrier, it would just reduce the tariff. One of those actions occurred in 1903 against newsprint producers. The only significant addition that Mackenzie King made with the 1909 Combines Investigation Act was to say that the Government should assist consumers in demonstrating that a combination has been effected behind the tariff barrier. The Combines Investigation Act did precious little other than providing a publicly financed process for inquiry into this process.

I mention that because the Minister in introducing this Bill yesterday suggested that very little has changed since the Combines Investigation Act in 1910. I do not think that is fair in terms of later attempts to amend the law. It is all too true in principle in the sense that the activities of 1889, 1909 and 1910 were largely processes of yielding to the business interests of the day and creating law which would not send anyone to prison and probably would not even lead to any large fines. But there have been some changes in the law since 1910. Those changes deserve some recognition.

One might almost say that if the Conservative Party had been more successful in holding political power in this century, our competition law might well have a different shape. The tribunal approach, which is part of the legislation we shall be considering in committee if we give this Bill second reading, is anything but a novelty coming from a Conservative Government. One can go back to the years just after the First World War and find a Conservative attempt to use that kind of public body which would use other than the criminal law in the courts to deal with competition. That attempt was swept aside by the Mackenzie King Government after its election victory in 1921 and the Combines Investigation Act was brought back. Then, in the middle 1930s, the Government of R. B. Bennett, particularly H. H. Stevens, the then Minister of Trade and Commerce, pressed inquiries into the kinds of use of economic power which existed in Canadian manufacturing and retailing. The endeavours of Mr. Stevens led to a second attempt by Conservatives to use a commission or tribunal approach to the problem. After the defeat of 1935, this was swept away, and we had again the Combines Investigation Act approach, unsatisfactory and inadequate as it had been. These are the sorts of features I find in looking back over the years which lead me to think that conceivably in this competition law there are some possibilities. But when one compares what is put before us now in Bill C-91 with what was presented 15 years ago and the more recent history of competition law in Canada, one finds there is not very much reason for satisfaction.

I think that is particularly unfortunate given the possibilities we had at the beginning of the 1970s. I want to suggest that the year 1971 and the period immediately following, the beginning of the 1970s, was one of the most disappointing eras one can look to. I think it reflects particularly badly on the Prime Minister of those years, the Right Hon. Pierre Elliott Trudeau. In 1971 we had in Bill C-256 a comprehensive attempt at competition law. On the tax side, the fiscal policy, we had an Income Tax Act which took up the work of the Carter Commission on taxation and attempted a substantial reform. The terribly depressing reality is that Bill C-256 was never carried to conclusion. The Income Tax Act was amended and overlaid with all of those provisions. After 15 years of additions to the Bill, of course, it has the accountants of the land protesting that the tax system of this country is too complex. Surely, there is an incredible irony in Conservative charges and the charges of so many other people that Mr. Trudeau was some kind of left winger. There may be some aspects of the actions by his Government which could justify one saying that there was some significant development in social policy, but in the absolutely fundamental areas of taxation and competition policy, he and his Governments buckled to business pressure and left us with a completely emasculated competition law and with a tax system which transfers wealth in incredible amounts from individual middle and lower income Canadians to the wealthy.

The fact that we have both of these features operating in competition by public policy is what arouses one to such outrage about the situation as to have led me a few minutes ago to ask for a quorum count in order to ensure that when we are debating these matters, which are fundamental to the well-

being of Canadians, we have enough Hon. Members in the House to ensure we can carry on a lawful debate on these questions.

The terrible realities of the weakness of competition law, the failure of the law to deal with mergers of the sort which could lead to market dominating combinations, the failure of Canadian law to ever grapple with the existence of monopolies in various areas, have led to the situation that the Hon. Member for Winnipeg North (Mr. Orlikow) was pointing to yesterday. Attempts have been made to calculate the costs to Canadians of our competition law. These estimates suggest that it could be as much as 7.5 per cent of GNP. That is a cost to consumers of $31 billion. That is an incredible amount of money.

The weakness of the law has led to a situation where Canada has such a concentrated economy with a small number of families and economic interests controlling so many companies and so much of what goes on in the economy, that the Canadian Bankers' Association, that small club of chartered banks, admittedly added to by some international banks in the last years, could point to concentrations in those other areas. That is the end result of competition law, the failure of it, in this country.

• (1700)

The Government has taken the same approach again in that it has consulted with these leading business interests, satisfied them, had the advice of corporate lawyers *ad nauseam*, and given us a law that leaves out many of the provisions we need for class action and so on. These are the reasons I join with my colleagues in our caucus in opposing this Bill with all the energy I can bring to bear.

I call upon the Government to respond to the concerns of its own back-benchers and give us a law which will really allow us to create the competition which the Government says it wants to create and which Canadian consumers so desperately need if we are to have an effective economy.

Mr. Rod Murphy (Churchill): Mr. Speaker, I too wish to speak to the legislation in front of us today. It has been a concern of mine for many years that we have not developed a piece of legislation which will ensure a competitive state in terms of our economy. For years we have heard people from all three political Parties get up in the House and talk about the virtues of small business. They have extolled the fact that it is the backbone of our economy and that men and women involved in small businesses create jobs for many Canadians. Yet over the years we have seen a small group of people gain almost complete control of our economy. We have seen figures which suggest that nine families have virtual control of our economy.

Whether it was under the previous Liberal Government, or the present Government, we have not seen legislation pass the House of Commons which would in any way, shape or form give us the ability to control the corporate conglomerates which are running our country. This is not just a view based on political philosophy or on whether one believes that large corporations dominate control of the economy, which I believe is the case. It is a matter of effective management. Yesterday, the Hon. Member for Winnipeg North in speaking to this Bill talked about Noranda Mines taking over MacMillan Bloedel for $626 million. He went on to point out that later on Brascan took over Noranda for $1.6 billion. All that money did not create any new jobs. It did not mean new research and development or new competitiveness, which is what some people say is necessary. What it meant is that the management of MacMillan Bloedel passed to Noranda Mines and then it passed to Brascan. The people in Brascan did not know anything about the lumber industry and they knew very little about mining. What happened was the taking away of effective management. Instead of having people who are actually involved in one particular industry looking after their factories, shops, mines, et cetera, we start a system of developing large conglomerates. This takes away management from the actual shop floor and the business which it manages.

I am sure many Canadians believe it to be true that we are developing a system in which we are passing over the financial management of firms and leaving the actual decision making to those who are not capable of making decisions. In other words, as we build these economic empires which quite often benefit from tax loopholes we end up with a situation in which important management decisions cannot be made by the people who are at the top of the pyramid. The people at the top of the pyramid may know how to take advantage of tax loopholes. They may also know how to win a phoney paper battle in the stock exchanges of the country. But they know very little about operating the mine of which they are now the owners; or they may know very little about the operations of a forest industry company such as MacMillan Bloedel. So it is of concern that we have lost the ability to manage based on experience in the industry because the ownership has transferred from the industry to a financial holding company which really has no knowledge and no expertise in the very corporations which they are now controlling.

I have similar concerns with respect to the way ownership has been concentrated in many of our other industries. The present Government and the previous Liberal Government talked about deregulation in order to increase competition. To illustrate my next point I will take the example of our airline companies. We talked about deregulation at the same time as we saw one airline take over other airline companies, or at least attempt to do so. For example, Canadian Pacific took over Eastern Provincial. It is now trying to take over Nordair. We are in a situation in which we talk about deregulation with the idea of creating more competition while at the same time we allow more corporate concentration. In effect, this means that the decision making of Canadian Pacific will certainly not be of the type that is needed in order to foster more companies competing for business.

Because of the fact that corporate concentration means there is no, or very limited, competition, and because we are taking away effective management of our industries as a result of these conglomerates, we should be concerned about what is happening in the country.

The events of the last few months and those of the last few years indicate that there are other concerns which we must also have. One is with respect to the very matter with which we are dealing today. I refer to non-financial institutions taking over the management of financial institutions. Under the legislation which is before us it is quite possible, through the complete ownership of Canada Trust, that Imasco will be in a self-dealing situation. In other words, the lending of money from its own trust company with no controls to prevent it from dealing in its self-interest, as opposed to dealing in the interest of those people who invest in Canada Trust, is a serious problem. We have heard the Minister and others defend the situation by saying it is not a matter of ownership or a matter of the concentration of ownership with which we must be concerned. We have been told that all we should be concerned with is the fact that perhaps we need to fix up our regulations. We have been told that we need to have better regulations in order to ensure that Imasco, or any other group of people who have control of a financial institution, whether it be a trust company or bank, exercises its power of ownership in the public interest and in the interest of its depositors.

It might also be true that if we had adequate regulation of banks and our financial institutions such as trust companies then we would not have to be worried about ownership. However, the two bank failures last year indicate that when it comes to the regulation of banks and the effective control and supervision of those regulations we are not ready. Among other reasons for these bank failures, it has been indicated that there were many dubious loans made to those who were in ownership positions of the two banks. Those are serious concerns. If it were only regulations and adequate enforcement of those regulations that would look after our problems, that should have happened last year and those banks should not have gone under. The Canadian taxpayers would not be in the position they are today of having to pay millions upon millions of dollars to those people who deposited money in those banks.

• (1710)

Those who say that adequate government regulations will solve our problems would probably be correct in an ideal world. In an ideal world, the Conservative Government and the previous Liberal Government would have acted to institute the types of regulations that we need and to make sure that there are adequately financed supervisory groups to enforce those regulations.

One of the other things that we learned as a result of the bank inquiries is that the Inspector General of Banks was looking for additional staff last year to supervise those banks that went under, but he could not get the money from the federal Government. The Conservatives who were in power last year and the Liberals who were in power the year prior to that had denied him the money he had requested in order to have a staff that could regulate those banks. If he had that staff, perhaps the bank failures would not have taken place. We did not spend the money that was needed at that time, but now we are spending hundreds of millions of dollars resulting from the fact that the Government would not spend the money necessary to supervise those banks.

The Minister responsible for this legislation has risen to say that regulations will solve the problems and that we do not have to worry about corporate concentration of ownership or having financial institutions, through their non-financial institutions, involved in self-dealing. I have to wonder if she is really thinking about what happened last year when this same lack of supervision and adequate regulations allowed two banks to fail. I agree that regulations would help. I agree that adequate supervision of those regulations would certainly help to enhance the protection of investors. However, I think we have to worry about more than just self-dealing. I think we also have to worry about how economic decisions are going to be made.

Earlier on I expressed concern about the concentration of ownership. We have to be worried about concentration of ownership not only within the mining, forestry and drug industries, although those are legitimate concerns, but we must have even more concern when our financial institutions fall under this kind of concentrated ownership. It is no surprise to us to find out that we are talking not only about Canada Trust but about a number of trust and mortgage companies that are likely to fall under the corporate umbrella of Imasco. We are talking about a number of institutions which will be controlled by Imasco and are presently controlled by Genstar.

In Canada, there is no method of controlling the decision-making process of Imasco to ensure that Canada Trust money is being lent in ways which would serve the real economic interests of our country. If a number of small banks and trust companies make those independent decisions which may not be in the best interests of our country, that is bad enough. The fact that there are a number of players in the financial game helps to protect those small businesses that want to make loans. However,once we allow for a concentration of ownership, it makes it very difficult for a small business person to go to a local financial institution and make the financial arrangements he or she wants to make. There is no longer a smorgasbord of institutions to which one may go to discuss terms. One ends up seeking a loan in a very limited market.

Because there is no real competition in the banks at this time and because the concentration of ownership in trust companies is increasing and will increase as a result of this move, there really are no options of which small businessmen, farmers and others who want to borrow money may take advantage. For all of these reasons, we need to have real competition legislation.

I have to agree with others who have said that the legislation before us is not good enough. We need more protection than

this Bill offers. It upsets me that on this very important issue, we have not spent the time over the last 10 or 15 years required to see how we can effectively control the concentration of ownership and secure the diversification of financial lending institutions that is so important to Canada. Studies have been done and the House of Commons committees have looked at the matter from time to time, but there has not been the political will on the part of various Governments to make sure that we have effective legislation. The same thing is happening again today.

We know that the present legislation is favoured by many of the very powerful groups in our nation because they helped to write the legislation. The people who helped to write this legislation are the very people from whom this legislation is supposed to protect us. The fact that the consumers' associations, labour movement and farm organizations were not involved in the drafting of this legislation while those in the higher echelons of the corporate sector were is enough reason for us to be afraid about the weakness of this legislation.

Those are the types of concerns we in this Party and many Canadians have. We know that one of the reasons we have not passed adequate competition legislation is that there have been loud voices. Large institutions have had the ability to prevent the House of Commons from exercising its political will by passing the legislation that we need to protect the consumer, the farmer and our own economy.

We now have before us a piece of legislation which was drafted in the corporate boardrooms. Members of all three Parties know that it will not provide the protection necessary to prevent the Imasco takeover. We know that it would not have prevented the Genstar takeover which occurred last fall and it probably will not prevent the next takeover about which we will hear one or two months from now.

Why are we not getting the legislation we need? Why is the Minister of State for Finance (Mrs. McDougall) talking about this legislation as is the Minister of Consumer and Corporate Affairs (Mr. Côté) rather than acting to protect our interests? Why are they not doing that? I realize that I am running out of time, Mr. Speaker, but let me suggest to you the reason they are not doing that. It is that too much power is being used by those in positions of power. They have the ability by themselves and through their lobbyists to control what senior bureaucrats think and what cabinet Ministers do, whether the previous Liberal Government or the present Conservative Government is in power. This is proven by the fact that there have been six attempts to get competition legislation through the House and we have only managed to pass one weak Bill so far. It is time for Canadians to realize that competition legislation is something which protects them. It is in place to protect farmers and workers. It is in place to protect the interests of consumers, whether it is people who want to deal with banks and trust companies or whether it is people who want to purchase goods such as drugs, lumber or any other product. Competition legislation which ensures adequate competition in our nation is legislation for ordinary Canadians. It should not be the type of legislation we have now which justifies and aids corporate conglomerates in Canada.

• (1720)

Mr. Gormley: Mr. Speaker, I have a question for the Hon. Member. He referred to the need to protect Canadians and I believe he said that Canadians were not consulted widely enough in the consultative process. The Consumer Association of Canada and the Canadian Federation of Independent Business were indeed involved in the consultations. Is he saying that these are the groups from which we have to protect Canadians?

Mr. Murphy: Mr. Speaker, I recognize that there were discussions with these groups. Those are not the groups from which we need protection, but I suggest that consumer associations and others do not really believe that this is the strongest legislation we can have to protect their interests and the interests of other Canadians.

Mr. Nunziata: Mr. Speaker, the Conservative Member who just asked a question seemed to indicate that somehow the Consumer Association of Canada and the Canadian Federation of Independent Business were involved in the consultative process. I do not quibble with the Hon. Member as to whether or not they were consulted, but it is important to determine the degree of consultation and the degree of input by those two organizations compared with the involvement of the so-called Gang of Five— the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Business Council on National Issues, the Grocery Products Manufacturers of Canada and the Canadian Bar Association. It is public information that the so-called Gang of Five actually participated on a clause by clause basis, suggesting and recommending and insisting upon certain clauses being included in the new legislation. Indeed the Consumers Association of Canada and the Canadian Federation of Independent Business were consulted, but they were simply asked for their general views.

Having made that point, I should like to direct a question to the Hon. Member for Churchill (Mr. Murphy). Does he believe that the consultative process in respect of the drafting of Bill C-91 was a fair process in the sense that all interested parties were listened to equally? Does he believe that the submissions of the Gang of Five carried as much weight as the submissions of those organizations representing small business and consumers? I suspect that those who carried the day were members of the so-called Gang of Five and those who represent big business in Canada. It is obvious that the legislation before the House, compared with the legislation introduced by the previous administration, is more business oriented. It allows for more loopholes for those who are represented by the Gang of Five. Would the Hon. Member for Churchill comment upon the consultative process?

I was also interested in hearing his views in respect of the purpose of competition legislation. He quite rightly pointed out

that its purpose was to protect consumers and that it was not to allow business the opportunity to be involved in mergers, conspiracies and monopolies to the detriment of competition and to the detriment of consumers in our society. Does he believe that Canadian consumers—and he referred to them as ordinary Canadians—are adequately protected and that the purpose of competition legislation is well served by this particular piece of legislation? As the official critic for the Liberal Party pointed out, while the legislation is a step in the right direction, it is still in need of amendment and of a different orientation, an orientation which would put consumers and the interests of consumers first and foremost. Would the Hon. Member comment upon the points I have raised?

Mr. Murphy: Obviously I agree with the Hon. Member and he agrees with me about the fact that competition legislation is not meeting the needs of ordinary Canadians or consumers. I believe the legislation could be much stronger. I will not debate whether the legislation of the previous Liberal Government or its proposals for legislation were better than the present legislation before the House. I merely point out that that legislation was never passed by the Liberal Government, which indicates that it was not on its real political agenda. Despite the fact that the Liberal Government has some problems getting legislation through, it was a majority Government for most of the last 15 years and it had the ability to introduce and pass legislation if it really desired to do so. The fact that the Liberal Government did not pass strong and reasonable competition legislation indicates the lack of political will about which I spoke earlier.

In terms of the general question asked by the Hon. Member, there is a difference between being consulted and being consulted. I should like to refer to what happened in the case of consumer associations and others who represent the less powerful in society. They had meetings. They were shown some outlines of the Bill. In some cases they actually agreed with the general direction of the legislation. Sometimes they actually believed that the legislation would do a good job. In other cases they agreed with the legislation because they did not think they would get anything better in terms of competition legislation. Based in part upon our history of not passing competition legislation, consumer associations sometimes agree to passing legislation because they know they cannot get anything better and suspect that a Conservative Government perhaps will never pass competition legislation unless they accept weak legislation such as that before us at the present time. Those groups were consulted and in some cases they agreed with the legislation. However, there were other groups which were never consulted.

Were the labour groups really consulted? Were farmers really consulted? Were other consumer groups really consulted? Yes, there was very limited consultation with some of those groups, but let us compare the amount of consultation which took place with them and the effectiveness of that consultation with the consultation with the Big Five. Over the last seven years I have sat on enough committees of the House of Commons, as I am sure have other Members, to know that we listen to a number of groups that appear before committees. We will hear 15 or 16 witnesses on a piece of legislation, but some of them have a lot more say than others. Some of the witnesses are there for the clause by clause study. Some of the witnesses have the financial resources to ensure that legislation is written in the way they want it to be written. This is what happened in the case of the competition legislation with which we are dealing today. Sure, you talk with the Consumers Association and with other groups, but the people who had the resources and the ear of the Government were able to dictate the way this legislation was written. As a result of that, this legislation is imperfect and will not deal with the legitimate concern of Canadians.

• (1730)

The Acting Speaker (Mr. Charest): A very, very short supplementary question from the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, having said what the Hon. Member has said, I am sure the Hon. Member for Churchill (Mr. Murphy) will recognize that there is one final opportunity to hear submissions from the Consumers Association of Canada, the Federation of Small Business and the Consumer Protection Association at committee stage. At present we are dealing with second reading of this legislation.

Recognizing that that opportunity exists, can the Hon. Member explain why the New Democratic Party has stated that it intends to obstruct this Bill, delay its passage, notwithstanding the fact that, flawed as it may be, Bill C-91 is a step in the right direction, and it is certainly better than the existing Combines Investigation Act?

Can the Hon. Member for Churchill on behalf of his Party indicate to the House and to Canadians that the New Democratic Party will co-operate with the hearing of witnesses, those representing both big business and small business and organizations representing consumers, in order to try to persuade the Government, difficult as it may be, to adopt certain recommendations in the interest of consumers?

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member. Resuming debate. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley).

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I welcome this opportunity to say a few words this afternoon during debate on Bill C-91 and its ramifications for competition law in Canada and the Combines Investigation Act.

A strong, effective competition law is an essential part of the Government's economic policy. There is a critical need to update our economic legislation. The existing law is out of date and out of touch. The changes being proposed in Bill C-91 will give Canadians an effective, enforceable and up-to-date

competition law, something that is long overdue. Competition law sets the rules of the game. Canadians need a competition law that works.

I want to begin by highlighting some of the points in Bill C-91 and what they touch on. By way of some comment, I would like to address a few thoughts to the comments made by my hon. colleagues in the Opposition.

Some of the highlights of this legislation will involve international competition. International competition is emphasized throughout to help Canadian business compete in world markets.

As for adjudication provisions, the new competition tribunal to be established will combine judicial and business expertise to deal with anti-competitive mergers and trade practices. Investigatory powers will now be dealt with in a more effective fashion. New investigatory powers of the director of investigation and research will be made consistent with the Charter of Rights and Freedoms. There will be more attention in this legislation to the issues of merger. Obviously in recent days and weeks there has been considerable discussion about mergers, particularly from the Opposition as evidenced today.

The competition tribunal can stop mergers that lessen competition substantially. International trade will be a major factor in this, and pre-notification is required for large mergers. I will be touching on these in greater depth later in my comments, Mr. Speaker, but I wanted to highlight a few of these for the record.

As far as the abuse of dominant position or what is known as monopoly is concerned, the tribunal can stop anti-competitive practices on behalf of monopolies. Also in the area of conspiracy, there has been a considerable tightening up in that regard. Banks will now be included in this legislation as well as Crown corporations.

To run over these particular highlights, I would like in a few moments to deal in greater depth with several of these proposals. It has been 60 years since the last change to competition legislation in Canada and 75 years since there has been any degree of substantial change.

I would like to comment on how the opposition Parties have been dealing with this matter so far. While not being an overly great fan of the Official Opposition, I must remark that in this particular instance the Liberal Party has dealt with its response in a reasonably responsible fashion. We have heard such expressions as "improvement from the past" in debate today. We have also heard many members of the Official Opposition standing to support passage of this Bill into committee stage where it can be dealt with in greater detail and, of course, in the new spirit of reform of the House of Commons— here I am sure I am speaking on behalf of all Members—where it can be dealt with through an exhaustive study of the provisions in order to ensure that this legislation, as effective as it is, stays to be an effective voice and an effective measure of competition law.

The Liberal Party as well in government has been the author of no less than four previous pieces of legislation that dealt with competition law. In so doing, many of the speakers today have agreed that Bill C-91 does go significantly further. I give credit to the Official Opposition for dealing in this respect in a reasonably responsible fashion.

Mr. Nunziata: What about the NDP?

Mr. Gormley: I hear a Member asking what about the NDP. In Saskatchewan, maybe it is because we have only 14 Members out of 282, we are proud of electing to this House of Commons Members who are very strong in spirit if not voice as advocates of the Saskatchewan way of life. Unfortunately, the Saskatchewan way of life is often reflected in the number of New Democratic Members who continue to put appearances in here after every four years.

Mr. Epp (Thunder Bay—Nipigon): Say it for competition.

Mr. Gormley: That could be called competition, I suppose, as one NDP Member reminds me. We have heard comments today, from members of the New Democratic Party particularly, that I think bear a further look.

The Hon. Member for Yorkton—Melville (Mr. Nystrom), my friend who obviously predates me by many years in this House, has referred to the input in smaller Saskatchewan communities from people in the smaller businesses of Saskatchewan and ways of making a livelihood. He refers to this as part of competition.

I will touch on it later, Mr. Speaker, but I would like to remind the Member that the degree of input received in this process through the formulation of the Bill has come from groups like the Canadian Chamber of Commerce, which is made up of many small chambers of commerce like our Chamber of Commerce in The Battlefords which reflects small retail businesses, agricultural service companies and oil field service companies. We have seen people from The Battlefords Chamber of Commerce emerge as some of the primary leaders in the Saskatchewan Chamber. Of course, we are well heard in the national Chamber. As well we hear from groups like the Federation of Independent Business and the Consumers Association of Canada. I do take some exception to what the Member for Yorkton—Melville said, that there is no input into this kind of competition legislation from smaller communities and from smaller businesses in different and perhaps more remote walks of life in Canada.

Another long-term habit of the New Democratic Party is what I call the vilification of business. We heard members of the NDP at length today and the day before, in referring to the Big Five, I think they call them, somehow referring to the evils of Canadian business. As one examines further the measures contained in Bill C-91, as we will in committee and in this House, we will see that part of the philosophy of legislation that deals with competition has to address itself primarily to the kind of business environment we want for Canada.

A member of the New Democratic Party this morning said, with particular respect to the tribunal being established, that the state should have the power to examine business transactions and question whether there is a profit motive or if there are other job guarantees. The tribunal should have the power to disallow these kinds of business operations and transactions. That begins with a fundamental premise that business transactions, the doing of business in Canada, begins from the state determining how much or how little you should be allowed to do. Obviously responsible competition legislation should start with the premise that we have a market-place. We have businesses large and small that are conducting business and, within the bounds or constraints, competition legislation is designed as an effective measure of protection for consumers, protection as we will deal with it in Bill C-91.

• (1740)

The provision for takeovers and mergers, which has been dealt with to a great extent due to recent events, has often been overlooked by members of the New Democratic Party who have conveniently forgotten that this is a comprehensive Bill to deal with competition. It obviously deals with mergers but, as a member of my Party mentioned earlier today, if one looks at the newly tabled Bill C-103 in connection with Bill C-91, one can see how the Government is able to deal with, as an example, the Imasco-Genstar takeover which has been debated at such great length here.

I would now like to deal in greater detail with some of the points contained in Bill C-91. I would like to indicate why I think they are good, timely, and effective measures. Notification will be required of all proposed mergers or takeovers involving companies with combined assets of more than $500 million, or with a takeover cost of at least $35 million. If the director of combines believes that the deal would reduce competition, the merger would go before the tribunal for adjudication. From that measure an appeal of the tribunal's findings could then be made to the federal court. For the first time international competition is givin explicit recognition and a great deal more emphasis. This law will recognize that in some instances concentration may be necessary to make Canadian industry world competitive to the benefit of consumers and businesses all across our country.

Mr. Epp (Thunder Bay—Nipigon): An excuse for domestic monopoly.

Mr. Gormley: Mr. Speaker, I hear an NDP Member say "an excuse for domestic monopoly". Considering the kind of state-dominated economy that the New Democratic Party would like to wreak upon us, that kind of comment is not surprising. Again I refer back to my Saskatchewan roots. With regard to competition and the degree of forward investment in Canada, one need only look at the Saskatchewan experience of the nationalization of potash mines by the NDP.

In Saskatchewan a man is hoping in vain to be Premier again. The Leader of the NDP is saying that, in the very unlikely event that the NDP was re-elected in Saskatchewan, it has, at least at the Party policy level, given itself the authorization to take back anything that the present Progressive Conservative Government has privatized or initiated on behalf of the people of Saskatchewan. It is that kind of attitude that makes that Member's comments not particularly surprising. However, I will not become sidetracked again, Mr. Speaker, as there are a number of things we can talk about with regard to Bill C-91.

Criminal laws against monopoly will be replaced by civil prohibitions against anti-competitive behaviour. It is virtually impossible to obtain a criminal investigation. At least this has been the experience in the past with combines legislation. At this point a new approach is necessitated. Under this new approach we will be dealing with the measure in which the tribunal will be working. This is again a point in contrast to earlier legislation.

There have been questions asked about whether this law will benefit Canadian consumers. Obviously competition law is a framework piece of legislation which offers general benefits to the consumer. Effective competition laws ensure that we have an economy predicated upon competition, the market, and a measure of free enterprise. With effective legislation such as this there is, in turn, benefit to consumers through lower prices, increased choices, and protection against conspiracy and anti-competitive behaviour.

I want to touch upon the role of the tribunal in this legislation. It has been compared to that in Bill C-29 of the previous Liberal Government. The provision for use of a tribunal can be compared to the former proposal in Bill C-29 for using the courts. There are arguments on both sides. It is our view that the tribunal is a better way of proceeding. It provides, in large measure, a more effective way of adjudicating decisions which come before it.

A judge of the Federal Court of Canada will chair the tribunal. There will be up to four judicial members. On the recommendation of the Minister of Consumer and Corporate Affairs (Mr. Côté), the Governor in Council will appoint up to eight lay members. The prospective appointees will be vetted by a statutory advisory committee comprising persons knowledgeable in the industry, in commerce, and in public affairs, including representatives of the big and small business communities, consumer groups, and labour.

The point which has been raised more than any other in today's debate is who had input into the formulation of Bill C-91. That question has been bandied about by the New Democratic Party in particular which is crying about the woes of big, bad business, as the NDP refers to Canadian free enterprise. I would like to list some of the over 100 organizations which were consulted. They include the Chamber of Commerce, the Consumer's Association, the Business Council on National Issues, the Manufacturers Association, the Bar Association, the Grocery Products Manufacturers of Canada, the Canadian Federation of Independent Petroleum Marketers, and the Petroleum Marketers Association of Canada.

I think it would be instructive to put something on the record to indicate how the Consumers Association of Canada views this. I have a news release dated December 17, 1985, the day on which this Bill was tabled. The Consumer's Association of Canada says:

> The new competition Act tabled today by Consumer Affairs Minister Michel Côté promises real progress for consumers and is a major improvement over current legislation. . . .
>
> Urging—

I emphasize the words "urging" for the record, Mr. Speaker.

> —that the bill get the highest priority, CAC's economic issues committee chairman, Robert Kerton, said it will help create "a marketplace where providers of goods and services must be innovative and competitive in meeting consumers' wants and needs if they are to prosper".

The news release goes on to say:

> It should also help prevent wasteful mergers that reduce competition and concentrate economic power in fewer hands without compensating consumers through better prices, choice, or quality.
>
> Kerton listed many positive features of the new Bill, including several that CAC has pressed for. Among them:
>
> Corporate mergers and monopolies will become matters of civil rather than criminal law, making it more enforceable.
>
> A new tribunal with no cabinet override will handle noncriminal matters; consumer groups will have a role in nominating tribunal members.
>
> Merger provisions will be substantially strengthened.
>
> Crown corporations will be included in the Act . . .
>
> Conspiracy provisions . . . will be strengthened . . . .
>
> Monopoly provisions will be strengthened . . . .
>
> CAC will be highly supportive of these amendments . . . .

I would like to make a few remarks with respect to Crown corporations. It has been the experience in dealing with competition legislation that Crown corporations have been exempt, particularly in cases of unfair competition or what is known quite openly as "cartels". We all remember the Eldorado case in which it was actually ruled that a Crown corporation would not be liable for action under the Combines Investigation Act to the same extent that a private business would. In the Eldorado case the ruling was that Crown corporations would be immune when acting within their purposes. In the interest of fairness, all Crown corporations which are engaged in commercial activity should be subject to the same rules of conduct as private firms. That is contained in the Bill and that in itself is a landmark measure.

● (1750)

Again to hunker back to my Province of Saskatchewan, we have a preponderance of Crown corporations. Many of them are of the monopoly utility type that in a very conservative fashion are seen as rendering the best service when publicly-owned. That is obviously a conservative notion if one looks at a community in the sense all of us do philosophically with its involvement in looking after individual needs. However, in Saskatchewan, where we have had a socialist Government for 40 years, we have many Crown corporations competing head-to-head with private enterprise, and with, I argue, very questionable reasons for being. Therefore, I find it very encouraging that provincial Crown corporations will be included in this legislation along with their federal counterparts and they will not be allowed to indulge in anti-competitive activities.

There is much more that could be said on this Bill, of course, but I thank you and the House for the opportunity to speak in support of Bill C-91.

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

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I would like to offer some comments on the speech which the Hon. Member has just made and on the speech of my friend from Churchill earlier. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) feels himself to be in an ideological battle time after time. He speaks in defence of free enterprise against the fearful socialists. I suggest that one of the very real difficulties that we in the NDP face, one faced by our predecessor, the CCF going back to its first leader in the early 1920s, is that where economic power becomes concentrated in few hands we cannot get back to the kind of competitive economy that my friend believes in. The alternative has to be public ownership. If we cannot use regulation to deal effectively with natural monopolies, what other means do we have but to establish public ownership and trust that the Government of the day, sensitive to the needs of consumers, will ensure that these public enterprises operate responsibly? I do not feel quite ready to go that far today. I do not want to see the corporations controlled by the nine family groups passing into public hands, because that would represent an incredible concentration of power. If those companies ended up in the hands of a few public appointees, how concentrated would the power then be? It is precisely because of that problem that we want effective competition law.

I was interested to see that in making his comments yesterday the Official Opposition critic quoted from Adam Smith on the matter of competition. He quoted what is in fact one of my favourite Smith quotations which is very rarely taken seriously. I challenge my friends on the government side to take this statement very, very seriously. More than 200 years ago he said:

> People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.

Adam Smith was so convinced that business people would get together against the public interests that he did not even want a register of business people at City Hall so that someone could look the list over and say: "Aha, so these are the people that do the same things I do". Adam Smith hoped for a world in which competition would really prevail. It does not take a great deal of knowledge of economic theory among Government Members to realize that in competition of that sort, profits would melt away. Prices would be driven towards the cost of production. The existence of profits, which our friends are so eager for, are in a sense—

The Acting Speaker (Mr. Charest): Order, please. On a point of order, the Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, as I understand the purpose of the time for questions and comments, the comments and questions should be short and not consist of an entire speech. The Hon. Member would have that opportunity on another occasion.

Mr. Rossi: You did the same thing yesterday.

Mr. Redway: Who, me?

The Acting Speaker (Mr. Charest): Order. I think I signalled to the Hon. Member that the time may have come for a question.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the other issue on which I will just offer a brief comment is that in the Canada of today, where economic power is as concentrated as it is, we are perilously close to the kind of society that in days past our forebears in England criticized when they looked at Imperial Germany and Japan. We have economic and political power here which is in grave danger—

The Acting Speaker (Mr. Charest): Order. I am sorry to interrupt the Hon. Member. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley).

Mr. Gormley: Mr. Speaker, it makes one tingle all over to be able to debate Adam Smith at three minutes to six. I would like to have the opportunity some other time. Throw in Edmund Burke and we will have a very good session.

As to philosophy, the CCF, the prairie grassroots agrarian movement, has nothing in common with the NDP. We all know that, particularly those who have been raised in Saskatchewan.

Mr. Nunziata: Mr. Speaker, in precisely three minutes the six o'clock news will be on in all jurisdictions in this time zone. One of the major stories tonight will be the proposed merger between Imasco and Genstar. This legislation, Bill C-91, will, to a certain degree, address the issues involved. The Hon. Member has obviously given a lot of consideration to this legislation and I would like to ask him about the retroactive effect of the Bill. I asked the Parliamentary Secretary this precise question and he was unable to answer so I would like to ask the Hon. Member whether this legislation will have any effect whatsoever on the Hiram Walker-Gulf situation. If not, should this legislation in his view have a retroactive effect in order to ensure that that particular deal is properly scrutinized to determine whether or not it is in the best interests of Canadians? I am sure all those who are about to watch the six o'clock news will be very concerned about the whole question of mergers. I see the Hon. Member is obtaining his instructions from the Parliamentary Secretary across the way. I think he is about ready to answer the question.

Mr. Gormley: Mr. Speaker, I wanted to ask the Parliamentary Secretary if we should have that Member repeat his question. However, I think I got the gist of it. I would like to advise the Hon. Member that if he is here during Question Period every day he should take note of what has been happening in the Standing Committee on Finance, Trade and Economic Affairs which has been well publicized and the recommendations it made on the Bill tabled yesterday.

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

Mr. Nunziata: We are ready for the six o'clock news.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PENITENTIARIES—RECOMMENDED ABOLITION OF MANDATORY SUPERVISION RELEASE

Mr. Alan Redway (York East): Mr. Speaker, some 14 months ago, on the night of January 30, 1985, one Leander Chesterfield Savoury, known to his friends as "Pappa Lea", entered an Esso self-serve gas station on Jane Street south of Highway 401 in the City of North York in Metropolitan Toronto. At that time he held up the attendant at that service station with a sawed-off shotgun. During the hold-up, the shotgun was fired three times. As he left the service station, Savoury was accosted by members of the Metropolitan Toronto Police Department hold-up squad and intelligence squad. They identified themselves and called upon Savoury to throw down his weapon. Savoury pointed the shotgun at the members of the police department. They, in turn, fired at him, and as a result, Savoury was killed.

Recently there was a coroner's investigation into the death of Leander Chesterfield Savoury. As a result of that coroner's investigation, it was found that at the time of his death he was on mandatory supervision, having been released from prison. At the time of his death, he was 21 years of age. He was a man with no fixed address. He was convicted for the first time in adult court for illegal possession of a weapon when he was 16 years of age.

Evidence at the coroner's inquest showed that Savoury was released on mandatory supervision in October of 1984, and that between that time and January 30, 1985 when he was killed in that police shoot-out, a period of time that was only about three brief months, he had been in contact with his parole officer on three occasions, once in person and twice by telephone.

The evidence given at the coroner's inquest also showed that he was the prime suspect in eight other robberies in the

Metropolitan Toronto area during the month of January, 1985. In one of those robberies, the attendant of a gas bar had been killed by the accused robber with a sawed-off shotgun, the same type of weapon that Savoury used on the night of his own death.

Is it any wonder, when those facts were disclosed to the coroner's jury a few short weeks ago, that the coroner's jury said it felt the mandatory supervision that Savoury was on at the time of his death was grossly inadequate? Is it any wonder that the coroner's jury said as well that it believed that this kind of inadequate mandatory supervision was not an isolated incident? It is a common occurrence in this sort of a situation with mandatory supervision cases. Is it any wonder as well that the coroner's jury recommended that mandatory supervision for dangerous offenders should be reviewed and substantially revised? Is it any wonder that the coroner's jury in this case urged this House and this Parliament to adopt without delay Bill C-67?

• (1805)

Bill C-67 came to us for third reading some time ago. The Bill will give the National Parole Board the power to deny automatic release to dangerous offenders. Is it any wonder, bearing in mind all of these circumstances, that the public has lost confidence in our criminal justice system? There are some of us who feel that when a judge sentences someone to prison, that sentence should mean something. It should not be subject to being shortened at any cost or at any time. Even the Law Reform Commission of Canada has said that. At the very least, when a judge imposes a sentence, the person should not automatically get out of prison after serving only two thirds of his sentence. There should be a procedure whereby the National Parole Board in the case of a dangerous offender can require that person to remain in prison and serve the entire term. That is the sort of thing which is provided for in Bill C-67.

Bill C-67 was reported back to this House on February 1, 1986. It had gone through first reading, second reading and an extensive examination in committee. It was rushed through committee to get it back here at the beginning of February of this year. However, since that time nothing has happened. I hope that tonight we will hear from the Parliamentary Secretary that the Government intends to get on with third reading of this Bill. Let us get this Bill passed and into effect so that the people of Canada can have a better sense of confidence in our criminal justice system.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I recognize the concern of the Hon. Member for York East (Mr. Redway) and also his efforts to improve the correctional service system in Canada. I wish to add to the remarks made by the Hon. Member for York East on March 24, as well as today. The Hon. Member commented on the verdict of the coroner's jury on the death of Leander Savoury. Savoury was under mandatory supervision when he died as a result of police intervention while he was committing an armed robbery and holding a kiosk attendant at gunpoint. The jury found that the two policemen involved were blameless and that Mr. Savoury died as a result of his own actions.

It is my feeling that there is some confusion about mandatory supervision in Canadian society. I would like to offer some clarification. I do not think that Canadians at this time really want the wholesale abolition of mandatory supervision for offenders sentenced to penitentiary terms. Mandatory supervision is an added measure of protection for society when these people are released, and that is the vast majority of penitentiary inmates.

Prior to 1970, inmates were released after serving two thirds of their sentence as a result of earned remission, which is often referred to as "time off for good behaviour". They were released without any supervision, just as if the sentence of the court had ended. In 1970, the Parole Act was amended to render these inmates who were released as a result of remission subject to supervision until the last day of their sentence. The rationale was that these inmates who had not been considered a good enough risk for parole were even more in need of supervision than parolees.

Since 1970, every person sentenced to a penitentiary term is under some form of control until the last day of the sentence. Before we decide to abolish mandatory supervision, we must ask whether the alternative of no supervision during this critical transition is better. There are some Canadians who want to abolish remission altogether so that inmates cannot earn any time off for good behaviour while incarcerated. There are some who even want to abolish parole so that a sentence of five years means five years to the day, no matter what. Do we really want such a harsh system in Canada, one which in effect would lengthen penitentiary sentences by one third?

Some of the American states which had opted for "flat sentences", as they are known, are reinstating a more flexible system because of the disastrous practical and psychological consequences of the other approach. It would overcrowd our jails. I hasten to say that dangerous criminals should not be released on parole.

• (1810)

There is a correctional law review committee within the Department of the Solicitor General which is mandated to study the remission system and the release process. The issues are very complex and, first and foremost, require clarification of our values as Canadians on rehabilitation and punishment. This committee will report in one year. I expect that from its study a clearer legal mandate for corrections will emerge.

In answer to the Hon. Member's question, I hasten to say that Bill C-67 should be passed very quickly. It should not be delayed by opposition in the other place, that is, by the Liberals, or by the New Democratic Party in the House of Commons, as we have been warned. If that Bill had been in place, it is possible that Mr. Savoury would not have been

released. A few days before the release of this man, which was automatic under the current law, the Parole Board had commented in writing to the Correctional Services of Canada that this was "a dangerous release".

The solution is not further elimination of mandatory supervision but more flexible use of the Parole Board's judgment with respect to the release of individual offenders. Dangerous criminals should be kept incarcerated until they have served their full sentence. I trust that Bill C-67 will be brought before the House in the very near future.

ENVIRONMENTAL AFFAIRS—ACID RAIN—UNITED STATES' EMISSIONS. (B) PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on March 19 in the House, the Minister of the Environment (Mr. McMillan) stated:

> The Prime Minister has achieved a real triumph on behalf of Canadians and I suggest that... the Hon. Member should join other Canadians across the country in rejoicing over a major Canadian accomplishment.

The Minister was referring to the question of acid rain and the last summit.

Let us compare this major accomplishment with what was said in the House on March 11, 1981, five years ago, when President Reagan expressed his concern about transboundary pollution. At that time he said:

> We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

The reference at that time puts President Reagan ahead of where he found himself in 1986 at the last summit.

In addition, let us look for a moment to the recommendation in the envoys' report in which there is no promise to cut so much as one milligram of sulphur emissions. However, on page 29 of the report there is a hope that the Commercial Demonstration Program will result in some "near-term reductions in U.S. air emissions" which affect the Canadian environment.

With our hopes pinned on the Commercial Demonstration Program, let us take a closer look at page 29 of the report. It states that the Government should provide half the funding, some $2.5 billion, for projects which industry recommend for which it is prepared to contribute the other half of the funding. So what Canada has agreed to is a program which amounts to zero if the polluters who have consistently resisted controls do not provide the funds for commercial demonstration projects. Therein lies the substance of the Minister's optimism that some near-term reductions in sulphur dioxide emissions may then result.

At the very least we might have hoped that the envoys' report, or the commitment made by President Reagan, would have included a process for negotiating some sort of a clean air treaty, as was proposed in the 1980 Memorandum of Intent. We were told by the Minister to look at page 4 of the envoys' report. Indeed, page 4 makes a reference to the need for a bilateral accord. However, it is not contained in the recommendations but rather as a piece of background information. Nowhere in the envoys' report is there a specific call for action or a process described to negotiate a clean air agreement between the two countries. In this respect, it falls short of even regaining the position of August 1980.

• (1815)

With these points in mind, I would put this question to the Minister through the Parliamentary Secretary: Is it really a major accomplishment, as he described it in the House, or is it more like the Prime Minister (Mr. Mulroney) himself described it in *The Globe and Mail* of March 2, 1986, as being not such a big deal?

We heard the Minister of the Environment make a new statement over television on Sunday during *Question Period*. At that time, he said:

> We're going to have to have, in both Canada and the United States—specific targets for substantial reductions in acid rain causing emissions. We're going to have to have schedules to achieve the target and we're going to have to have specific commitments of cash for both purposes—We have a summit a year from now, in Canada, in which acid rain will be put on the agenda again.

The Minister went on to say that at the next summit, the discussion will focus on the questions of targets, schedules and commitments of cash. Yet the Prime Minister is reported on March 22 to have said that he had asked Mr. Reagan to cut U.S. emissions of acid rain pollution, but he cannot persuade the unpersuadable. That is a fairly realistic statement. Why then is the Minister of the Environment committing himself while the Prime Minister, the only person who attended the meeting, believes President Reagan to be unpersuadable? Is the Minister just raising false hopes for political purposes?

Much has been said about the Government reaching a new phase in Canada-U.S. relations on acid rain, but is it really so? If you look at the record, Mr. Speaker, and there is not much time to do that, you will realize that in addition to the Memorandum of Intent of August 1980; in addition to President Reagan's statement of March 1981 that he wants to continue to work co-operatively to understand and control the water and air pollution that respects no borders; in addition to formal negotiations that began under the terms and conditions of the Memorandum of Intent of June 1981; in addition to the March 1984 formation of the 30% Club as an international initiative to cut acid rain; and in addition to the March 1984 agreements with the provinces renewed in June 1984, a lot of action has taken place. However, now we have to look clearly at what the Minister of the Environment said on Sunday when he spoke about emission controls that will be put on the table at the next summit when the Prime Minister and President Reagan will meet again. It is of course necessary to bring the Parliamentary Secretary and the Minister down to earth with historical facts, but will the Parliamentary Secretary now tell us what precisely is the schedule of cuts in sulphur emissions in the U.S. to which the Minister referred during the television program on Sunday?

Adjournment Debate

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the position of the Canadian Government has always been very clear. It is that our objective, both by the actions we take within Canada and the accord that we must reach with the United States, is to reduce the sulphur emissions that are falling on Canadian lakes, forests and territory by 50 per cent by 1994. The Hon. Member for Davenport (Mr. Caccia) knows that full well. There has never been any question about that. If he would care to look at the other comments made by the Minister of the Environment (Mr. McMillan) and the Prime Minister (Mr. Mulroney), indicating that we need to reach a bilateral accord with the United States, he would see that there remains no question about that.

We are fully aware of that position, but the issue here is whether we are going to be able to achieve it within the time frame and whether we are going to be able to achieve real results from real programs. I think that is a fair and legitimate question for everyone to ask. That is the reason the Minister said things the way he did on Sunday night and the reason the Prime Minister is not trying to tell anyone in Canada that the job is done or that there is not much more work to do.

• (1820)

In the time allotted to me, I have adequate time to account for the change in the position taken in 1981 when Mr. Reagan was here. Nothing substantial was accomplished by the previous Government or its Ministers to bring forward what we have today, that is, a significant breakthrough, and I am sure most fair-minded Canadians would agree. Apart from the real reductions which may result from the commitment of money and the co-operation of the American Congress with the American industry, we have a recognition that the problem is bilateral and requires a bilateral accord to achieve a successful result.

Mr. Caccia: We had that six years ago, in 1980.

Mr. Gurbin: If the process was there six years ago, it was going nowhere. I would have to say that the process was non-existent. The words were there, as were many of the comments of the Hon. Member for Davenport, but nothing was accomplished. It was not my criticism or that of the Government which indicated that time had been lost. It was a parliamentary committee which indicated that time had been lost not only in Canada—and the Government has put that in order by concluding provincial agreements—but in advancing the necessary agreements and bilateral accords with the Government of the United States. Precious time was lost in that five-year period. We are now on a substantially improved track. We all have honest and legitimate hopes that we will reach a successful conclusion within the next few years.

CHILD CARE—FUNDING OF SERVICES. (B) REQUEST FOR ADDITIONAL FUNDING

Mr. Neil Young (Beaches): Mr. Speaker, on March 17, I asked the Minister of State for Immigration (Mr. McLean), who is also responsible for the Status of Women, a question about child care. I asked whether the Government was prepared to provide additional funds for child care services as an indication of good faith in fulfilling its election promises. Unfortunately, as so often is the case, the response was vague. The Minister used the current parliamentary task force examining child care as an excuse to put off government action until some undefined time in the future.

The fact is that the need for greatly improved child care services has been proven time and time again. The Government should have committed funds in its recent Budget to child care. This would be an indication of good faith on the part of the Government, and it would be an indication that the parliamentary task force on child care actually means something. So far it seems as if the Government is willing to use the task force as a way of further stalling to avoid its commitment made at election time.

As an initial first step to show its serious intentions, the Government should commit $300 million toward the child care system. That should be the Government's immediate response to an urgent situation. Over the next few months, the parliamentary task force on child care will draw up a plan to implement universal child care, but we should like to see a concrete demonstration of the Government's commitment.

The need for an improved publicly supported child care system has been demonstrated often. Some 20 or more studies in past years have documented the necessity of an expanded publicly funded system of child care. The recent task force chaired by Dr. Katie Cooke found that child care was in crisis in Canada. The current supply of licensed child care spaces is able to accommodate less than 9 per cent of children requiring non-parental care on a full-time basis. In the last 30 years the changes in family structures and the increase in the participation of women in the labour force have moved far ahead of government policy on child care.

The vast majority of Canadian women of child bearing age participate in the paid workforce. In 1983, 69 per cent of all women between the ages of 20 years and 44 years worked outside the home. Of course, this trend will continue. In 1983, 49 per cent of mothers with children under the age of three and 56 per cent of mothers with pre-schoolers in the three to five age group were in the paid labour force.

• (1825)

The percentage was even higher for mothers whose youngest child was between the ages of six and ten. The Canadian Day Care Advocacy Association pointed out in a recent report that there are about 172,000 spaces for children in licensed day care facilities, yet there are almost two million children 12 years old and under in Canada. For many families, licensed child care services are not available. Also, many families find quality child care unaffordable.

Because of unstable and patchwork funding for child care, it is hard to maintain high quality programs. Child care staff

subsidize the real cost of child care by working hard for low salaries. Varied policies, funding and distribution services across the country have created a situation where some Canadian families have access to child care services and some do not. The care and well-being of our children is a social as well as individual responsibility. Women must not be penalized for maternity.

During the election campaign, which brought the present Government to power, the now Prime Minister (Mr. Mulroney) promised cash dollars for child care. He said:

> We view the provision of day care as requiring leadership in funds from the federal government because proper day care facilities are an instrument for economic advancement and fairness for women.

The need for child care services has been adequately proven and shown by the Prime Minister during the election campaign, by women themselves, by children and indeed by numerous studies conducted at the federal level. As a very minimum, the Government has an obligation to provide funding now for child care services to show a good indication of faith in Canada's future and Canada's children.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I share the Hon. Member's concern for child care and the need for adequate child care facilities. I also realize that it will take public dollars to develop and support those child care facilities.

The Hon. Member must recognize that social justice is an important aim of a group of people who took over the management of this country in September, 1984. Of course, we had a few things to put in place before we could get to all of the things we wanted to do. Those had to do with putting people back to work and with giving people a sense of well-being. We do have four or five years to establish all of the priorities that we talked about in the summer of 1984.

As a Member of this Government, finding workable, affordable solutions to the present child care crisis has been and remains a priority objective. It is clear that public dollars will have to be used to develop and support a system of child care adequate to the needs of children and their families. The inability to pay for adequate, suitable, quality care severely restricts, in fact one could say removes parents' choices and unnecessarily exposes children to risk.

When we realize that only 9 per cent of children who need supervised care are in licensed care, we must accept that their families are not choosing the care they prefer, but finding what they can and, in most cases, are using inadequately supervised care. In other words, families must make tremendous sacrifices and may still find themselves in unsuitable and costly arrangements.

As you know, Mr. Speaker, the provinces have the major responsibility for regulating and delivering child care. I am convinced that to improve the over-all situation, co-operative action is required. The Katie Cooke task force, in a comprehensive research document which recommends short, medium and long-term options, proposes a system comparable to the education system, financed solely from public funds coming from the federal and provincial Governments. How we will achieve this is very much in the hands of the parliamentary task force on child care which is seeking public input on the issue, the federal-provincial health and social services ministers and the finance ministers.

The Government is committed and convinced that it is necessary to take steps to improve the child care system. However, we must also strike a balance between our fiscal priorities and our social policy responsibilities. Whatever the direction taken, we will ill serve women, children, families and society if we fail to make significant improvements to the current situation.

• (1830)

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, April 9, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

NATIONAL REVENUE

TRAINING AND EDUCATION OF OFFICIALS DEALING WITH TAXPAYERS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have here a letter from a Canadian taxpayer who in 1984 filed a correct income tax return. Three months later, Revenue Canada corrected his return and sent him a refund of $142. Six months later, Revenue Canada corrected its own mistake and asked him to pay back the $142, plus $9.50 in interest.

This taxpayer now has the following question: Why should he pay $9.50 interest, when it was Revenue Canada's mistake?

If we consider that 43 per cent of the questions Revenue Canada receives are answered incorrectly, I wonder how many people find themselves in similar situations, Mr. Speaker. Could Revenue Canada decide once and for all to train its staff to give the right answers?

* * *

[*English*]

CANADIAN WHEAT BOARD

REDUCTION OF INITIAL GRAIN PRICES

Mr. Les Benjamin (Regina West): Mr. Speaker, the Nielsen task force wants to phase out farmers by phasing out branch line rehabilitation and guarantees, allowing variable freight rates, make transportation payments to farmers instead of railways, and privatize the Farm Credit Corporation, all of which are opposed by the great majority of western farmers.

The Prime Minister (Mr. Mulroney) promised he would eliminate taxes on farm fuels. He has broken that promise.

The Conservative Premier of Saskatchewan comes to Ottawa, ostensibly to fight for our farmers, on the same day the Minister in charge of the Wheat Board, who believes that free enterprise and market forces should be the centrepiece of farm policy, announces a 19 per cent reduction in initial grain prices. What did we get from Premier Devine in all this while here in Ottawa? Not one word. His indecisive and spineless conduct is inexcusable.

Again, western Conservatives and a western Conservative Premier have betrayed western farmers. To the Minister and Mr. Devine, I say, to quote Cromwell:

You have sat there too long for any good you have been doing—

Mr. Speaker: Order, please. Sixty seconds.

Mr. Benjamin:

In the name of God, go!

* * *

• (1405)

ROAD SAFETY

TRIBUTE TO RESCUE WORKERS AT QUEEN ELIZABETH WAY ACCIDENT

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise today in praise of the speedy, intelligent, and competent action of each and every member of the rescue team that helped to save lives in last Sunday's terrible accident on the Queen Elizabeth Way in my riding of Mississauga North. A pleasant outing to the Metro-Toronto Zoo for a group of visitors from Buffalo turned into a nightmare when the group's bus went out of control and smashed into a chain-link fence on the highway. The top rail of the fence was driven through the front window and the entire length of the 66-passenger bus, impaling two men and injuring many others.

The efficient and co-ordinated effort of Mississauga firefighters, paramedics, policemen, ambulance staff, dispatchers and hospital staff helped to prevent loss of life. The rescue team calmly worked to administer oxygen and intravenous medication while hacksawing through the pipe that impaled the last casualty extricated from the wreck. At the same time the rescue crew treated the many other casualties of the accident. The courageous and intelligent actions of this fine rescue crew from Mississauga should be commended.

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

MINES AND MINING

PROPOSAL TO BUILD LEAD SMELTER AT TRAIL, B.C.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in light of negative comments which appeared recently in *The Globe and Mail* and other media concerning the plight of Cominco Limited's smelting operations in British Columbia and similarly the plight of the City of Trail, I want to assure the House and my constituents that the negotiations between Cominco and the Province of B.C. regarding Cominco's proposal to build a new lead smelter at Trail are progressing well.

I am keeping myself well informed on the progress of those negotiations, as are the Minister of Regional Industrial Expansion (Mr. Stevens), the Minister of Energy, Mines and Resources (Miss Carney), and the Minister of State for Mines (Mr. Layton). We are satisfied with the progress. We fully expect that an announcement on the positive outcome of those discussions is forthcoming and will be made before the end of this month.

* * *

IMMIGRATION

PROPOSED VISA REQUIREMENT FOR PORTUGUESE VISITORS

Miss Aideen Nicholson (Trinity): Mr. Speaker, many constituents have expressed concern which I share about reports that the Government is considering imposing a visa requirement on visitors from Portugal in order to curtail the increasing number of refugee applicants from that country. This is no way to deal with the problem which lies not in Portugal but with our refugee determination process. Out of the backlog of 20,000 refugee applications, only 1,000 are from Portuguese.

The majority of Portuguese Canadians living in Toronto are originally from the Azores, nine islands a two-hour flight away from our visa office in Lisbon.

Instead of punishing Canadians and their families overseas by putting them to the uncertainty and expense of fulfilling a visa requirement, why does the Government not take some action on the real problems: the weaknesses in the refugee determination system, and the so-called immigration consultants who exploit those weaknesses?

THE ECONOMY

SITUATION IN WESTERN CANADA

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, many western Canadians must be recalling, with irony at best and cynicism at worst, the now transparently empty rhetoric spoken by members of the Conservative Party about western Canada during their many years in opposition.

With yesterday's announcement that farmers will be getting less for their grain than at any time since the Great Depression, with the international market-place playing havoc in the energy sector, and with the unrealistic cost-recovery deadlines imposed on the northern transcontinental route, the Conservatives are revealing by their approach to these issues that their real loyalty is not to western Canada but to some hidebound, stupid, and destructive ideological fixation on letting the so-called market-place determine the fate of western Canada while western Canadians dangle in the foul free-enterprise wind. Many western Canadians have rejected this view over the years. They have voted NDP. Many more will do so in the future in order to have a voice that can be counted on not to remain silent like the voice of the Tories they elected in 1984.

* * *

HISTORIC EVENTS

ANNIVERSARY OF CANADIAN ADVANCE ON VIMY RIDGE

Mr. Joe Reid (St. Catharines): Mr. Speaker, 69 years ago today Canadians achieved the unachievable. Sixty-nine years ago today at zero hour the barren earth erupted humanity. From dug-out, shell hole, and trenches, men sprang forward and advanced toward the Ridge. It was Canada from the Atlantic to the Pacific that was on parade.

Brigadier General Ross said that he thought then that in those few minutes he witnessed the birth of a nation. Only a few of the 100,000 Canadians who advanced on Vimy Ridge that day are still alive. They are the final survivors of an army that did what the British and French before them had failed to do.

• (1410)

Today Vimy Ridge in northwestern France still stands as the most important battle in Canada's history. This is why each year the Government of Canada holds a ceremony at the majestic Vimy Memorial, on land deeded to Canada by France in honour of the 60,000 Canadians killed. We will remember them.

Mr. Speaker: Order, please. Sixty seconds.

[*Translation*]

LABOUR RELATIONS

NEED FOR MIRABEL SECURITY PERSONNEL TO GET DECENT SALARIES AND ADEQUATE TRAINING

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, last night on the program *Le Point*, we saw how lax security is at Mirabel and other airports—and in Toronto two months ago—and that it is far too easy to smuggle arms and dynamite aboard aircraft.

At a time when an unprecedented wave of violence is threatening airports in Europe and the Middle East, and after tragedies such as the Air India crash and the TWA incident last week, some very serious questions arise as to the effectiveness of security measures here in Canada.

At Mirabel, the regular security screening employees are on strike. They earn a miserable $4.00 per hour.

Since there are no anti-scab laws here in Canada, the replacements get only superficial instruction on security standards, which represents a threat to the lives of passengers.

Mr. Speaker, the regular employees should be paid a decent wage, and that is why I insist that the present contract be declared null and void and that the new offer reflect provincial labour standards, so that the qualified employees who are on strike can get on with their essential duties—

Mr. Speaker: Order. Order, please. The 60 seconds are up. The Hon. Member for London-East (Mr. Jepson).

* * *

[*English*]

EMPLOYMENT

YOUTH PARTICIPATION IN JOB ENTRY PROGRAM

Mr. Jim Jepson (London East): Mr. Speaker, yesterday in Montreal the Hon. Minister of Employment and Immigration (Miss MacDonald) announced the approval of 17 apprenticeship projects which will employ 339 young Canadians this year. This is only the beginning, the tip of the iceberg. Over the course of the year over 400 such programs will be under way across Canada, with about 12,000 participants.

These projects are part of the Canadian Jobs Strategy announced by the Minister as a means of giving our youth practical experience and real job skills. Over the course of the year $125 million will be invested in these projects. In addition, another 8,000 young people are participating in the Job Entry Program.

In total, $900 million will be invested in the youth of Canada as part of the commitment of the PC Government to Canada's future. Tens of thousands of young Canadians will benefit from projects which allow them to gain experience, develop needed skills, and ultimately get a real job.

This is what leadership is all about. Much still has to be done, but our record is some cause for encouragement when compared with that of the previous administration—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

LABOUR RELATIONS

REQUEST THAT PRIME MINISTER INTERVENE IN SECURITY AGENTS' DISPUTE AT DORVAL AND MIRABEL AIRPORTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): This morning, Mr. Speaker, we were visited by Mirabel and Dorval security agents and they gave us petitions. We have here a common front of Conservative, Liberal and New Democratic Members who are urging the Prime Minister (Mr. Mulroney) to intervene — he did tell the union representatives that he would — and give them a favourable answer today. In addition, as requested by the Conservative Member, the contract ought to be cancelled, those people should be given decent wages, and the security of Dorval and Mirabel passengers should be tightened up.

* * *

JOB ENTRY PROGRAM

YOUTH—GOVERNMENT'S PERFORMANCE

Mr. Guy Ricard (Laval): In Montreal yesterday, Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) announced that 17 job entry projects have been launched and will enable 339 young Quebecers to complete training sessions in various fields of activity. The purpose of the program is to help them gain experience and make it easier for them to join the labour force. Mr. Speaker, what a change from the slipshod programs of the Liberal Party!

These projects stem from our employment strategy policy aimed at promoting job opportunities for as many young people as possible.

This year, Mr. Speaker, $900 million will be set aside to implement that policy, including $125 million for job entry projects.

Between now and year's end, tens of thousands of young Canadians will benefit from a wide range of programs designed to give them lasting work anywhere in Canada.

Unlike our predecessors who were quite satisfied with window-dressing schemes, we have set up real youth programs.

[*English*]

AGRICULTURE

SUICIDE RATE AMONG FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, a recent task force report from Ontario highlighted a growing concern in rural Canada—the increase in the suicide rate. Suicide is now the fastest growing cause of death in farm families. Farming has always been a dangerous occupation and ranks up there with forestry workers and miners for accident rates, but now the suicide rate among farmers has surpassed even the accident rate.

The impact is most profound on farm families, from the youngest child with failing grades and emotional problems, to wives who fret in isolation at the prospect of a splintered family, to husbands who take to the bottle. The absence of unemployment insurance benefits, and severely restricted access to welfare for farmers trapped in the long downward spiral to failure, have not helped much. The much vaunted social net barely exists for Canada's farmers. The Government promised much more to Canada's farmers. Surely our farmers rate more than despair and economic ruin.

* * *

• (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SASKATCHEWAN MINISTER OF PARKS AND RENEWABLE RESOURCES

Mr. Speaker: May I draw to the attention of Members the presence today in our gallery of the Hon. Colin Maxwell, Minister of Parks and Renewable Resources for Saskatchewan.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXPO 86

EVICTIONS CARRIED OUT BY VANCOUVER RESIDENTIAL HOTELS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I gave an undertaking to the downtown eastside residents of Vancouver that I would put this question to the Prime Minister on his return to the House.

Later this month the Prime Minister is going to Vancouver to participate in the opening of Expo 86, which will be a triumph for Canada and a great credit to the Province of British Columbia and to our country. As the Prime Minister knows, I am sure, there has been a black eye recently with the eviction of hundreds of elderly citizens who have been thrown out by residential hotels so that they can take advantage of the short-term profit from Expo.

Would the Prime Minister telephone the Premier of British Columbia and suggest to him, as has the Vancouver City Council, that a moratorium be imposed during Expo to prevent any further evictions, or any excessive rent increases, so that we can forestall this continued injury to our weaker and older citizens?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, while agreeing with the Right Hon. gentleman's observations about Expo 86 and the fact that it will be a success, I certainly agree that it has been somewhat tarnished by the reference to the issue to which the Right Hon. gentleman has referred.

I have spoken to the Premier personally about this matter and I have written to the Ministers responsible, indicating our concern in the hope that they will take corresponding reciprocal action.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister of Transport was in Vancouver during Centennial Weekend in his capacity as Minister responsible for Expo. He knows the seriousness of the problem but, I believe, with the greatest respect to him, only the Prime Minister can impress the gravity of the situation upon the Premier of British Columbia.

* * *

HOUSING

PRIORITY REQUESTED FOR SOCIAL HOUSING

Right Hon. John N. Turner (Leader of the Opposition): My supplementary question, Mr. Speaker, is directed to the Minister of Labour who is responsible for housing. He knows that in Vancouver we have a crisis in social housing. He knows that all funds have been frozen this year, except for a release yesterday on co-operative housing.

Would the Minister, when he travels to Vancouver on April 24 to meet his provincial counterpart, insist in any agreement with the Province of British Columbia that priority be given to co-operative, non-profit, social housing, and that a presence remain in federal hands in the signing of that particular agreement?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I welcome the interest which the Hon. Member has in co-operative housing. I should draw to his attention, however, that co-operative housing is the only housing the federal Government will be putting forward that will not be fully targeted.

The Right Hon. Member has expressed concern about low-income earners in Canada. Every dollar, with the exception of the co-op housing program, will be 100 per cent targeted to those Canadian families who are in need.

Some Hon. Members: Hear, hear!

REQUEST FOR UNILATERAL FEDERAL ACTION

Right Hon. John N. Turner (Leader of the Opposition): Despite their posturing and that rhetoric, Mr. Speaker, social housing remains an acute problem in Vancouver and in parts of British Columbia. If the Minister of Labour is unable, on his visit to Vancouver, to achieve an agreement with the provincial Government, will he insist on unilateral federal delivery of social housing programs to alleviate the acute shortage and the hardship in Vancouver?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the initiative taken by the Government has been to increase the number of social housing units in Canada over the previous administration's policies.

Ms. Mitchell: You turned down Expo housing.

Mr. McKnight: We will be doubling the number of housing units available to Canadians in need over what the previous program delivered.

In 1985, Mr. Speaker, we increased the numbers in British Columbia by 23 per cent, and this year, if we can come to an agreement, we will increase the number of social housing units by 60 per cent over what was accomplished by the previous administration.

Some Hon. Members: Hear, hear!

* * *

• (1420)

AGRICULTURE

REDUCED INITIAL GRAIN PRICES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Prime Minister. I want to ask him about the devastating blow to the Canadian farm economy as a result of the announcement yesterday of the very low initial prices for wheat and barley. In effect Canadian farmers are being asked to accept 1978 prices when they have to face 1986 costs.

Is the Prime Minister prepared to announce a major deficiency payment to help farmers survive, as recommended by the advisory council of the Wheat Board? Is he also prepared to organize a major meeting of all the grain exporting nations so that we can come up with a plan which will not make Canadian farmers the casualties of an agricultural trade war?

Mr. Benjamin: You wouldn't know a bushel of wheat if it hit you in the face.

Mr. Hnatyshyn: Look who's talking. You wouldn't know anything if it hit you in the face.

Mr. Benjamin: When's the last time you shovelled any, Ray?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are well aware of the severe financial problems facing grain producers, not only in western Canada but throughout the country. The Government has been very much aware of the needs of agriculture. Since the formation of this Government we have taken some 100 initiatives which have resulted in the spending of several billions of dollars. Last year the Government supported the western grain producer to the tune of almost $1.5 billion.

With regard to the announcement made yesterday, the normal procedure would have been to follow the U.S. loan rate which went down 27 per cent. We showed support for the prairie grain economy and the other grain producers in the country by lowering prices 19 per cent. That is certainly not good news, but it shows the concern which the Government has for agriculture.

EFFECT OF PROPOSED UNITED STATES FARM BILL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is a strange form of logic to suggest that yesterday's announcement is going to help western farmers. It is going to hurt them desperately.

In the Prime Minister's meeting with President Reagan during the summit meeting in Washington did he raise the issue of the devasting impact which the U.S. Farm Bill will have upon western farmers? Did he ask President Reagan for an agreement to hold a major meeting of the exporting nations so that we can co-operatively find an answer to a problem which is going to destroy the western grain economy if the Government does not do something about it?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, at no time did I say that yesterday's announcement would be of help to anyone in the country. It is bad news.

Mr. Orlikow: Answer the question.

Mr. Mayer: With regard to the Hon. Member's question, the Prime Minister has raised this issue with the President of the United States. The Secretary of State has raised it with Mr. Shultz.

Mr. Axworthy: What's the answer?

Mr. Mayer: The Minister of Agriculture has raised it, I have raised it, and the Minister of International Trade has raised it.

Mr. Axworthy: What's the answer?

Mr. Mayer: We have raised it in such a way as to enable us to continue talking to the Americans to let them know our concerns. We have not gone down there and insulted them, and

told them that their farm programs are unethical and unchristian, and called them pip-squeaks.

Mr. Axworthy: What's the answer?

Mr. Mayer: We want to have on-going dialogue with them in order to attain results, rather than just going outside the country and calling people names.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister who made very specific promises to western farmers. Yesterday's announcement by the Government will mean a net loss in income for prairie grain farmers of $1 billion a year. That, added to their present burden, means that their income this year will be less than zero—zilch. Given the promises the Prime Minister made in the last election, why has he abandoned the western Canadian farmer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are certainly aware of the fact that there is a serious problem in western Canada as it affects commodity prices. That is why the Government has worked so hard, with almost 100 initiatives since it was sworn in, to be of assistance to the agricultural sector in western Canada in particular. In fact it is widely known in western Canada that if there is a Farmers' Party in the country, it is the Progressive Conservative Party.

Some Hon. Members: Hear, hear!

Mr. Axworthy: It used to be. It's not any more.

Mr. Benjamin: It's the Dirty Eighties.

Mr. Mulroney: We have introduced capital gains tax exemptions, the Agricultural Stabilization Act, the Western Grain Stabilization Act, the Western Grain Transportation Act, and advance payments for crops. We have given substantial assistance to farmers in western Canada. It is not enough, we are going to do more, and with the help of all Members of the House we will be able to do so in the—

• (1425)

Mr. Speaker: Order, please.

PRIME MINISTER'S STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as a result of this so-called Farmers' Party, as described by the Prime Minister, 40,000 Canadian farmers are on the verge of bankruptcy. That was before yesterday's announcement, without considering the effects of that announcement.

Almost two years ago to the day in this House the Prime Minister said: "It is typical of the Government that when the interests of western Canada are involved it is always tied to something else. No wonder western Canada won't trust them as far as they can throw them." He said that about the Liberals. Why was that any more true of the Liberals then than it is of the Conservatives today?

Right Hon. Brian Mulroney (Prime Minister): Because, Mr. Speaker, the Liberals, with the help of their sweethearts in the NDP, crushed the western farmers. We brought them back to life.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the difference between a socialist and a Liberal and us. We have brought in dozens upon dozens of measures designed to reward the productivity of the western farmer. The western farmer knows full well that we have been helpful and others have been less so. He knows full well that when he is looking for a friend in Ottawa, he looks to the Progressive Conservative Government.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): He may have looked to the Conservative Party in the last election but he sure will not in the next election.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Don't bet Bob White on that.

Mr. Broadbent: Mr. Speaker, what is there in the Conservative Party's philosophy that could cause Government in one weekend last year to find $1 billion for the banks but this year take $1 billion out of the pockets of the prairie farmer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have put almost $3 billion into the agricultural sector since this Government was elected. We indicated that we believe this, while helpful, is not enough and we hope to do more. The Hon. Member raises the question about the distinctions between this Government and others. This Government did not give the farmers 20 per cent interest rates, and this Government did not tell the farmers to go sell their own wheat.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

REQUEST FOR INTERIM PAYMENT UNDER WESTERN GRAIN STABILIZATION ACT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for the Wheat Board. He said that his announcement yesterday was bad news. For most western farmers it is considered a total disaster. Since the initial wheat payment will not even cover the cost of production for many young farmers teetering on the brink of bankruptcy, is the Minister prepared to make a commitment right now to a $1 billion payment from the Western Grain Stabilization Fund?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): I will tell you what I can say, Mr. Speaker. We are in the process of doing the final calculation on the figure for an interim payment under the Western Grain Stabilization Act. We hope to have that in the mail and in producers' hands by May 1. We did that as a result of an amendment we introduced. We did not do what the previous Government did, make a small payment in the middle of an election for political purposes. We are making it prior to spring seeding so it will do some good for the farmers in putting their crop in the ground.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister knows that payment is for the present crop year, not the upcoming crop year. How is it that the Government is able to find $1 billion for a bank bail-out over a Labour Day weekend but it is not able to find $1 billion for farmers?

Mr. Hnatyshyn: You guys are using the same writers as the NDP.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): First, Mr. Speaker, the Hon. Member should know that we did not bail out the banks. It was the depositors who had money in those banks who were the people who were looked after.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Tell that to Saskatchewan.

Mr. Speaker: Order, please.

Mr. Mayer: Go ahead and laugh. He should also know that yesterday we announced a couple of other things. We are freezing the maximum tariffs charged by elevator companies in terminals—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The NDP would not do it.

• (1430)

Mr. Mayer: You want us not to do it? Is that what the Opposition is saying? I can understand the Liberals as they do not have a farmer over there, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

MINISTER'S POSITION

Mr. Stan J. Hovdebo (Prince Albert): As a farmer I would like to direct my question to Minister of State for the Canadian Wheat Board. In April, 1984, the present Minister condemned the Liberal Government in a motion which he put before the House which said, "This House condemns the Government for its failure to recognize the importance of the agricultural sector". It went on to say, "... and urge the Government to resist the erosion of initial prices of western grain".

Mr. Speaker: Order. Just a question, please.

Mr. Hovdebo: How can the Minister make that kind of a statement and subsequently erode the prices of western grain by his announcement yesterday?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): I said yesterday when we made the announcement that it is a very difficult situation. As a farmer from Prince Albert the Hon. Member knows that we face the same kind of problems when we go to our banks in the spring to make financing arrangements for our crop. I said we are going to make a western grain stabilization payment as large as we can and get it in producers' hands with regard to—

Mr. Benjamin: It's their money.

Mr. Mayer: Part of it is their money. A third of it is their money, two-thirds of it is Government money. It is up to the Government to decide when and what amount the interim payment should be. We announced yesterday that we are going to be looking very seriously in terms of what we can do on the domestic price issue. As a country Canada has taken the lead, and always has, in international wheat agreements. Canada chaired the International Wheat Council meeting that was held recently in London to look at the international wheat—

Mr. Speaker: Order. Short supplementary.

REQUEST FOR DEFICIENCY PAYMENT

Mr. Stan J. Hovdebo (Prince Albert): Will the Minister announce at least a $2.50 per bushel deficiency payment to save those thousands of farmers who are going to go bankrupt because of the announcement that he made yesterday?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, one of the things that makes it very difficult for Canada, as well as Argentina and Australia, to deal with on the international grain market is that the three of us, as countries, export such a very large per cent of our production. That makes it very difficult for Canada to compete with the Americans and the Europeans in what a lot of us think is a ridiculous price war.

What we are trying to do is work with the other exporting nations to make sure that when they are spending money that it is not going to be spent in such a way that simply drives prices down and hurts all of our producers collectively. Canada has been taking the lead in trying to bring about those discussions.

CANADIAN AND UNITED STATES PAYMENTS TO FARMERS

Right Hon. John N. Turner (Leader of the Opposition): I would like to direct a question the Prime Minister. Why is it that under the current arrangement the Canadian farmer is going to be paid $3 a bushel while the American farmer at the

same time, when you take in the deficiency payments, is going to be paid $6 a bushel, twice what the Canadian farmer is going to achieve? Will the Prime Minister undertake to repair this difference in payment in some fashion in order that we can avoid more bankruptcies and more hardship on our Canadian farmers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): It is very simple. The American Farm Bill addresses two things. The Americans feel that they have lost a market share and they would like to get it back, and they believe that they can get it back by lowering international prices. We do not think that is going to work. The Americans are prepared to put up a massive amount of money to see if they can get back their market share. The estimates in the United States of the cost of the U.S. Farm Bill over the next five years go as high as $100 billion Canadian. We are simply saying that we do not think spending that kind of money, even if you have it, is going to get results as far as increasing prices for Canadian farmers is concerned, let alone for any other farmers around the world.

REQUEST FOR EMERGENCY FUND DISCUSSIONS

Right Hon. John N. Turner (Leader of the Opposition): The Canadian Government is not capable of using its so-called special relationship with the United States to get a comparable payment to Canadian farmers. Will it at least convene a meeting through the Prime Minister of the Premiers of the grain producing provinces to set up and discuss a farmer's emergency fund as soon as possible in order to meet this situation?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): This situation not only affects Canada, it affects Argentina and Australia as with well. We have all been making those kinds of representations to the Americans to try to point out the concern we have, as well as the Europeans. If you want to go back far enough and look at the cause of the major part of this grain glut and the lowering prices, we must look at the European Community. If the Right Hon. Member wants to ask his question and be consistent, he should include the Europeans in that discussion, which Canada has already done.

CANADA-UNITED STATES DISCUSSIONS

Mr. Vic Althouse (Humboldt—Lake Centre): My question is directed to the Prime Minister, Mr. Speaker. Since he has been cultivating a very close relationship with the Americans and has had several meetings with them prior to this decision, and since the American Farm Bill was a factor before the last set of meetings, can he tell us what he has achieved through his close contact with the American administration? Can he tell us what he has given away in return to the Americans for having participated in their farm program and allowing our price of grain to drop?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Europeans have increased production dramatically in that part of the world through very large subsidies. It is causing problems as far as trade is concerned in many other agricultural products besides wheat. It is causing problems in beef, dairy products, sugar-beets, and many other areas. We have raised those kinds of concerns on a larger scale. We raised those concerns almost a year ago when we saw the prospects of what the U.S. Farm Bill could eventually produce. We have been aware of this and have been raising those concerns, as have other countries around the world.

We believe the best way of being able to have an ongoing discussion with the Americans, as with everybody else, is to do it in a firm fashion, pointing out some of our major problems without at the same time being insulting with them, which was the case with the previous Government on too many occasions.

COMPETITIVENESS OF CANADIAN FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Since the Europeans are now locked in a discussion of whether the price of wheat should go up 3 per cent or 6 per cent at the farm gate, and since the Americans are expecting the equivalent of something over $6 Canadian to their farmers, what is it that the Government is proposing to do to keep Canada's farmers competitive? We cannot compete with $3 wheat against $6 and higher. What are you going to do to make certain that we remain competitive as producers, given this world situation?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we addressed this question previously. We have the Western Grain Stabilization Act that pumped some money—

An Hon. Member: We had it last year.

Mr. Mayer: That is right, we did have it last year, and he should know that the President of the Saskatchewan Wheat Board said last year that without federal government spending in agriculture in the West the total amount of money that farmers had would have been in a net deficit position, so at least somebody from his own province is willing to give the federal Government some credit for the spending that has been going into agriculture.

* * *

[*Translation*]

AIR SAFETY

MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport, and to paraphrase the Hon. Member for Bow River, the most ineffective one Canada has ever had.

How does the Minister intend to explain to the Canadian people, after all the assurances he gave following the Air India incident, why security at Canadian airports is still so lax, as was very aptly demonstrated the other day by two CBC journalists?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the matter to which the Hon. Member has referred is being investigated. It would appear on the surface, at least, that there was a breach of security and I am certainly not going to deny that. A number of measures have been and will be implemented. To be specific with regard to the security screening, we are planning to introduce new standards for security screening personnel, and a new comprehensive training program. We plan to step up the monitoring as well. My colleague, the Solicitor General, and myself are in the process of preparing a joint memo to Cabinet which will provide for an enhancement of the security program at all Canadian airports, and that should cover the whole gambit.

Mr. Ouellet: Mr. Speaker, the good word of the Minister is no longer enough.

• (1440)

REQUEST THAT SECURITY PROCEDURES BE CHANGED

Hon. André Ouellet (Papineau): The Minister told us the exact same thing 10 months ago. Will he intervene now and settle the strike that is taking place in Montreal by the security agents? Will he change immediately the security procedures at all Canadian airports, not just with words but with action right away?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the issue of the strike of the security people at the airports in Montreal is being handled very capably by my colleague, the Minister of Labour. It is under mediation.

As far as the other suggestion that the Hon. Member has advanced is concerned, we are taking that into consideration. I am planning to call the executives of the airlines to Ottawa to discuss what steps might be taken, to discuss this particular issue that has arisen, and to see whether we can take immediate steps to tighten up security further at all airports.

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[*Translation*]

SOCIAL SECURITY

PREOCCUPATION OF WOMEN CONCERNING SOCIAL PROGRAMS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister and relates to women's concerns about social programs, especially the Government's review of universal programs. Will the Prime Minister give Canadian women the assurance that this review will be a fully open one and that it will include improvements to universal programs, not just cutbacks?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to reply to the Hon. Member since she has referred to the reference in the Budget regarding social policy review. I know that some of my colleagues, including the Minister of Finance, the Minister of Employment and Immigration and others, have been meeting with groups which pertain to their Departments. That is just beginning.

I want to assure her that, from the perspective of women and the issues that concern them very deeply, that open review and our association and collaboration with them will continue. I appreciate the comments she made.

NATIONAL ACTION COMMITTEE RECOMMENDATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Will he respond to the recommendation made by the National Action Committee that, in order to ensure the full participation of women's groups in their particular concerns about universality, there be adequate funding to allow groups to prepare detailed briefs as was done for the equality review?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I cannot commit myself to that request on the floor of the House. It would also fall largely within the responsibility of the Minister responsible for the Status of Women. However, if there is a request, obviously it will receive our respective considerations.

* * *

ENERGY

FUNDING OF HUSKY HEAVY OIL UPGRADER PROJECT

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, energy and the security of supply are a major concern for all Canadians. My question is directed to the Minister of Energy, Mines and Resources. I understand that there have been some very positive results from her meeting yesterday with the representatives of Husky Oil and the Governments of Alberta and Saskatchewan. Is the Minister prepared to tell the House the results of that meeting?

Some Hon. Members: Hear, hear!

Mr. Speaker: Briefly.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, certainly we on this side of the House are proud that we are the first federal Government to put real money on the table for the Husky upgrader. At our meetings yesterday we did agree with the company and the

two Provinces of Saskatchewan and Alberta to pick up, on a shared cost basis, the cost of completing the preconstruction engineering phase, which is about $90 million, of the upgrader. I believe it shows our commitment to security of supply at a time when energy prices are very chaotic. It shows our commitment to the industry at a time when other investment plans are on hold.

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[*Translation*]

LABOUR RELATIONS

SECURITY AGENTS' STRIKE AT MONTREAL AIRPORTS—REQUEST THAT MINISTER INTERVENE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr.Speaker, my question is directed to the Minister of Transport. I think the Minister will agree, as some journalists proved yesterday on the program *Le Point* on the French CBC network, that security for passengers at Dorval and Mirabel is inadequate. Is the Minister prepared to intervene right away in the security agents' dispute, to ensure that these people are given fair treatment and also to ensure passenger security? Is he prepared to do something today?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I want to inform the Hon. Member that there is a mediator in place—

Mr. Benjamin: Not the one you said.

Mr. McKnight: I am sorry. The Hon. Member has drawn to my attention that I said mediator Doucet yesterday. It is mediator St. Hilaire who is in place. I want to inform the Hon. Member that at this time the mediator has, through his good offices, put forward a proposal from the company to the union which the union is now considering.

[*Translation*]

REQUEST THAT MINISTER INTERVENE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I have a supplementary, Mr. Speaker. The correction made to the Minister's reply clearly shows he is not well informed on the subject.

Would the Minister who just answered or the Minister of Transport be willing to meet with employee representatives who are here today, in order to settle this dispute? Is one of the two gentlemen capable of acting responsibly and meeting with these people in order to settle the dispute and thus safeguard the security of passengers at Dorval and Mirabel?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member realizes that collective bargaining takes place between two parties—the employer, and the employees represented by the bargaining units. I suggest that the Hon. Member wants the Government to intervene in the collective bargaining process.

An Hon. Member: What about security?

Mr. McKnight: We are here to assist both parties and we are available at any time to mediate and use the offices of Labour Canada to assist both parties in coming to a mutually agreeable understanding that can put people back to work and provide the security about which the Hon. Member is concerned.

* * *

ENERGY

OIL PRICES—REQUEST FOR NEGOTIATION OF FLOOR PRICE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Tommy Douglas once said that in the past, when the so-called market failed western Canadians, western Canadians did not hestitate to use other instruments like co-operatives or the power of the state to turn a dust bowl into a modern economy. If the Minister really wants to help the industry in western Canada why does she not negotiate a made-in-Canada floor price for western Canadian oil producers?

Mr. McDermid: Nobody wants it but you.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I want to point out that the late Tommy Douglas was also able to participate in the private sector as a director of Husky Oil, so he certainly believed in the free market sector for the oil and gas industry.

VIEWS OF SASKATCHEWAN PREMIER

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, Premier Devine of Saskatchewan said in his nomination meeting, and later in Toronto, that he favoured a $15 U.S. floor price for oil. Did Mr. Devine put forward that view at the meeting and, if so, why did the Minister not listen?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to have this opportunity to report to the Member and the House that we had very fruitful meetings yesterday with the three western provinces. Our discussions included eleven Ministers and one Premier and we were able to examine some of the current problems facing the oil and gas industry in some detail.

Mr. Waddell: Did Devine put that question?

Miss Carney: As the Hon. Member knows, the various mechanisms available to Governments at any level have different impacts on different provinces. We are trying to work

together in a co-ordinated fashion to ensure that any approach we take is the most effective.

I can just add, Mr. Speaker—

Some Hon. Members: Order.

Miss Carney: —at no time has Premier Devine or anyone else asked for a floor price for oil.

HUSKY HEAVY OIL UPGRADER PROJECT

Mr. Jack Shields (Athabasca): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Recognizing that the agreement signed yesterday on the Husky upgrader should be applauded by all Members in the House, when will the final decision for the construction of the project be taken? What is the time frame, and what is the target date?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank my colleagues in the Alberta caucus for their strong support and their many recommendations to me both in the matter of the Husky upgrader and energy policy.

We will make the decision on the construction phase of the Husky upgrader later this fall when, hopefully, the oil pricing situation is clarified.

* * *

• (1450)

AIRPORTS

ST. JOHN'S NFLD.—FACILITIES AVAILABLE TO HANDLE AIR CANADA INTERNATIONAL FLIGHTS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Air Canada has informed the Departments of Immigration, Customs and Excise, and Transport that in order to meet existing regulations Air Canada will have to off-load, in stages, Newfoundland-bound passengers from its international flights because a security area big enough does not exist at St. John's airport to handle even the domestic travellers at peak periods.

Why did the Minister inform the President of Air Canada on March 26 that the space and facilities are available at St. John's airport when Air Canada says that they are not? Or was the Minister talking about the great outdoors?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, on the basis of the anticipated passenger traffic, the Minister of National Revenue has indicated that there are adequate facilities to handle that traffic. The Hon. Member is talking about planeloads of 200 to 230 passengers when, in fact, Air Canada is talking about planeloads of anywhere from 60 to 120 passengers.

OBJECTIONS TO TRANSFER OF FLIGHTS FROM GANDER

Mr. George Baker (Gander—Twillingate): Mr. Speaker, because there is no adequate security area, over 200 passengers on a L-1011 using this service, because of fog or mechanical problems, would be held captive aboard the aircraft.

Will the Minister confirm or deny—and he'd better not deny it—

Some Hon. Members: Oh, oh!

Mr. Baker: —the existence of a policy letter dated December 17 from Customs and Immigration to the Minister's Department which lists serious objections to the transfer of flights to St. John's? Will he explain to the House how he can ignore serious objections such as this?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I said to the Hon. Member yesterday, I did consult with my Cabinet colleagues, the Minister of National Revenue, the Minister of Agriculture, and the Minister of Immigration, and all three Ministers responded in the affirmative that accommodation could be made. That is the letter that stands, not the letter to which the Hon. Member refers.

* * *

ENERGY

REQUEST FOR OIL PRICE STABILIZATION PLAN

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister will be well aware that unless some immediate action is taken, eventually the only players left in the Western Basin will be the large integrated multinational oil companies. What action has the Minister taken other than a study of the situation in order to respond to the request by the 100 Canadian independents who have asked for a price stabilization plan?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we have already taken significant and historic action in the signing of the Western Accord with the provinces, which removed billions of dollars of taxload from the very producers about which the Hon. Member speaks. I would like to remind the House that under the Liberal program there were about 530 companies paying the PGRT. Only 70 companies are now left paying this tax. That is what we have done for the oil and gas industry.

Mr. Speaker: Supplementary question.

Mr. Riis: Mr. Speaker, the Minister and the Government will know that unless some action is taken we will see literally thousands of jobs lost in the oil industry alone in western Canada. Last night we found out that we will be hammering

the farmers a little bit longer. Where are the 59 western Tory Members who have the courage to stand up and say that what the Government is doing in terms of the wheat pricing—

Mr. Speaker: Order, please. That is not a question. The Hon. Member for Argenteuil—Papineau (Mrs. Bourgault).

* * *

[*Translation*]

LABOUR RELATIONS

SECURITY AGENTS' CONTRACTS AT DORVAL AND MIRABEL AIRPORTS—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I wish to ask the Minister of Transport a supplementary question to the one I directed to the Minister of Labour yesterday.

Mr. Speaker, since Radio-Canada proved yesterday that security at Dorval and Mirabel airports is seriously lacking, can the Minister tell us whether he intends to ask for the security agency's contract cancellation and call for public tenders, making sure this time that the contract will compel bidders to abide by the provincial decree on security agents?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can inform the Hon. Member, as I have informed another Member of the House, that at the present time an offer has been put forward by the company to the union. The union is presently looking at that offer. The collective bargaining process will continue. Labour Canada and mediator St. Hilaire are there to assist. The Hon. Member referred yesterday to a provincial decree which does not have anything to do with the collective bargaining process as it impacts on federal jurisdiction.

* * *

ENERGY

FEDERAL-PROVINCIAL TALKS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Canada Petroleum Association has predicted that this year $2.2 billion less will be spent in the energy sector and that 18,000 people will lose their jobs. Why is it that after 12 hours of talks with her provincial counterparts the Government could agree only to have more talks?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member's statement is entirely false. We agreed on the financing of the pre-construction engineering of the Husky upgrader, something which was merely a campaign promise in a leadership race under the former Liberal Government. It took hours of numbers crunching to come up with that project. We spent hours discussing all the various mechanisms we can use to aid the industry.

I can also add that we reviewed the terrific progress which the industry has made since the signing of the Western Accord, with a 15 per cent increase in employment, billions of dollars in new investment, which had been put at risk?—

Some Hon. Members: Oh, oh!

Mr. Waddell: Get serious!

Mr. Speaker: Order, please. Supplementary question.

EXPENDITURE OF FUNDS ON HEAVY OIL UPGRADER PROJECT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the money which the Government put toward the Husky upgrader was to pay for past development engineering and not future.

Mr. Shields: That's a lie.

Mr. MacLellan: Will the Government table the invoices with respect to the expenditures for which this money will be placed? Will the Government do this in order to give us some indication of where it will go? We want future energy development, not past debts paid.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, my Department would be glad to assist the Hon. Member in researching his questions so that he can work from an appropriate data base.

This work will be done from now until January, 1987. I do not see how the Hon. Member can possibly suggest that the work which will be done from April until at least Janaury, 1987, is work which has been done in the past.

* * *

AIRPORTS

SECURITY—GOVERNMENT MEASURES

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is for the Minister of Transport. In spite of, or because of, the ability of a Radio-Canada reporter to breach security at both Dorval and Mirabel Airports, will the Minister decide to carry out the responsibility of the Ministry of Transport and take over all airport security, not leaving it up to the airline companies to do it on the cheap, which companies hire untrained scabs to carry out security at Mirabel and Dorval?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I wish to assure the Hon. Member that I take the situation very seriously. As I indicated earlier, we are taking

steps to upgrade the standards of the security screening staff. We are also taking steps to improve the comprehensive training program. Yes, I am even considering the suggestion to which the Hon. Member refers.

WAGES OF BAGGAGE INSPECTORS

Mr. Les Benjamin (Regina West): Mr. Speaker, in view of the fact that commissionaires issuing parking tickets at the parking lots at Dorval and Mirabel Airsports are paid over $6 an hour and the security screeners are paid around $4 an hour, will the Minister give greater priority to those who screen passengers, baggage, and hand luggage, over those who issue parking tickets?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated in an earlier answer, the Solicitor General and I are developing a comprehensive enhanced security program for all airports which will cover the longer term. In the immediate term there are some measures which we are implementing. We are improving the system all the time.

I want to assure the Hon. Member that I will be calling in representatives of the airlines next week, as well as representatives of Burns Security Services and other security agencies, to see what steps might be implemented to address this very serious problem.

* * *

EXTERNAL AFFAIRS

UNITED STATES—REPORT OF ACTION CONTEMPLATED AGAINST LIBYA

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is for the Prime Minister. Recent information, as recent as two hours ago, suggests that the United States may be contemplating a military strike against Libya. While we are all desperately concerned about terrorism, will the Government express its concerns to the U.S. administration about the dangers inherent in escalating any military action in the Mediterranean at this time?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the American Government is well aware of the dangers indeed in escalating any action in that area or elsewhere. The American Government and others are growing progressively concerned about the irresponsible and criminal misconduct of some agents of countries which appear to be giving succour to terrorism and terrorist activity, which is reprehensible and completely unacceptable to Canada and every other civilized country.

POINTS OF ORDER

STATEMENT BY MINISTER

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, in answer to my question during Question Period, the Minister of Energy, Mines and Resources (Miss Carney) appeared to be inadvertently cut off by the Speaker when she replied that at no time did Premier Devine ask us for a floor price for oil. I wanted to make sure that that was not lost from the *Hansard* record.

Mr. Speaker: Order, please.

UNPARLIAMENTARY LANGUAGE—WITHDRAWAL

Mr. Jack Shields (Athabasca): Mr. Speaker, during Question Period the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) was questioning the Minister of Energy, Mines and Resources (Miss Carney) and I inadvertently blurted out that that was a lie. I want to assure the House that I have too much respect for that Hon. Member ever to accuse him of lying, and I would like to withdraw that.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the government responses to petitions Nos. 331-12 and 331-13.

* * *

BORROWING AUTHORITY

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-99, an Act to provide borrowing authority, in both official languages.

* * *

PETITIONS

DROUGHT ASSISTANCE PROGRAMS

Mr. Albert Cooper (Peace River): Mr. Speaker, I have the pleasure to table a petition on behalf of a number of my

constituents from the Dixonville area regarding the drought assistance programs for farmers in the Peace country.

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Murray Cardiff (Huron—Bruce): Mr. Speaker, I have the duty and honour to present a petition signed by residents of the riding of Huron—Bruce protesting continued operation of the Morgentaler clinic in violation of Section 251 of the Criminal Code.

Mr. Speaker: Would all those who are not presenting petitions please sit down or go somewhere else?

USE OF PENSION INCOME IN CALCULATING UIC BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and honour to present petitions from the Dartmouth-Halifax area in Nova Scotia, from Sydney, Nova Scotia, and from Lively, Ontario. All of these petitions protest the changes to the Unemployment Insurance Act with respect to pension income being used as earned income for the calculation of benefits. All these petitioners protest and ask Parliament to withdraw the iniquitous provision in the Unemployment Insurance Act.

GASOLINE PRICES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from hundreds of people of my riding who call upon the Government to make sure that the consumer receives the benefit of lower oil prices at the pump.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I continue to submit petitions reflecting the absence of a creative youth policy on the part of the Government and I have 450 signatures protesting again the cancellation of Katimavik. The petitioners come from Sir Wilfrid Laurier University, Newfoundland, Victoria, Windsor, Saskatoon and Nova Scotia.

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is my honour to present another petition signed by 34 residents of the National Capital Regional who are very much opposed to the National Capital Commission's proposal to turn the Mile Circle into an embassy row. They indicate that Mile Circle was designated in 1925 by the Ottawa Improvement Commission as a national park and they are very much opposed to this change.

[*Translation*]

REQUEST FOR NEW ASBESTOS POLICY

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I have here four petitions from my riding.

The first one bears the signatures of Danville residents urging the Government to restore the kind of climate that should exist with respect to the use of a major natural resource, asbestos.

I have another petition signed by a group of people from Asbestos in my riding. Most of them are asbestos workers and they too urge the Government to implement a policy with a view to promoting the use of asbestos in the safest way possible.

Mr. Speaker, I have another petition signed by residents of Richmond in my riding. They want the Government to come up with a good, strong and worthwhile asbestos policy.

[*English*]

ASSESSMENT OF CN MAINTENANCE FACILITIES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, once again I have the honour and privilege of presenting a petition signed by constituents in the federal ridings of Westmorland—Kent and Moncton expressing concern for the future of the CN shops and concern that the assessment is taking a great deal of time. They are very worried about the ramifications of that assessment on the economy of New Brunswick.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 530 and 532.

[*Text*]

FUNDING OF WILDLIFE INTERPRETATION CENTRES

Question No. 530—**Mr. Caccia:**

1. What amounts of federal, provincial and other funds are required to operate the Wildlife Interpretation Centre (a) Creston Valley, British Columbia (b) Prairie, Webb, Saskatchewan (c) Wye Marsh near Midland, Ontario (d) Cap Tourmente near Québec City (e) Percé on the Gaspé Peninsula in Québec?

2. Is any other funding involved and, if so, from what sources?

3. How does the budget for 1985-86 for each Centre compare with the budget for 1984-85 and the estimates for 1986-87?

4. How does the number of federal employees for 1985-86 at each Centre compare with staffing levels for 1984-85, and those anticipated for 1986-87?

5. How many volunteer staff were required in 1985-86 at each Centre and how do these figures compare with the number of volunteers used in 1984-85 and those anticipated in 1986-87?

Hon. Tom McMillan (Minister of the Environment):

1. The costs to the federal Government for the running of the five Wildlife Interpretation Centres during the fiscal year 1986-87 are the following:

	Federal	Provincial	Other
1986-87			
Creston	$ 25,000 (operating funds)	$ 25,000	None
Webb	$ 75,000 (operating funds); plus $ 25,000 (Maintenance for building and parking)	up to $ 10,000	None
Wye	$ 125,000 (loan) plus $ 35,000 (maintenance)	None	Not available
Cap Tourmente	$ 12,000 (maintenance)	None	Not available
Percé	None	Not available	None

2. Yes. Creston—Province of British Columbia (through Creston Valley Wildlife Management Authority). Webb—Province of Saskatchewan and admission fees. Wye—Volunteer contributions and admission fees. Cap Tourmente—Admission fees. Percé—Province of Quebec.

3. The following figures include federal funds only.

Financial Year	1984-85	1985-86	1986-87 (estimated)
Creston	$ 133,000	$ 25,000	$ 25,000
Webb	$ 217,000	$ 90,000	$ 100,000
Wye	$ 282,000	$ 423,000[1]	$ 160,000[2]
Cap Tourmente	$ 185,000	up to $ 85,000[3]	$ 12,000
Percé	$ 158,000	$ 3,000	None

Legend

1. Includes $ 200,000 grant + $ 175,000 loan
2. Includes $ 125,000 loan
3. Includes up to $ 73,000 loan

4. Federal employees employed in the Wildlife Interpretation Centres number as follows:

Financial Year	1984-85	1985-86	1986-87
Creston	7	None	None
Webb	12	None	None
Wye	16	2 *	1 *
Cap Tourmente	10	None	None
Percé	9	3 *	3 *

*The Department of the Environment has lent in 1985-86 and will lend in the 1986-87 these employees to provide expertise and knowledge but receives reimbursement of their salary for services rendered.

5. The Department of the Environment did not keep records of volunteer staff in 1984-85 and has no access to records for 1985-86 or predictions for 1986-87.

HON. JEAN MARCHAND

Question No. 532—**Mr. Blaikie:**

Were any benefits granted to the Hon. Jean Marchand on the termination of his tenure as Chairman of the Canadian Transport Commission and, if so, what was the (a) amount of any cash settlement (b) timing and amount of any subsequent cash compensation paid or payable as part of the arrangement (c) nature and value of any non-pecuniary compensation agreed to?

Hon. Don Mazankowski (Minister of Transport): The Canadian Transport Commission has been advised that it is not the pratice of the Treasury Board to reveal details of separation settlements. It is the policy of the Treasury Board, however, that separation payments may not exceed two years' salary, with the precise amounts varying according to the circumstances of the separation, the age of the individual, length of service, and likely difficulty in securing re-employment. Each case is considered by the Treasury Board.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker if questions Nos. 508 and 531 could be made orders for return, the returns would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that questions Nos. 508 and 531 be deemed to have been made orders for return?

Some Hon. Members: Agreed.

[*Text*]

FUNDING FOR POULTRY RESEARCH

Question No. 508—**Mr. Althouse:**

1. In (a) 1982-83 (b) 1983-84 (c) 1984-85 (d) 185-86, what funding was supplied for poultry research at the (i) Kintwill, Nova Scotai (ii) Agassiz, British Columbia (iii) Ottawa, Ontario facilities of the Department of Agriculture?

2. In each case, how much funding (a) was supplied by (i) the federal Government (ii) provincial Governments (iii) private industry (b) is projected for projected for 1986-87 by each?

3. (1) In (a) 1982-83 (b) 1983-84 (c) 1984-85 (d) 1985-86, how many (i) professional (ii) non-professional person-years were involved in poultry research of each of the three facilities?

3. (2) What is the forecast (a) professional (b) non-professional person-years for 1986-87?

4. (1) In (a) 1982-83 (b) 1983-84 (c) 1984-85 (d) 1985-86, what poultry research projects were completed?

4. (2) What projects are (a) currently under way (b) forecast for each of the facilities in 1986-87?

5. Is it the Government's intention to maintain, for the next five years, the current levels of federal funding for the current number of both professional and non-prosessional person-years at each of the poultry research facilities in Kentvill, N.S., at Agassix, B.C. and at Ottawa, Ont.?

Return tabled.

AGREEMENTS WITH CHARTERED ACCOUNTING FIRMS

Question No. 531—**Mr. Boudria:**

Between September 17, 1984 and December 31, 1985, how many contracts or agreements were entered into by the Government with chartered accounting firms and, in each case, what was the (a) name of the firm (b) length of the agreement (c) total cost?

Return tabled.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: Before going to Motions for Papers, I am in receipt of two applications under Standing Order 29. I am prepared to deal with them in the order in which they were received although they are similar.

* * *

MOTIONS TO ADJOURN UNDER S.O. 29

GRAIN PRICING—DECISION BY MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as Your Honour knows, earlier today I sent you notice of my intention to move, under the provisions of Standing Order 29, a motion for an emergency debate, if you should decide that the circumstances cited in my notice warrant that conclusion.

Briefly stated, my reasons for making this appeal are as follows: Yesterday, the Minister responsible for the Wheat Board (Mr. Mayer) made a decision affecting the pricing of grain in Canada which will take some $1 billion out of the income of prairie farmers. This is coming on top of a situation in which 40,000 farmers are already on the verge of bankruptcy. Such circumstances are leading to a virtually zero income for prairie farmers this year. Our conclusion from this is that if anything constitutes the grounds for an emergency debate, this is it.

GRAIN—LOWER WORLD PRICES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as you know, we have also given to you notice of a similar motion that we believe demands an emergency debate.

The reasons we have put forward include not only the severe economic impact this matter would have upon the farming community, but the failure of the Government to come to grips with this situation with the United States administration to work out a reasonable solution allowing a proper agreement among the export-producing countries to resolve the problem of increasingly lower grain prices around the world and therefore the threat of major bankruptcies in the western Canadian farm economy.

• (1510)

Sir, we hope you will consider this motion a matter of deep urgency which requires immediate action.

Mr. Speaker: Both the Hon. Member for Oshawa (Mr. Broadbent) and the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) gave me the required notice of their applications for an emergency debate under Standing Order 29. Since they in effect deal with the same subject, I propose to rule on them together.

The House will know that the Special Committee on Reform of the House of Commons, and the Government in its response to that report, had something substantial to say concerning the Speaker's role in exercising the responsibilities of the Chair under Standing Order 29 and what the Chair should or should not say with regard to applications. Therefore, I am not yet persuaded that the circumstances set out by the Hon. Members in their applications establish the existence of a genuine emergency calling for immediate debate, as envisaged by the Standing Order. In my view, therefore, the applications do not meet the requirements of the Standing Order and I must rule accordingly.

* * *

[*Translation*]

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all notices of motions for the production of papers stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: Shall all notices of motions for the production of papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 8, consideration of the motion of Mr. Côté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I decided to participate in the debate today because we on this side of the House, in this quarter of the House, are concerned with the increasing concentration of corporate power in Canada. We relate that concern to the provisions of

the Bill and to recent events in the country which are escalating the takeover fever.

In general terms we support the thrust of Bill C-91. We are glad that the Government has finally brought in legislation. A lot of work has already been done. The Hon. Member for Papineau (Mr. Ouellet) initiated the process of consultation which brought together whatever consensus there may be between business and Government as to the provisions of the Bill. He also initiated thorough consultations with consumer groups across the country.

The former Bill was Bill C-29, presented by Judy Erola when she was the Minister and the Member of Parliament for Nickle Belt. The Bill died on the Order Paper. The subject has been kicking around for years. I am told that the provisions of this Bill have mustered and mobilized business support, particularly from the Business Council on National Issues. However, I believe, and I am advised, that insufficient consumer consultation may have preceded its introduction.

The Hon. Member for Papineau, the Hon. Member for Trinity (Miss Nicholson) and other Members have explored what we believe are some of the deficiencies in the Bill, and we will be presenting the appropriate amendments at the appropriate time. However, I should like to draw to the attention of the House, and indeed the country, our submission that the merger provision is not strong enough. The competition tribunal set forth in the Bill—while it sets up a so-called independent tribunal—may be an advance, but we do not believe that the tribunal will be properly served by part-time members. We believe that the expertise and the burden on the tribunal will demand full-time attention, both in terms of developing the expertise and retaining it and in terms of dealing with the cases which will come before it. There are no criteria for membership set forth in the Bill. There is no review by the House of Commons of the appointments. I suspect that this will be yet another field for random, wide open and rampant patronage.

Bill C-91 is a watering down of Bill C-29. Under the former Bill, the merger criteria involved what in effect was a 12-point test. Now there are only six criteria involved in the merger provision. For instance, the present Government has eliminated the past anti-competition activity factor. It has eliminated the innovation in market factor. The economic efficiency defence is now based solely on the achievement of the economic efficiency of the company in question, not on the benefit of savings to the consumer as was formerly the case. When one analyses the present Bill, one realizes that the Government relies primarily on, using the words of the Bill, "the extent to which effective competition remains". I refer to Section 65(1)(E). After the merger there is absolutely no definition of what the word "effective" means. It could be anything; we do not know. Presumably it is being left to interpretation by the competition tribunal as that tribunal eventually defines it.

Let us look at the provision relating to an abuse of dominant position where a giant corporation squeezes its competitors with non-compatible products, for instance. Under the Bill, the Crown must prove intent to abuse. That is almost impossible to prove, as the courts have illustrated in cases up to this point. I suppose the timing of the introduction of the Bill, long as it has taken to introduce it in the House, is coincidental. We have the Gulf-Hiram Walker takeover which is currently before the courts and before the scrutiny of shareholders. We have the Imasco-Genstar takeover, and we have witnessed an escalating takeover fever in the last number of months resulting in, we believe, an over-concentration of corporate power in Canada.

[*Translation*]

In its discussions across the country, the Government claims that we Canadians need big multinationals in Canada to compete with the big foreign multinationals. There may be some validity to this argument. We must have companies that are powerful enough and vigorous enough to respond to initiatives here on the Canadian market and on international markets, but in my view, recent takeovers do not support this argument. And if we analyse competition in Japan, in newly industrialized countries and even in Europe and the United States, we see a pretty clear movement towards the decentralizing of specific units where product quality can be ensured. Quality becomes the main factor in world markets, along with price, precision and especially customer service. And all these factors are just as important as the products themselves.

Takeovers by increasingly larger corporations are at odds with the principle of better quality through more defined units. And a number of questions arise in connection with recent takeovers: Where are the new jobs? Has the efficiency of both companies improved after the merger? Has competition really improved in Canada? Will Canadian technology be better off?

[*English*]

We have, incidentally, in a companion piece of legislation before the House a Bill which purports to relate to our financial institutions. I refer to a situation which is now before the Government. I speak of the attempted takeover by Imasco of Genstar. That takeover is being attempted in the face of a unanimous finance committee report of the House of Commons several months ago which protested and gave as a recommendation to the Government that a takeover by a non-financial institution of a financial institution be prohibited. That provision was reinforced last Monday night by the finance committee, again unanimously. It adopted a resolution adverse to the potential takeover of Genstar by Imasco. Why is this, Sir? I believe most Members of the House are concerned that a takeover by a non-financial institution of a financial institution is not in the best interests of the country. A financial institution so controlled can block or divert loans from competitors or to competitive allies. It can control cash flow. There is the temptation for self dealing that was only too apparent during the crisis three years ago in Ontario involving Greymac and other trust companies. Fundamental to our objections is the fact that the interests of the depositors are not necessarily going to be paramount where there is a conflict of interest in holding and where the shareholders in their co-

related and blended interests will take precedence over the depositors.

• (1520)

I venture to say, although there has not been too much public debate in the business community, that about 90 per cent of the businessmen and women in Canada, if you were to ask them privately in person, are disturbed by the growing concentration of economic and financial power in Canada. I think if you were to put the question personally they would admit that they are disturbed that more and more assets are winding up in fewer and fewer hands.

Some businessmen have been courageous enough to speak out. I refer to a recent article in *Maclean's* magazine by Peter Newman. He interviewed Bernard Ghert of Cadillac-Fairview. Mr. Ghert in response to Mr. Newman's inquiry said:

When one entity is both a creditor and an owner of equity in a company, there is an obvious conflict of interest.

I regret to say that as this escalation in concentration has proceeded with an increasing corporate temperature the Government has turned a blind eye to it, and I do not believe that it is good for the country. I believe the advantage of widely held corporate institutions by thousands of shareholders gives Canadians a proprietary interest in equity terms in the future of our country. I think it gives people a stake, either through pension funds or through individual holdings in the future of Canada. As those opportunities for investment are diminished by this concentration, fewer and fewer Canadians will find a legitimate outlet for investment in their own country through the private enterprise available.

I want to add too that if these companies are privately held in larger and larger units, then the public has less and less ability to scrutinize the affairs of those domains that have a wider and wider purview over average Canadian life.

I believe also, in terms of the phenomenon of power, that too much concentration of economic power lends itself to abuse in terms of attempted use of political power. I would think this House should turn its mind to this issue. I believe the House would also want to review some of the amendments we intend to propose to see whether this vogue, this wave of takeovers, can somehow be controlled.

[*Translation*]

There is another phenomenon, the concentration of economic power in a few large cities in Canada, and I believe, and I submit to the House, that this is to the detriment of other regions in Canada. Such concentration will have repercussions on regional development policies, and management of these large corporations will drift farther and farther away from the small communities of this country.

Less competition has a number of immediate effects. Without competition, the pressure for lower prices diminishes. Without competition, there is no longer the same drive to offer a quality product. Without competition, consumers have a narrower range to choose from. Without competition, the number of information sources we have is reduced. Without competition, consumer power drops and corporate power increases. And Canadian consumers are the losers.

[*English*]

The more concentration we have, the fewer outlets consumers will have. There used to be hundreds of opportunities in various businesses in various industries in Canada. Now those opportunities, those channels of choice are being narrowed. The number of brands is being reduced. There are reduced options for the consumer. There is a continued squeeze on small companies. There is more and more temptation on behalf of these larger units to indulge in predatory pricing or restraint in trade at the expense of independent Canadian small business.

We recognize, Mr. Speaker, that this issue has to be dealt with in a balanced way. There has been study after study. The economic council has looked at it, as well as the C.D. Howe Research Institute, and you can name the provincial and federal governments that have tried to deal with the issue. There has to be a balance between our ability as Canadians to compete internationally and the protection of our smaller businesses, particularly the Canadian consumer.

I had the honour under Mr. Pearson, when he was Prime Minister of our country, to be the first Minister of Consumer and Corporate Affairs.

Mr. Orlikow: Why didn't you bring in some legislation?

Mr. Turner (Vancouver Quadra): We brought in a lot of legislation. I want to say this to my friend from Winnipeg, that shortly after we set up the Department, got it moving and got it into operation, we had a change in leadership of the Party and the next Prime Minister elevated me to a different portfolio, otherwise I would have considered my interest in the consumer and the four rights of the consumer at that time. They were the right to choose, the right to be informed, the right to complain and the right to receive an answer. Those were the fundamental rights of the consumer at that time, and I doubt very much whether in this current piece of legislation or under the current philosophy of the Government that those rights are paramount.

What has happened under the *laissez-faire* attitude of this Government when it comes to corporate concentration? We now have an open season for the corporate raider. We have an open season for the asset hunter. We have an open season for those who wish to acquire assets as a short-cut to building a business and to building jobs.

As I said, I am particularly concerned with the impact of the phenomenom on small business. The bulk of jobs in small business give us the bulk of our new employment. Most employees of small business are women. Most of the opportunities for our young people will be found either in entrepreneurial opportunities in small business or by being hired by smaller business.

We can examine a lot of examples of over-concentration. I do not want to over-indulge myself at the expense of the House, but let us take the food and retail business. Every amalgamation, every merger makes entry of new business much more difficult. The giants control the price, the labels, the quality, the distribution network and the supply. Small business cannot compete with these giants in this particular theatre. More and more of the corner drugstores, the smaller enterprises and family stores are being closed across the country. Is that an advantage, Mr. Speaker? There are two sides to the question, but I think the loss in personal service and the loss in family proprietorship is not a net gain for the country. We will have more and more giants, fewer and fewer independent businesses able to compete, fewer jobs and more commercial bankruptcies.

I think, of course, the most important impact is on the consumer. If we take the recent situation in oil prices and compare the American experience with the Canadian experience, it illustrates quite clearly what I am trying to say to the House. Because of the diffuse nature of the United States oil industry, because of the intense competition, because of the multiplicity of refining capacity, when world oil prices went down world-wide, the American consumer got a far more immediate benefit than the Canadian consumer because competition was allowed to play. Here in this country we have only four major refineries. We have Esso, or Imperial Oil, we have Gulf, Texaco and Petro-Canada. Because of that concentration, I believe the Canadian consumer did not get the same benefit in lower prices as did the American consumer.

Concentration of power gives corporations more control over the pricing mechanism. I do not subscribe at all to the thesis of John Kenneth Galbraith that prices are uniquely in the hands of corporations. However, there is no doubt that the fewer the competitors, the less mobile and less flexible the pricing structure.

• (1530)

I believe, as does my caucus, and I believe the vast membership of the Liberal Party, that the pendulum has swung too far. We believe that there is now a concentration of economic power for the sake of concentration, maybe even for the sake of massaging a few egos, and maybe even for the sake of enjoying paper transactions at the expense of building business and the country. That concentration is benefiting fewer and fewer people at the expense of more and more Canadians.

I sense that this is a growing concern to the average Canadian. I think that our citizenry is beginning to realize that all of these mergers, takeover bids, stock purchases, and buy-outs are not just isolated games being played in corporate board rooms. What is happening will have a real impact on all of our lives. It will impact on the prices that we pay for food, clothes, shelter, books, movies, automobiles, telephones, and transportation, and on the quality and availability of these products.

We believe that any competition policy should have, as its primary focus, the need to protect Canadians from the real damage of over-concentration. We are not against business getting bigger. If a business gets larger because of efficiency, marketing skills, good management and product, that is fine. That builds products, jobs, and Canada's competitive ability. We do not believe that the same result is achieved by the shortcut of mergers and takeovers. We can analyze the net result of every transaction, and in most of these instances we have yet to see the new jobs, new efficiency, so-called synergy, and so-called competitive advantage.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If business in Canada becomes bigger through efficiency, marketing, and a better product in competition with others, that is fair ball, but it should not be done by simply buying out the competition or squeezing it out with unfair practices. The Canadian consumer must be uppermost in the mind of the House.

We believe that this Bill, in its present form, has weighted the argument in favour of the corporate sector to the detriment of the consumer. However, we believe that it is a step forward. With proper amendments, which we intend to submit during the legislative process, we believe that the legislation can be salvaged and, if properly directed, can strike a real blow for Canadians against the overwhelming corporate financial power which is now emerging in Canada.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, I would like to ask the Leader of the Official Opposition several questions.

Mr. Speaker: Order, please. I recognized the Hon. Member for debate.

Mr. Gauthier: You had better read your rules.

Mr. Speaker: It is entirely up to the Right Hon. Leader of the Opposition, but our practice has been that those speakers who have unlimited time have not been subject, under the rules, to the ten-minute question and comment period.

Mr. Turner (Vancouver Quadra): I have known the Hon. Member for a long time. I will hear what he has to say.

Mr. Orlikow: Mr. Speaker, I will ask two questions and will try to keep them brief. I have a list of 22 major takeovers which took place since 1979. Eighteen of them took place while the Liberals formed the Government. Why did they not act then?

Is it not true that the conglomerate takeovers which have occurred, which involve hundreds of millions and billions of dollars, may be very profitable to the shareholders and the executives of the company, but that most of them really do not add a single job or a single new technique to the country? Of what benefit are they to the country?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I tried to address the issue of the benefits. I would want to be satisfied in any individual case that there would be a net gain in jobs, productive capacity, technological capacity, and so on. However, in too many cases the immediate benefit happens to be for the majority shareholder. In many cases, despite reviews by the securities commission, the minority shareholders do not get the amount of leverage they might have. Without trespassing on a current inquiry, I can mention the concern of the Southam shareholders in the transaction with Torstar.

There were a good many takeovers in the years the Hon. Member mentioned. My argument is that the process has been accelerating in recent years. My colleague, the Member for Papineau, brought the issue to a conclusion by presenting an opportunity to strike the parameters of a Bill. Judy Erola brought that Bill into the House. As I understand, it was the intention of Mr. Trudeau's Government to pursue that matter actively. It is true that the problem did not arrive yesterday, but it is escalating and being aggravated. I believe it now needs the attention of the country.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there are, of course, those who will congratulate the Government for having introduced Bill C-91 almost as much as the Government has congratulated itself. I suspect, however, that those who will accord the most enthusiastic congratulations are the friends of the Government.

I believe that this Bill represents another manifestation of the trickle-down theory, or perhaps even the trickle-through theory. Beginning in 1969 there was a flood of attempts at reform of competition policy. Dam after dam was mounted in advance of that flood by big business. After that final barrier presented by the Gang of Five, we have a mere trickle of reform. I suppose it would be too much to say that it is a law against rape written by the rapist. It certainly is the illegitimate child of big business, the former Liberal Government, and the Tories. On the evidence, this Bill has ignored the concerns which would be expressed by consumers, labour, and others who, in the context of the consortium of the two old parties and business, represent the powerless, as all too often those affected are the powerless.

It seems to me that the Liberals protest too much. They propose to support the Bill and have it go to committee where they will do some hand wringing, followed, I am sure, by some Pilate-washing of the hands. This is not unexpected from that Party because it has never claimed an ideological basis upon which it would combat this Bill.

However, one might have expected a little more from the Tories. They are supposed to stand for an idealistic, free enterprise, capitalistic sort of society. However, do they really? Are they really in favour of a free market? Are they really in favour of all the interests of small business which are already ignored by Government action and victimized by banks with preferences for funding the mergers which have been so much a matter of discussion? Are they really in favour of the initiative, creativity, and competitive spirit which small business characterizes, but which has been so ill-supported, or are they in favour of the domestic feudalism and mercantilism which has evolved over recent times and has become of late such a matter of so much concern? Already small business is starved for funds as a result of capital being mobilized, not for creative purposes, new production or new products, but for the aggrandizement of power on the part of a relative few.

• (1540)

We have heard all too often during this debate the allegation that we socialists could not understand the attributes of capitalism which make it so worthy an ideal. The critics claim socialism constitutes centralized, co-equal control of economic and political power. It represents a system not subject to market forces which result in efficiency and creativity. They say that socialism lacks the element in the free enterprise market-place which so inevitably results in socially responsible action on the part of investors. They say that socialism does not provide that risk-taking will be rewarded. Yet we have to ask: Is centralized control by the Reichmanns, the Desmarais, the Bronfmans and the rest of the nine families preferable to state control?

What are the motives of those who are so heavily engaged in acquisitions and mergers? I submit they are nothing more than wealth and power. Power which *The Financial Post* says will inevitably lead to a relatively few families controlling every aspect of Canadian society; a new form of feudalism based on mercantilism which will ultimately lead to social unrest and the destruction of the kind of society in which we live and to which we aspire.

Where is the market-place discipline resulting from competition? What new products have been the result of the activities of the Blacks? Surely the disappearance in substance of Dominion stores does not testify to any benefit to the consumer in communities now left with one supermarket. What price advantages accrue to the consumer when market control means control of prices? What does it mean when the interest paid on borrowed money increases the prices to be paid by the consumer? Where is the social responsiblity involved in the trading games which go on to the benefit of management, whether they win or lose in their merger attempts? What benefit accrues to Windsor if the attempt by Gulf to take over Hiram Walker is successful and Seagram causes the disappearance of this venerable employer noted for its social responsibility and job security for so long? No, there is so much that is wrong.

This Government is really devoted to a free enterprise system which is based on the ideal. The Government adheres to the view expressed so clearly by Conrad Black, that "the traditional ideal of the Canadian private sector being controlled by a numberless horde of proverbial contented widows and orphans and other small investors is contrived nonsense". He goes on to say, and this Government agrees, that "financial baronism is unsentimental and relentless". And, I say, anti-

social and not in the interests of the vast majority of Canadians. I believe this Bill requires further consideration. Therefore I move, seconded by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be not now read a second time but be read a second time this day six months hence.

Mr. Speaker: The motion is in order, therefore the debate is now on the amendment.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise to lead off the portion of the debate dealing with the amendment which will provide greater time for the kind of consultation should have occurred in the drafting of this Bill. It will give six months for the Government to meet with the groups who are really affected, the consumer groups of Canada. It is not big business, which has very successfully negotiated out of this Bill everything with teeth, who needs protection. It is the average Canadian consumer who goes to the corner store or supermarket, who buys a car or a service, who needs protection from the continual consolidation and empire-building we are seeing in this country. Nowhere is that more important than in the smaller communities across this land. People living there do not have the opportunity to go to two or three different supermarkets. They only have one. They are held captive to the pricing and marketing policies of that particular store. There is no competition. We have to give them time to have some input into the drafting of this Bill.

This process, I gather, started in the mid-1960s and was foiled time and time again by the vested interests of the big companies. They believe that free enterprise is the freedom to consolidate, to gobble up their competitors so that they and they alone are able to make decisions. We have seen them all across this land. We have seen company towns which go beyond the paper-mill or mine but do own the company store and the land. In some cases we believe very strongly that they think they own the people. We have to have a Bill which will allow them some kind of say, a Bill which will really provide teeth in our advertising laws so that consumers know exactly what they are getting. Right now only two of the six sectors in the Advertising Act are effective in any way. That certainly does not help the people of this country.

Throughout this debate we have heard from my colleagues who have suggested very strongly that the Bill before us is nothing more than a public relations exercise to try and give the people of Canada the impression that there are going to be new measures to protect them, to ensure that there is fair competition. However, what we have seen elsewhere in the Government should have led us to recognize the truth behind this Bill.

We have the Minister of Transport (Mr. Mazankowski) moving to deregulate transportation; that is, to remove the rules so that Government can no longer direct the operations of our transportation companies. We have, on the other hand, the Minister of Energy, Mines and Resources (Miss Carney) who has moved to take the rules off the game in terms of energy. It should be no surprise to us that we have Bill C-91, which, in effect, does not move to apply new and stronger rules into the operation of companies in this country.

• (1550)

This should not be a surprise as it is consistent with the philosophy of the Conservative Party. They are not prepared to go to bat for those Canadians, the average man and woman throughout this country who looks to the Government for some protection. They want to be protected from that ad that offers them a golden deal, whether it is on a car or on a tape deck or whatever, only to find when they have been enticed down to the store that it is not there, or it is not the way it was said to be. They need that kind of protection. It is the responsibility of Governments, whether at the federal, provincial or municipal level to provide that leadership so we can protect our consumers. We are not necessarily talking about dictating to companies how they conduct their business, but we are talking about ensuring that the rules of the game are fair, balanced and applicable to all.

I think we all have instances of lack of competition in our home community. We have one in Thunder Bay in broadcasting. Owned by one company we have a CBC television outlet, a CTV television outlet, an AM radio outlet, and an FM radio outlet, along with the local television listings. In radio we have competition. We have seen the value of aggressive competition in the improvement in the quality of services in radio. In addition to the one that is owned by the conglomerate, we have a separate AM commercial station, a local CBC outlet with local production, local news gathering, as well as CBC-FM. We have competition within the broadcasting industry in terms of radio. In terms of the listings for television radio we have competition both from the newspapers—the daily and the weekly—as well as from the publication put out by this company.

In television we have no local competition. We have seen over the years that the quality of the services provided are not anywhere near what they are in other communities. We have one news package. At six o'clock you can sit down in front of your TV in Thunder Bay and turn on either Channel 2 or Channel 4 and get the same news package. You do not get a comparison. There is no competition to outhustle the other guy for television news. There is no competition to provide the best quality programming. Competition can be extremely beneficial to the consumers, whether they are consumers of television or radio, or consumers who are buying those necessities of life.

It is time that this Government took this Bill back, took the six months that we are prepared to give them to redo it and bring it back in a form that will very positively impact on consumers of this country, and that will finally tell big business what they can do with their tactics. Thank you, Mr. Speaker.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I want to say a few words about Bill C-91 which was introduced by the Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté). In the light of the Minister's past experience with respect to consumer protection, particularly concerning Quebec's oil industry, I would suggest this is another failure and most Canadians simply cannot have confidence in him. He may be very pleasant and a real gentleman, but unfortunately he is a Minister from Quebec and, in this Government, he has no clout. He is powerless and did not even budge when he and all Quebecers were held up to ridicule here in the House of Commons by the Minister of Energy, Mines and Resources (Miss Carney). And, on behalf of I do not know whom, this man who claims to be Minister of Consumer Affairs—I think he has a tendency to protect companies more than consumers—has introduced a Bill which is incomplete and does not provide enough consumer protection.

As in many other cases, Mr. Speaker, we get the Bill after certain deals have been made. I am referring to the oil industry. We all remember the famous O'Farrell report which was tabled by this Minister of Consumer and Corporate Affairs and Canada Post and in which it was clearly established that Quebec's refineries would not operate at full capacity—against the best interests of Quebecers—if the Government endorsed and approved the proposed sale of the Montreal East Gulf refinery to Ultramar.

Mr. Speaker, at a press conference the Minister made a firm commitment eight times in response to Ministers that he would make the report public the following Friday. The press conference was held on Wednesday, and I was there. On Thursday morning, the day after the press conference, the Minister just did not have anything more to say and we finally got the report long after the time it should have been released for useful debate. The Government did nothing to prevent what will be described in Quebec's history as a barbaric move against Quebecers: it approved a deal enabling a foreign company to buy a refinery—yet there were prospective Canadian buyers—only to shut it down, throw 450 Montreal East workers out on the street and, worse still, eliminate the competition which was the protection of Quebec consumers.

In addition, Mr. Speaker, the Government speaks about a tribunal in this bill. How will this tribunal be constituted and how will its members be appointed? In view of all that has happened since September 4 as concerns patronage, corruption and appointments, and of all the mistakes made by Ministers and other members of this Government, how can we of the Opposition trust these people and still be serious about our responsibilities to our constituents and the Canadian people? How can we trust these people who will make appointments strictly for political reasons when we know that the great majority of those appointed by this Government will be representatives of the industry who care nothing about the consumers and who think only about their profits?

Mr. Speaker, the Minister has introduced this bill and we know that he will soon be tabling other amendments concerning drugs which will go against the interests of consumers. It is a fact that large companies, multinationals are putting pressure on this Government and it is true that the friends of Brian carry a lot of weight and have a lot of money. Mine do not, but they are sincere, honest and ordinary people. They are consumers.

An Hon. Member: You are all angels in Sainte-Marie.

Mr. Malépart: The best proof of this, Mr. Speaker . . . the Hon. Member has just said that all the people in Sainte-Marie are angels. In fact, everyone read in the newspapers about the $7 million winners in Sainte-Marie. We had a good proof of the honesty of these people when someone found the winning ticket and brought it back to its rightful owner and the winnings were shared equally. This clearly shows the honesty and generosity of poor people. They could have made a token gesture like people in high society often do and given a mere $50,000 while keeping $7 million for themselves, but they shared this money equally, Mr. Speaker.

Mr. Speaker, I know that in committee my colleagues, the Hon. Member for Papineau (Mr. Ouellet) and the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), who have much experience in this area, with the support of consumers associations, will make suggestions and fight to amend this Bill for the purpose of improving it.

Mr. Speaker, there are several reasons why the Bill as introduced is unacceptable, not only because of its lack of substance or effectiveness, and because of the way cases will be heard and people will be appointed to the Tribunal, but especially because of the lack of confidence Canadians have in this Conservative Government generally and the Prime Minister (Mr. Mulroney) in particular.

Mr. Speaker, all polls indicate clearly, over and over again, that Canadians have no confidence or, to use an expression which everybody can understand, cannot "trust" this team and especially the Prime Minister. That is why the Liberal Party will do its utmost to force the Government to give this Bill some credibility, to ensure that, throught an appointment formula, consumers in every region—Canada is a large country and people in Quebec think differently from those in Alberta and have different concerns—are duly represented on this committee. We must not let the Government alone appoint the people on this committee, for they would then be strictly large corporation people.

Mr. Speaker, I conclude with this, because there are in my party a number of my colleagues who know this subject better than I do and who have some comments to make. But I want you to know that over the next few days and weeks, the Liberal Party will fight, under the leadership of my colleagues and friends the Hon. Member for Papineau and Notre-Dame-de-Grâce—Lachine East, to ensure that, once adopted, the Bill will protect first and foremost consumers' interests.

• (1600)

[*English*]

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I am pleased to support my colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), in his attempt to have the Government reconsider its position on this legislation by delaying second reading for six months.

The Government has failed in its effort to address the issue of competition in a fair and equitable manner. Instead, it has introduced a Bill which it believes will improve the opportunities of consumers and effectively deal with business concentration in this country. However, the fact is that the Bill is hopelessly inadequate. The Government is extremely negligent when it puts forward a Bill that will not protect Canadians from the effects of corporate concentration in this country.

When one considers the harm that will come to consumers, small and medium sized businesses, I am amazed that here has not been a great movement by that business sector to tell the Government that it has betrayed them.

The Conservative Party of Canada has stood up for many years to say that they represent small business and that spirit of independence and driving force which has made the economy in all parts of this country work. It is that sector which hires the largest number of people and services all the communities in this land. The Conservative Party has falsely stood up to say that it supports small business and will protect and nurture that sector of the economy. This Bill is a betrayal of that position. The Government had a responsibility to introduce effective competition legislation, yet this Bill is misleading and simply ineffective.

The previous Government failed hopelessly in addressing this question. It shackled small business with many constraints. It allowed the chartered banks to charge enormous interest rates that essentially destroyed many small businesses in this country and wiped out the investments of thousands of people who had invested their savings in small business. They worked hard, only to have the previous Government completely destroy the initiative and wipe out their investment and the services they provided throughout the country. That destruction of small business took place because of a lack of any effective competition legislation.

The Conservatives told small business how they would assist them, yet this Bill represents the single largest failure by the Government to protect small business.

What is the purpose of competition legislation? It is to address the question of whether a sector of the economy should be controlled by three or four large players who determine the sourcing of raw material, the sourcing of supplies to that sector, produces the bulk of the material within that sector and determines who will distribute and supply it in the communities. The fact is that many of our sectors of the economy are controlled by three or four powerful giants. Furthermore, they do not compete with each other but divide the country into market shares and determine which small and medium sized businesses can participate in the economy. They begin to informally fix prices, determine supply and essentially decide which businesses will be allowed to participate and thereby essentially drive out other businesses.

We need fair and strong competition legislation that will protect small businesses and guarantee that the market-place is indeed free and open to participation. This extremely weak piece of legislation will not accomplish any of those goals but will ensure that concentration continues and that an increasing number of small businesses will be driven out in favour of one large business within a sector.

The role of the chartered banks in controlling the economy has been pointed out today. As well, we have heard what major oil companies have done to squeeze out small distributors and the difficulties they have had in obtaining supplies and setting proper prices in their communities. Those smaller suppliers have asked Members of Parliament for improvements, but the louder voices have suppressed those requests.

The Conservatives made the same mistake as the previous Liberal Government. They have left the small business sector to hang out to dry.

It has also been mentioned that the publishing sector is in the same dilemma. Every year an increasing number of independent small newspapers fall to the newspaper chains. Ultimately the single thought of a single owner will be conveyed to hundreds of communities and the quality of news that appears will be reduced. Indeed, the Kent Commission pointed out that there were some very severe problems with concentration in that sector. Those concerns were ignored. At that time Conservative Members of the House chose to sensationalize it. They suggested that there were tremendous anti-democratic manoeuvres at work and that the results of the commission had to be deeply buried.

• (1610)

In fact, there were some extremely good ideas which came out of the Kent Commission. These ideas would have seen a large number of publications fostered in a community, providing an opportunity for different ideas which true working democracies bring out. However, the Government refuses to acknowledge that type of thing, at least with this legislation. It refuses to fulfil a responsibility to protect an independent and flourishing small business sector. Instead, its protection has been extended to the majors in each sector; to the large oil companies, to the large chartered banks and to the large two or three firms working within each economic sector.

The House has been given an opportunity today to suspend this Bill for six months while we see developed a stronger piece of legislation. I am certain other of my colleagues will want to share their opinions on this matter. It is my sincere hope that it will be suspended. This would give the Government an opportunity to fulfil its responsibilities to the small business

sector, to protect it and allow it to grow and flourish in those communities.

There are many parts of the country in which the recession is not yet over. In those parts of the country there are massive lay-offs. As an example I put forward the forest industry in British Columbia. The paycheques and the strength of economy are just not there. There has been tremendous harm done to the people who work in those communities. The small businesses which depend upon them have not only been harmed by the recession, they have been harmed by the tremendous increases in oil prices and interest rates. They have been harmed by the imposition of taxes which the Government has placed on them. They have been harmed by the cut-backs of basic transportation services and of postal services. The irresponsible cumulative effects of the actions of the Conservative Government have severely handicapped many small businesses.

The legislation before us is another example of the irresponsible behaviour of the Government. It has failed to live up to its responsibility to provide that protection to small business, to ensure that there is an adequate framework within which real competition can take place in the market-place. I will now terminate my remarks so that other Members of the House can make their contributions.

[*Translation*]

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I am also very pleased with this opportunity to take part in the debate on Bill C-91, since it concerns a subject that is very much in the news at this time and that is being discussed and debated in many circles.

It is also a subject that has been studied, analyzed and reviewed for a number of years. One of my colleagues said in the course of the debate on Bill C-91 that there had been six or seven attempts in the past to improve this legislation. I must say that, quite frankly, I think there are some very good reasons for wanting to improve the legislation.

In recent years, Mr. Speaker, as discussions and negotiations went on and appropriate remedies were being considered, we saw a number of mergers and such like and finally came to the conclusion that our economy was increasingly becoming a world of very large corporations, an economy with only a few large financial institutions, and I must admit that these mergers and takeovers were not and are not always in the best interest of the consumer.

I feel that for the time being we should support the Government's initiative, which in the circumstances would seem to be offering an improvement over the previous situation. However, Mr. Speaker, I think that once we have accepted the principle that the situation needs improvement and we are prepared to make the effort to introduce the appropriate remedies, and there is a general willingness to do so, we should also be prepared to take the time to consider what has to be done to achieve the best possible results.

I recognize that it is not an easy subject and that it is not always possible to foresee in advance everything that could happen, but I believe that there is unanimity on a number of points. For instance, everyone recognizes that, more often than not, competition means efficiency and, in most cases, increased productivity. Competition is also to the advantage or in the interests of consumers. In many respects, it is also a major cause of technological improvement. These are principles which everyone must recognize.

However, it seems to me that there are great dangers if the mechanisms provided are incomplete or badly articulated to the extent that the law cannot be effective or useful to solve future difficulties and problems.

In the past few years I have seen situations which are altogether unacceptable, in my opinion. We are now debating Bill C-91 entitled an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof. Various speakers have referred to banks, to the Patent Act and to a wide range of issues, and I think that the average Canadian consumer is lost in that maze of legislative provisions.

Mr. Speaker, it is a fact that this Bill will have an impact on the day-to-day life of practically all Canadians.

I am talking about common situations that can be found everywhere. For example, in our ridings, outside major urban centres, we have all kinds of small businesses which are forced to make considerable efforts to market their products. In many cases those small businesses have to face very well organized and structured competitors who have ready access to huge financial resources. The unfortunate result is that many small businesses are literally gobbled up, not to say destroyed, because big companies are always intent on doing away with competition. There are many such examples.

There are also other factors which in my view are part of the consumer's day-to-day life. We have those big corporations which, in order to strangle, to kill competition, will offer a whole range of products at retail prices that are well below the cost prices of other small retailers.

How is it then possible for a small businessman who does not have the purchasing power of this or that big chain to survive, when he is forced to sell a considerable volume of products at much higher prices, because his cost prices are higher than the selling prices of the big companies?

Mr. Speaker, because of all the many situations that are so detrimental to Canadians and consumers, it is our duty as a Parliament, first, to look for an improvement, but also to look for the best possible improvement. And it seems to me that there are some flaws in the legislation that could be amended if the Government committed itself to clearly and openly protecting the interests of consumers. Of course, there are good points. Let me mention only one, the fact that this is no longer a criminal matter, that the standard of proof will now be the one used before civil courts, the test being the weight of evidence. This is a significant improvement. However, the

fact that there is no reference at all, in whatever form, to the so-called "lost leader" seems to be quite an oversight.

Another major oversight that was emphasized by a number of my colleagues is the fact that appointments are left to the discretion of the Government. Those appointments are not subject to the recently introduced mechanism designed to monitor or oversee them. In the circumstances, Mr. Speaker, there is every reason to believe, in view especially of this Government's record, that party hacks will be favoured in that process, and, of course, they will be selected from private enterprise which will then have the responsibility of administering the Act. This looks ominous to me, and I am extremely concerned.

Mr. Speaker, it also seems obvious, looking at this legislation, that very large corporations will be clearly favoured as against the small ones.

As I have already explained, big corporations have substantial capital and they are always willing to inject millions of dollars, and even tens of millions of dollars in the system to block the opposition of small groups of consumers or other people who would like to express their disapproval. These corporations do so by investing either in their operation or in public relations so that, eventually, they must always win over those who are not as able to express themselves because they do not have the same resources.

In addition, Mr. Speaker, I believe that when we try to correct the situation, we should make it easier for third parties and all those who defend the interests of consumers to present a united front when they make a claim of some kind. This is another weakness which I find completely unacceptable. If the Government really wanted to do something practical and reasonable about this major concern which has been discussed for decades, I think that it would be very simple to make the necessary changes quickly. We would then be able to give quick passage to the Bill as it would be in the best interests of consumers.

For the moment, after looking at Bill C-91, I have the feeling that the dice are definitely loaded in favour of big business and, naturally, to the disadvantage of the consumer. I think that we must try to bring back some balance to protect adequately the interests of consumers, and I trust that this will be done soon when further amendments are introduced.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to have an opportunity to take part in this debate. I wish I had been able to speak sooner so I might have had more time. I would like to warn my good friends on the Government side that I intend to do a little bit of philosophizing in the name of and for the welfare and good order of the so-called free enterprise system. That might surprise Hon. Members but that is my intent.

• (1620)

The motion before us is to provide for a six-month hoist. The matter could be dealt with if the Government would agree to take this Bill back to the drawing board. I think the Bill deserves some redrafting and reconsideration by the Government, if for no other reason than to get it passed much more quickly.

All of us agree that we have been waiting a long time for new and updated competition legislation. However, as long as the legislation is built on the traditional theory of free enterprise and market forces, then we have the same problem we have had for the last many years.

Free enterprise is great in theory. I suppose one could say the same thing for the positions of Karl Marx and Adolf Hitler. They are great in theory.

Mr. Andre: I don't think so. I wouldn't say that.

Mr. Benjamin: However, in practice—I would say to my hon. friend from Calgary that one of the things that drives people to totalitarianism on the left or the right is the implementation of the free enterprise theory in practice. People are driven to those sorts of extremes.

Mr. Andre: Revolutions and armed forces.

Mr. Benjamin: My colleagues and I are trying to promote a revolution at the ballot boxes, not at the end of a bayonet.

What underlies the theory of free enterprise and free market forces is the maximization of profit. In other words, Mr. Speaker, in a free enterprise system you do anything you have to do to make a buck, no matter who it hurts, whether it is the consumers or your own country.

I would like to say at the outset that members of the New Democratic Party are not opposed to making a profit. We never have been. We are for real competitive profit making in the private sector. We are against profit taking in the absence of real enterprise. To me, Sir, free enterprise means trying to do your best to make a conscionable profit based on the quality, durability, price, service and efficiency provided by whatever product is being sold.

The main problem with the theory of free enterprise and free market forces which needs to be considered over the next six months is that it is an invitation, as if one were needed, to greed, selfishness and the asking of "what's in it for me?" Tommy Douglas, who Members on all sides of the House have extolled at length in the House and all over the country, said many times many years ago that the trouble with free enterprise is that too much of it is neither free nor enterprising.

Mergers and takeovers are valid only if they pool resources and research, resulting in the maximum use of technology and efficiency which allows not only for a conscionable profit but provides the maximum benefit to the employees and consumers of that industry. Surely mergers and takeovers are invalid if, as and when they reduce competition, obtain market control over

any product or sector of a market, or are designed to make quick bucks in rapid turnover or in market speculation with shares. In most cases, mergers and takeovers do not create new jobs. In fact, in most cases they decrease jobs.

• (1630)

There have been countless instances where the instigators of mergers and takeovers arrange financing from the banks. Much of those funds come from the deposits of ordinary Canadians who have savings accounts, share accounts or term deposits in those banks. They use the money of Canadian citizens by arranging loans with financial institutions for their mergers or takeovers.

I could never understand why a large corporation in the transportation business would want to become involved in the oil and gas pipeline business or would want to become involved in mining. If one is involved in transportation, one is involved in transportation. Why not do a good job in what one has been set up to do?

I should like to refer to the drug business and to agriculture, both of which are and should remain in the public domain. To paraphrase Tommy Douglas once again—and it is something with which I profoundly agree—those who would profit from the misfortunes of others are basically immoral. The attempts by the Government to change our laws to provide monopoly powers for the manufacturers of brand name drugs in the name of allowing them to recover their research costs are not only despicable but unethical and unchristian. I am one of those persons who has to buy drugs. I can afford the ones I have to buy. Thank goodness for the Saskatchewan drug plan; I do not pay more than $3.50 for any kind of drug. However, what about those who cannot afford them? We cannot allow private dominance and private control over the research, development, manufacture, distribution and sale of drugs. We cannot allow it to be in the hands of one, two or three national or international drug manufacturing firms. It is an area in which free enterprise has no business. It is one place where free enterprise should not either make or take a profit. It should be in the hands of university medical schools and research departments, in the hands of the Departments of Health of the provinces and of the federal Government and in the hands of hospitals. All development and research should be in their hands and in the public domain.

Let us look at the multinational corporations which control food chains not only in Canada but internationally. The matters of plant and food research and of plant and food production should be in the public domain as well.

What is being extolled by the Government and its supporters in terms of their version of the theory of free enterprise is nothing more than a licence to exploit Canadians and people in other countries including those in poor countries, because those companies will want a return or a profit from the misfortunes of others. I submit that the legislation must address the issue of free enterprise, not "me" enterprise. That fundamental principle must be in the legislation, including its preamble. Unless and until we reach that point, anything in the legislation will prove to be meaningless in the months and years to come. I hope the Government is willing to return to the drawing-board with this Bill for another couple of months and bring it back to the House in a much better form than the legislation which is before us now.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to speak on Bill C-91 and on our motion to hoist the Bill for six months, which is a way of protesting it. I see the Hon. Minister of Energy, Mines and Resources (Miss Carney), who is from my town of Vancouver, sitting opposite. I also see the Hon. Member for Duvernay (Mr. Della Noce) who used to own a small gas station in Quebec and is very interested in the energy field. In my 10 minutes I will try to talk about how the competition Bill does not do anything for lack of competition in the Canadian energy industry.

At the outset I say to the Minister of Energy that she has the worst of both worlds. She has a situation where Canadian consumers are not benefiting substantially and properly—

Miss Carney: That is ridiculous.

Mr. Waddell: They are not benefiting from the dramatic fall in world oil prices.

Miss Carney: It is down 10 cents per litre.

Mr. Waddell: The Minister of Energy is heckling me. She can speak after me. She should talk to the average consumer in Vancouver Centre, in Toronto or in Montreal; *parlez aux consommateurs de la province de Québec*. Consumers are not stupid. They look across the border and see the price which Americans are paying. Why are the Americans paying so little compared with us, even if we leave the tax matter aside? The reason we do not have competition in the oil industry—

Miss Carney: Why don't you move there?

Mr. Waddell: The Minister asks: "Why don't you move there?". It is because I am proud to be a Canadian. I want to see the Canadian system work.

Mr. McDermid: Tell us about their health plan.

Miss Carney: And their pension plan.

Mr. Waddell: If Hon. Members opposite will listen, I will tell them what is the matter with the Minister's policy. The Hon. Minister of Energy deregulated, through the Western Accord, the oil industry; she went to the world market and away from a regulated price under the National Energy Program. The problem is that there is no free market in oil. It is an oligopolistic situation; there is no real competition in the oil industry.

Mr. McDermid: Why did the price fall?

Mr. Waddell: That is why it is not falling completely; that is the answer.

Some Hon. Members: Oh, oh!

Mr. Waddell: That is why it is not falling the way it should be falling. I do not know what Hon. Members are laughing at.

Mr. McDermid: You.

Mr. Mazankowski: You.

Mr. Waddell: Let me try again to get it through their thick heads. The fact is that in Canada oil prices have not fallen as they have fallen in the United States. Why?

Mr. McDermid: For all kinds of reasons.

Mr. Waddell: One reason is that there are more taxes in Canada than in the United States. That is one reason, and I admit it. Another reason is that oil companies are not passing on the gains as fast—

An Hon. Member: Oh, come on.

Mr. Waddell: They say that it is in the pipeline and that it takes time, and Canadians know that.

Miss Carney: It is being passed on.

Mr. Waddell: As I said, the reason is that we do not have competition in the oil industry like the Americans do.

Let me point out that in Canada, Imperial, Texaco, Petro-Canada and Shell control 70 per cent of the retail market. The second string companies, such as BP, Irving Oil, Ultramar and Husky, control another 15 per cent. That means about eight companies control 85 per cent of the market. The remaining 15 per cent is controlled by independent operators. Independent operators in this context mean gasoline retailers who actually control the retail price themselves instead of being dictated to by their suppliers.

What is the policy of the Government? In fact it had Petro-Canada go out and buy more gas stations, so there is a further lack of competition in the industry. The United States has more refiners, more retailers, more oil companies and more competition. This is an old story in Canada, Mr. Speaker. Let me give some examples. First, consignment sales. The big oil companies give sales on consignment to the small retailer. They can control the selling price of the retailer. Let me remind the House of the case I raised in the House of the couple from Gravenhurst, George and Cora McAra.

• (1640)

Mr. McDermid: They were breaking the contract.

Mr. Waddell: They were breaking the contract, the Member says. They had a consignment sales contract from Petro-Canada. They could not reduce their price. They could not have a gasoline war. That is an example of the problem. There are other methods of dealing with the independents, ways of squeezing them out of business and ways of controlling the refining and the market at the same time. This is why Canadian oil prices have not gone down as quickly as American prices.

Mr. McDermid: Nonsense.

Mr. Waddell: I challenge the Minister of Energy, Mines and Resources to appoint, as Premier Pawley did in Manitoba, an official who will investigate why it took so long for the decrease in price to move through the system. Why did it take so long? Why did it take more than 60 days for those prices to be passed on?

Mr. McDermid: It didn't. Track it.

Mr. Waddell: It did. I invite the Hon. Member to check. I will show him the figures and he can look at them. I ask again, why are Canadians paying so much more for gas than Americans when you got rid of the tax? I ask the Hon. Member for Duvernay. He knows how the big oil companies work.

Let us look at this Bill. The Director of Investigation and Research for the Combines Branch made some recommendations which included a way of getting some competition into the oil industry. I do not have much time but I will go through some of them. One concerns the refining sector.

If you have more refiners you will have more competition. The Government is closing refineries. Look at the closure of the Gulf refinery in the east end of Montreal. The Director said that all reciprocal supply arrangements between refiners in excess of 90 days be prohibited, except where found by the RTPC to have a beneficial effect upon competition. The Director found quite clearly that these types of arrangements, which are very common in Canada, restrict competition.

Nothing in the Combines Act that we are debating today, nor in the present Act nor in this Bill would prevent these types of agreements. There is nothing on the refining level. "Outright prohibition on suppliers of motor fuels and their affiliates from obtaining direct or indirect control over retail prices, except where the supplier owns or operates a gas station". That is what the director recommended. There is no such prohibition in this Bill. The Director recommended doing away completely with any method of price control, whether it be consignment sales, temporary allowances or other price support where the amount of support is tied to the pump price. This Bill would allow the type of Gravenhurst situation to continue.

There is nothing in this Bill to address restrictive covenants restricting the use of property for the sale of motor fuels or eliminating the source of supply of motor fuels to the new owner. There is nothing there. The Director also recommended prohibiting exclusive dealing contracts between suppliers and retailers of motor fuel. There is something there, but it is not tough enough.

I could go on and on about the marketing, the refining and the retailing level. Just let me repeat, as the Minister leaves

the House, that her policy is a failure because she deregulated the oil industry in a market that is not a free market. That is a fundamental flaw. That is why Canadian oil prices have not gone down as quickly as American oil prices when there was this dramatic decline in world oil prices.

We have a situation in Canada, as I said, where the Minister has the worst of both worlds. The independent Canadian Alberta producer is dying. The big multinational companies will survive. The small producer is getting paid $10 a barrel for oil. Companies cannot live with that. On the other hand, although prices have come down a little bit the amount should have been double, the consumer, the motorist, is continuing to get ripped off at the pump. This Bill, I am afraid to say, will not remedy the situation.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am rising to speak on the hoist motion of the New Democratic Party on Bill C-91. We are very concerned that not enough work has gone into this Bill and that the work has been developed into going backwards from previous Bills on the subject. A six month hoist is a very strong suggestion that the legislation is inadequate and that one has to go back to square one in rethinking what it should be. That is what we want to convey this afternoon.

Competition reform is among the saddest experiences "in Canadian public policy". That is not just our judgment, but a judgment made by independent academics and researchers working on the subject. The study *Canada's Competition Policy Revisited* lays blame very clearly. It states:

> This judgment is made all the more painful by the realization that, contrary to often expressed belief, the outcome—

meaning this legislation—

> — was not inevitable or beyond the control of governments determined that it be otherwise.

We have a story here of continuing failure over a long period of time to deal with the problems in competition in Canadian business.

The Economic Council of Canada began deliberating toward a modern and an effective competition policy in 1966. It produced an interim report in 1969. The first competition Bill was tabled in 1971 as Bill C-256. There are those who think that that was the best of a rather sorry lot of competition Bills.

To date none of the studies, Bills, speeches or commitments has produced a law which would reform the situation. In fact, we have this judicially hamstrung legislation on the books. Instead of moving to make it tough and effective, we have this extremely weak, watered down version before us today.

Being asked to accept Bill C-91 as the ultimate development of competition policy is hypocrisy indeed. It is a fifth descendant of Bills, each one weaker than the one before. Bills C-256, C-42, C-13 and C-29, all have attempted to reform competition law in this country and all of them have failed. One would have to be very ill-advised to think that Bill C-91 is going to do the trick.

To introduce this legislation, the Minister of Consumer and Corporate Affairs (Mr. Côté) felt he had to pay a price. It is a trade-off that should never have been accepted. This is like asking the foxes to regulate the chicken coop. We have a Minister that let big business have what it wanted and was not prepared to give protection to consumers.

The groups that have argued with the Minister's Department over this Bill got what they wanted. Consumers did not. The groups that were successful, the big groups, the money groups that have a lot to gain by having weak competition policy and laws, are on the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers Association, the Grocery Products Manufacturing Association and the Canadian Bar Association. If these groups are satisfied, we certainly are not.

What about consultation with people who know about the subject and who care? Unfortunately, the Minister has had his Department engage in a *pro forma* kind of consultation. The Minister bragged in his press statement of December 17 that he has been listening not only to business interests, small and large, but to the provinces, to consumers and to organized labour.

We know something about this consultation. Organized labour was given a very perfunctory hearing and there was no follow-up as to what the Government was planning to do.

The Consumers Association of Canada was essentially told to like it or lump it. We are very concerned about the fact that business groups get the opportunity to make clause by clause representations and get their way and groups which are concerned with protecting consumers do not.

Competition reform as a priority for the Government gave way to incrementalism and stage one and stage two concepts when it was realized the Government would have to fight to implement a good policy. It was unprepared to take on this fight. It is not that it was resigned to getting half a loaf after putting up this fight, but it deliberately lowered its sights. It did not take it on. It was not prepared to fight for a better economic deal for average Canadians.

• (1650)

We have to look at what this misguided, ineffective policy is costing Canadian consumers at the present time. We have a highly concentrated economy with major sectors which do not have adequate competition in them. It has been estimated that the cost to Canada of this lack of competition is 7.5 per cent of Gross National Product. The 1984 estimate of Gross National Product is approximately $416.6 billion. That means that the cost of economic waste attributable to the absence of price competition in Canada is $31.4 billion and rising yearly. This is the cost that consumers pay for not having competitive prices.

There are further costs to the economy which everyone pays for having a sluggish economy. Highly sheltered markets mean a sluggish economy which is slow to adapt. These uncompetitive markets also breed persistent and powerful private attempts at manipulation of the political process to sustain the economic status quo. Thus, New Brunswick is dominated by the Irving family, Newfoundland is dominated by Water Street merchants, and the western provinces were formerly dominated by the CPR. Throughout the country a very small number of large corporations have an inordinate sway in economic decision-making. The public pays the price through higher costs.

Over the years the Liberals have been involved in introducing better competition Bills and then not following through with them. Neither the Liberals nor the Conservatives have ever articulated a clear philosophy of competition or a real commitment to its vigorous enforcement. However, in the time of Liberal Governments we had somewhat stronger Bills from which they backed off. The present Conservative Government is not even attempting to come up with something tough to begin with.

I would like to discuss some of the particular provisions in Bill C-91 and indicate what is wrong with them and what enforcement practices to date should suggest to us that we need. The sad fact of the matter is that there is very little enforcement. The loopholes in the current legislation are so enormous that there are very few successful prosecutions in the area of competition.

In the case of illegal mergers there has been one successful prosecution. There has been one successful prosecution with regard to monopoly of a market. Independent academic researchers consider price discrimination to be unenforceable except under the most extreme conditions. The legislation with regard to conspiracy to fix prices and share markets is regarded as weak but workable, but of limited use because of continuing court decisions of a very weak nature. With regard to misleading advertising and resale price maintenance, only the recent sections dating from 1951 and 1969 respectively appear to be fairly effective. Therefore, the majority of the enforcement mechanisms are extremely weak. After a very long period of time these laws are still not being enforced.

This is a record of futility. Of six major sections of the law, two are almost absolute failures. One is mostly unenforceable, one is extremely weak, and two appear to work. That is not a very good record, and Bill C-91 will do nothing to correct that unhappy record of failure. Even with a mixed tribunal and civil law procedures, there is little optimism that this Bill will deal with anticompetitive offences better than the previous law did.

Let us consider once again the specifics. To win a monopoly or abuse of dominant position case, the Director of Investigation and Research must now meet the following tests: substantial control of a market in a persistent manner, anticompetitive acts resulting in less competition, and practice which will lessen or prevent competition substantially. I emphasize the word "substantially".

It is extremely difficult to meet all the parts of this test. The built-in defence that superior competitive performance brought these results leads the people who study this field to believe that there is little chance of the director of investigation actually winning a case. Section 51 of the Bill should be rigorously examined to ascertain whether its weakness means that it will just become another inoperative section of the law.

There are the same types of difficulties with regard to mergers. The Director of Investigation and Research will have to demonstrate a substantial lessening of competition. Another built-in defence of the merger bringing gains and efficiency could result in no conviction. However, there is a far worse defect in the mergers section in that it does not cover conglomerate mergers. That is surely one area which should give rise to a great deal of concern. Much has been said about conglomerate mergers, and people are concerned. Yet, this Bill is silent on this fact of life.

With regard to conspiracy, price-fixing, market-sharing, and restricting entry to competitors are at the heart of any competition law and Canada's law in this area has become less effective in recent years. It has been shown, for example, that prior to 1976 the Crown won close to 90 per cent of all conspiracy cases. Since that time, the Crown has only won 55 per cent. Yet, Bill C-91 does not really change the provisions in this area.

In conclusion, this is a very inadequate piece of legislation. There has been better legislation in the past which was not passed. This is surely the time to give Canadian consumers the decent and adequate protection which they deserve. The cost to the economy of any such competition should not be borne by consumers. Let us put this Bill on the back-burner for six months, have a proper study, and produce tough legislation which will give Canadian consumers the deal they deserve and ensure that we have a well-functioning economy.

Mr. Rod Murphy (Churchill): Mr. Speaker, I welcome the hoist motion moved by one of my colleagues in the New Democratic Party. If that motion were passed this Bill would not be debated in the House for the next six months, which would give the Government the opportunity to redraft this legislation. That would allay a lot of the concerns which I and others who have spoken in this debate have expressed since this Bill was introduced on Monday.

It is clear that this legislation will not go the route. It will not do what it is supposed to do. It will not create effective competition in the country or stop the increased concentration of ownership which exists. No one has refuted the fact that big business wrote this legislation. The active role of the Manufacturers Association and others in writing this legislation indicates the problem which exists with it. The legislation was written by the very people from which the legislation is supposed to be protecting the public.

Our competition legislation will not halt the increased control of our economy by a small number of families. It will do nothing to prevent the situation occurring at the present

time in which the oil companies, through their refineries, have a way of restricting supply to the independent operators. This legislation will do nothing to prevent the price gouging which has occurred in the past. It will do nothing to protect the rights of the public effectively.

When I spoke on this legislation earlier in the week I talked about what was happening in society. I indicated that ownership is falling into the hands of fewer and fewer people and that it is of major concern when financial institutions are bought by non-financial institutions. When those non-financial institutions borrow from their subsidiaries, the rights and interests of the depositor and small investor are not protected. The bank inquiry made it apparent that that was one of the problems which resulted in the closure of the two major banks in western Canada last fall. Here we have a situation where that danger is going to return and the legislation in front of us will do nothing to prevent that.

• (1700)

Very few Conservatives have spoken on this legislation, but some of those who have, have said that ownership is not the question. It is not a matter of who owns a financial institution, it is a matter of Government regulation and enforcement which will protect the small investor or someone with deposits in a financial institution. The inquiry which is going on right now into the bank failures shows that our regulations have not been effective in preventing those bank failures. They were not effective in preventing some self-dealing between the Commercial Bank, the Northland Bank and some of their principles. In addition, the enforcement of these regulations was hampered by the fact that the present Conservative Government and the previous Liberal Government would not provide the Inspector General of Banks with the staff he requested in order to enforce the existing regulations. In other words, the Government was unwilling to provide the staff to the Inspector General of Banks which could have prevented the closure of those banks through proper enforcement of the regulations. Therefore, we have to be concerned when we have legislation which is as weak as this is, knowing that regulation has not worked in the past and that the Government has not provided the financial resources to see that the regulations are enforced.

There is another problem which exists as a result of the fact that we have more and more concentrated ownership in our country. It is not just that decision-making is in the hands of a limited few, it is that effective management disappears when ownership is taken from those who have some knowledge and experience of the industry involved and deposited with those who are best at stock market and tax loophole manipulation in order to gain control of a corporation. For example, MacMillan Bloedel is no longer managed by people with knowledge of the lumber industry. Noranda, which is facing an economic crisis, is no longer effectively managed by people who have knowledge about that company's industry. The real control rests in the hands of a bunch of people who are out to increase the power of their holding company. Therefore, for any number of reasons, this is bad legislation.

As well, this Bill illustrates how Parliament does not always work properly. The Liberals have said they are in favour of competition legislation. The Conservatives have said they are in favour of competition legislation. Yet we still have weak legislation in front of us. When the Liberals were in power there were five different attempts to pass competition legislation and only one succeeded. That one resulted in weak legislation. The Conservatives have now introduced another piece of weak legislation. If all three Parties in this House are in favour of strong competition legislation, why do we not have it? Why, after 15 years of trying, have we not provided the legislation which all three Parties say they are in favour of? The answer is either that the Parties are not sincere, or that the power of those affected is so enormous that the Government of the day, whether it be Liberal or Conservative, is unwilling to take the political risk, to demonstrate the political will, to provide the legislation it says it is in favour of.

It reminds me of how the Parties stand on political rights for public servants. In the last election campaign the Conservatives indicated they were in favour of those rights. The Liberals have indicated they are in favour of those rights. However, when either of those Parties is in Government, it will not legislate those rights. So we have a situation where Parties campaign on platforms and policies which they will not effectively implement when they become the Government. The Conservative Government campaigned on political rights for public servants. It has been in power for almost two years now and nothing has happened. The Conservative Party campaigned in favour of effective competition legislation. Again, we are not getting effective competition legislation.

I realize that my time is almost up but I want to say one more thing. The credibility of this House under parliamentary reform has to be based on whether or not the government back-benchers actually have the guts to get up and say that something is wrong when their Government presents it. On Monday night all three Parties in the Standing Committee on Finance and Economic Affairs called upon the Government to do something to prevent the takeover of Genstar. We are now in danger of passing legislation which will do absolutely nothing to prevent that takeover. If all three Parties agreed on Monday night that that is what should be done, then we should be passing legislation which would prevent such takeovers.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are dealing with a subject which has been of concern to Canadians for many, many years. There have been innumerable efforts, supposedly, to bring in legislation which would help protect the interests of ordinary Canadians. Unfortunately, the legislation which we have had up until now has been almost a complete failure. Let me quote what two well-known competition analysts, William Stanbury, a professor at the University of British Columbia, and Gill Reschenthaler said about our competition track record:

> The Canadian anticombines legislation is quite properly viewed by practitioners and academics—in Canada and abroad — as relatively weak. Recent decisions have further weakened the law.

The lack of sensitivity to the non-economic arguments for antitrust enforcement and the concomitant absence of a fundamental distrust of economic power concentrations account, in large measure, for legislation which is largely behavioural in orientation and which relied exclusively on the criminal law until 1976.

Professor Irving Brecher of McGill University has written, quite correctly, that the reason we have such weak laws is that neither the Liberals nor the Conservatives have been prepared to take on the tremendously powerful business and financial interests which really do not want tough anticombines legislation because it would interfere with the way in which they do business.

Over the last few days of debate I was particularly interested to hear Liberal Members of Parliament criticize this legislation as inadequate. After all, they were in power for more than 50 of the last 65 years and they had innumerable opportunities to bring in legislation but they did not do it. I was also interested to hear them attack the present Government because it has not, as my colleague, the Hon. Member for Churchill (Mr. Murphy) just indicated, adopted the unanimous recommendations of the Standing Committee on Finance, Trade and Economic Affairs that the takeover of Genstar by Imasco be stopped. Why do Members of Parliament from all Parties want that stopped? They realize that a company like Imasco, which is in the manufacturing business, the service industry, the retail business, could use the financial clout in the Genstar ownership of Canada Trust for its own purposes, which might very well be contrary to the interests of the Canadian consumer. That is a very valid argument.

• (1710)

I find it strange that the Liberals have suddenly learned that lesson. Just six years ago when the Liberals formed the Government the same thing took place which they are opposing in the takeover of Genstar by Imasco. Six years ago Brascan, which owns Noranda, a large mining corporation which owns McMillan Bloedel, one of the largest lumber, pulp and paper corporations in Canada, formed Trilon. Trilon is precisely the same kind of company as Genstar which owns Canada Trust. Trilon, which started six years ago while the Liberals were in power, owns Noranda and McMillan Bloedel and many other companies. Trilon took over the London Life Insurance Company and then it secured control of the Royal Trust Company. The Royal Trust Company took over A.E. Lepage, which is a property and real estate company, and then it took over Wellington Insurance. It is into the trust and financial services business, the insurance business, the corporate financial business, the investment business, the trust business, the money market operations and bond trading business, the loan and investment business and the leasing business.

While the Liberals were in power, Brascan did precisely what the Liberals are now opposing in the takeover of Genstar by Imasco. What we see, as we have seen so many times over the years, is how progressive and people-oriented the Liberal Party and the Liberal Members can be when they are in the Opposition and how, as soon as they win an election and form the Government, they immediately show their true colours because their concern for people disappears. What we see is their real concern and their real support of the financial and business corporations which use their power to fleece the ordinary Canadian.

Let us just look at what has happened over the years. If we review the major aspect of the competition law we have, we see how barren the record of success has been. When former Governments acted against illegal mergers, there was one successful prosecution. When they acted because they believed there was price discrimination, it was regarded as unenforceable except under the most extreme conditions. When they looked at conspiracy to fix prices and share markets, we find that the law was regarded as weak but workable, and of limited use because of continuing court decisions.

When we look at the record with regard to misleading advertising and resale maintenance, we find that only these recent sections dating from 1951 and 1969 legislation respectively appear to be fairly effective, according to Professors Stanbury and Reschenthaler. We see a record of futility. Of six major sections of the law two are almost completely failures, one is mostly unenforceable, one is extremely weak and two appear to work. For futility, that takes some beating.

The Conservatives are going to try to beat that record with the legislation we are dealing with now. There is no need to wonder why competition reform is required. Another consensus position, except for big business, is that the courts are not the place where competition cases should be heard. The Minister has not been quite successful in convincing businesses of this requirement. The result is we have this proposal for a high bid competition tribunal.

What about these remedies? Even with a mixed tribunal and civil law procedures there is little optimism among those who have studied the record—and I am talking about the academics to whom the Minister really did not want to listen—this Bill will deal with anti-competitive offences more effectively than the previous law. Here is an assessment of the major enforcement sections of this Bill made by, as I said, some very competent, knowledgeable academics who spent years studying this.

Dealing with the question of monopoly or abuse of a dominant position, they say that to win a monopoly case the Director of Investigation and Research now has to meet a number of tests, first of all, to prove that there was substantial control of a market in a persistent way; second, that anti-competitive acts mean less competition; and third, that the practice will lessen or prevent competition substantially.

Given the difficulties of meeting all these parts and the built-in defence that a superior competitive performance brought these results means to many people who study this Bill that there is little chance of the Director winning a case. When we look at the question of mergers of the kind we have had in the past where a steel company took over a smaller steel

company or a paper company took over a smaller paper company, they are unlike the most recent mergers, the large mergers we have seen by conglomerates. That is really not dealt with by this proposed Act at all.

For these reasons and many others we intend to oppose this Bill. I can assure Members of the House that we will have a substantial number of amendments when this Bill goes to committee.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows. Mr. Côté (Langelier), seconded by Mr. Hnatyshyn moves that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee; and the amendment of Mr. McCurdy:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof be not now read a second time but that it be read a second time this day six months hence.

The question will therefore be on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment (Mr. McCurdy) which was negatived on the following division:

(*Division No. 217*)

YEAS

Members

Althouse	Keeper	Riis
Angus	Manly	Robinson
Benjamin	McCurdy	Rodriguez
Blaikie	McDonald (Broadview-Greenwood)	Young—17.
Broadbent	Murphy	
Deans	Orlikow	
Epp (Thunder Bay-Nipigon)		

NAYS

Members

Attewell	Gagliano	McDougall (St. Paul's)
Baker	Gagnon	McKenzie
Beatty	Garneau	McKinnon
Berger	Gass	McLean
Bernier	Gauthier	McMillan
Bertrand	Gervais	Minaker
Binns	Girard	Mitges
Bissonnette	Gormley	Moore
Blackburn (Jonquière)	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Blais	Guilbault (Drummond)	Nickerson
Bouchard	Gurbin	Nielsen
Boudria	Gustafson	Nunziata
Bourgault	Halliday	O'Neil
Boyer	Hardey	Ouellet
Bradley	Hicks	Pennock
Brightwell	Hnatyshyn	Plamondon
Brisco	Holtmann	Plourde
Caccia	Hopkins	Porter
Cardiff	Horner	Price
Clark (Brandon-Souris)	Howie	Redway
Clifford	Hudon	Reid
Clinch	Jacques	Reimer
Cochrane	Jelinek	St-Julien
Collins	Jepson	Schellenberger (Wetaskiwin)
Cooper	Johnson (Bonavista-Trinity-Conception)	Scowen
Copps	Jourdenais	Shields
Corbett	Kempling	Siddon
Cossitt	Kilgour	Sparrow
Côté (Lac-Saint-Jean)	Ladouceur	Stewart
Côté (Langelier)	Landry	Tardif (Richmond-Wolfe)
Crofton	Lapierre	Tardif (Charlesbourg)
Crombie	Layton	Taylor
Crosbie (St. John's West)	Lesick	Thacker
Dantzer	Lewis	Towers
Darling	MacDonald (Kingston and the Islands)	Tremblay (Québec-Est)
Daubney	MacDougall (Timiskaming)	Tupper
Della Noce	MacKay	Turner (Vancouver Quadra)
Desjardins	MacLellan	Vézina
Domm	Malépart	Vincent
Dorin	Malone	Warner
Edwards	Mantha	Weiner
Epp (Provencher)	Marchi	White
Fennell	Marin	Wilson (Swift Current-Maple Creek)
Finestone	Mayer	Winegard
Fontaine	Mazankowski	Wise—142.
Forrestall	McCain	
Foster	McCrossan	
Fraleigh	McCuish	
Frith		

● (1800)

Mr. Speaker: I declare the amendment lost.

Shall I proceed with the main question?

Mr. Angus: No, Mr. Speaker.

Mr. Speaker: Is the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) rising on a point of order?

Mr. Angus: No, Mr. Speaker, on debate.

Mr. Orlikow: Six o'clock.

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

The House adjourned at 6.02 p.m.

HOUSE OF COMMONS

Thursday, April 10, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the government response to petitions Nos. 331-3, 331-7, 331-11, 331-15, 331-27, 331-28, 331-29, 331-30, 331-33 and 331-37.

* * *

CANADIAN WHEAT BOARD

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, pursuant to Section 7(2) of the Canadian Wheat Board Act, I have the honour to table in both official languages the annual report of the Canadian Wheat Board for the 1984-85 crop year.

* * *

INTERPARLIAMENTARY DELEGATION

THIRD REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the third report of the Canadian NATO Parliamentary Association in both official languages.

[*Translation*]

STRIKING

PRESENTATION OF TWENTY-EIGHTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Twenty-Eighth Report of the Striking Committee, in both official languages.

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

* * *

[*English*]

PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I have the honour to present a petition signed by 33 residents of the National Capital Regional who humbly pray and call upon Parliament to take their concerns into consideration and reject the proposal to build an embassy on the Mile Circle.

ASSESSMENT OF CN MAINTENANCE FACILITIES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, once again I have the honour and privilege of presenting a petition, duly certified by the Clerk of Petitions, from the constituents of the southern part of the Province of New Brunswick expressing their concern with regard to the current assessment being conducted by Canadian National into its maintenance facilities across Canada. The petitioners are concerned that any results of that study that would downgrade in any way the facility in Moncton would have a drastic effect upon the economic wellbeing of the Province of New Brunswick.

Mr. Speaker: I am in receipt of a notice of an application under Standing Order 29 from the Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

Order Paper Questions

MOTION TO ADJOURN UNDER S.O. 29

GRAIN PRICING—DECISION BY MINISTER

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, yesterday you ruled on a motion that was somewhat similar to this, but I believe there are at least two items of which you were perhaps not aware at the time that I would like to bring to your attention today. The first is that the Legislature of Saskatchewan spent the day yesterday discussing this very subject on the basis of it being an urgent and pressing matter for the economy of Saskatchewan. I think the west part of the country is a very important part of the economy of Canada and the decision that was made on Monday impacts very heavily on the people of the West.

A group of farmers from that area of the country have to use the decisions made this week to decide what it is they should be planting. Those decisions are not made lightly or quickly. The farmers have to know whether or not the decision the Government has made is final. They have to know whether there will or will not be deficiency payments. Therefore, we say that this debate is of an urgent nature and have posed the question in a little broader sense again today.

Mr. Speaker: The Hon. Member has given me notice. May I remind him, as I perhaps should have reminded his colleagues yesterday, that what is intended when one rises to put the application is that only the letter that has been given to the Speaker should be read. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) came very close to paraphrasing that letter. The reason I say this is that the only information the Chair has with which to answer the application is that which is contained in that letter.

I received the application of the Hon. Member on time. I am not yet persuaded that the application does meet the terms of the rule as it is envisaged in our Standing Orders.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Question answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 534.

[*Text*]

GRAIN COSTS

Question No. 534—**Mr. Angus:**

1. In the past ten years, what was the cost of all improvements and upgrading of facilities related to the movement of grain at each of the major ports in Canada and which were paid for or legislated by the government?

2. What expenditures are planned for future upgrading of such ports?

Hon. Don Mazankowski (Minister of Transport):

1. In the past ten years, the federal government has spent approximately $6.5 million on improvements and upgrading of grain facilities at Ports Canada: $3.1 million on upgrading of the dust control system in the Halifax elevator, and $3.4 million on other grain related improvements such as dredging, solar heating, tug replacement (to be completed in 1986) at the Port of Churchill. Ports Canada has also undertaken (from port generated funds) dust control improvements projects at elevators in Montreal ($3.0 million), Prescott ($2.2 million), Port Colborne ($2.4 million) and Churchill ($0.3 million) for a total of $7.9 million, to conform to Labour Canada standards for airborne dust in the work environment.

In addition, the federal Government contributed $30.4 million towards the construction of infrastructure for a new grain elevator constructed by a consortium of grain companies at Ridley Island, Port of Prince Rupert.

2. Over the next five years, federal Government funded grain related improvements are planned only at Churchill, and are estimated to cost $13.9 million: $7.6 million for dust control and $6.3 million for berth deepening.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker if question No. 533 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 533 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

MINISTER'S TRAVELS

Question No. 533—**Mr. Boudria:**

1. Did the then Minister of the Environment travel to France and Sweden in April 1985 and to Paris, Corsica, Helsinki and Leningrad in June and July 1985 and, if so *(a)* what was the purpose of the trips *(b)* was the purpose changed or altered and, if so, for what reason *(c)* what was the duration of the trips *(d)* who accompanied the Minister and was it at taxpayers' expense *(e)* what official events did the Minister attend and what events were arranged *(i)* prior to the Minister's departure from Canada *(ii)* after her departure *(f)* how many days were devoted to official business *(g)* what was the cost of the trips?

2. Did the Minister reimburse the government for any portion of the trips and, if so, in what amounts?

3. Did an aide or employee of the Minister travel to Paris in the week prior to the visit to France and Sweden and, if so, *(a)* for what purpose *(b)* at what cost?

Return tabled.

[*Translation*]

Mr. Gauthier: Mr. Speaker, we are now working under the new Standing Orders. I may recall that there are some questions on the Order Paper that require a reply within 45 days and other questions that do not. Upon checking today's Order Paper, I noticed there were some questions dated February 24, which means that 45 days have elapsed since these questions were put. I would therefore ask the Parliamentary Secretary if he intends to reply to these questions tomorrow. There are at least six, Mr. Speaker.

• (1110)

[*English*]

Mr. Lewis: Mr. Speaker, is the Hon. Member inquiring as to whether or not we will meet the timetable tomorrow? I think he will find that we are making every effort to meet the timetable, and tomorrow at this time I will probably be able to give the Hon. Member the news that we have.

Mr. Gauthier: Mr. Speaker, I do not think the point was well understood. Today is the forty-fifth day since at least five or six questions were put on the Order Paper. The new rules indicate that the Government must respond within those 45 days. Since the Parliamentary Secretary has not responded to them today, does he intend to do it tomorrow? We are going to be flexible.

Mr. Lewis: I am sorry, perhaps I did not understand the Hon. Member's presentation. I thought he said that tomorrow was the last day. If Hon. Members have requested replies—and the Hon. Member will know that we have replied to several petitions under the new rules—

Mr. Gauthier: I am talking about questions.

Mr. Lewis: —we will make every effort to reply to as many of them as possible. I will look into the matter and get back to the Hon. Member tomorrow *vis-à-vis* the petitions which have not been responded to.

Mr. Gauthier: Questions.

Mr. Lewis: Questions, I am sorry.

[*Translation*]

Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed from Wednesday, April 9, consideration of the motion of Mr. Côté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Domm: Mr. Speaker, I rise on a point of order. At the conclusion of business yesterday and prior to the adjournment of the House, we endeavoured to determine whether we had reached the end of debate. At that time the Hon. Member for Thunder Bay—Nipigon—

Mr. Keeper: Thunder Bay—Atikokan.

Mr. Domm: Was it not the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)?

Some Hon. Members: No.

Mr. Domm: All right, that is fine.

Mr. Speaker: At the time the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) had the floor. He indicated that he wished to debate. He is not here to complete his speech, let us put it that way. Therefore, resuming debate with the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to—

Mr. Ouellet: Mr. Speaker, I rise on a point of order. I do not mean to interrupt the Hon. Member, but since the Parliamentary Secretary raised a point of order, I should like to raise another one. I should like to know if the Minister intends to be absent for the third day in a row while we are discussing his legislation in the House. I think it is very important legislation.

Mr. Speaker: I appreciate that the Hon. Member has a viewpoint, but I think he knows that it is not a point of order.

Mr. Ouellet: If it is not a point of order, it is a question of privilege.

Mr. Speaker: I think the Hon. Member has put his view on the record, but he has not raised a proper point of order, let me put it that way.

Mr. Riis: Mr. Speaker, it is a privilege to have an opportunity to say a few words on Bill C-91 today. To date the debate has been a very intelligent, which I believe reflects the seriousness of Members of Parliament in terms of what is now very clearly happening in the country, that is, the continuing move to more and more corporate concentration. I am

referring not only to corporate concentration in a political sense but to the fact that more and more of the control of the Canadian economy is falling into fewer and fewer hands. When more and more economic power falls into fewer and fewer hands, those few hands are given some significant political muscle as well.

When we consider that about 50 per cent of the value of stocks traded on the Toronto Stock Exchange are controlled by nine Canadian families, a picture begins to emerge of corporate concentration which would never be tolerated in most industrialized nations. Even the United States, that bastion of capitalism, has sufficient anti-combines legislation which would not enable the extent of corporate concentration that has become a reality in Canada to occur in that country.

Year after year attempts have been made by various Governments, particularly successive Liberal Governments, to bring forward legislation which would tend to restrict corporate concentration. However, inevitably, because of the corporate lobby, successive Liberal administrations have never brought a significant piece of legislation to the floor of the House of Commons.

Today we are debating Bill C-91. While it may be recognized as a step in the right direction, it really has insufficient teeth to make any significant dint in the trend toward corporate concentration in Canada. Obviously takeovers in this country have been increasingly dramatically; mergers and takeovers are accelerating. In the 1960s the average number of takeovers per year were 253. During the 1970s that increased to 382 corporate takeovers on an annual basis. In the 1980s—and we can only measure what happened in the first half of this decade—it would appear that about 522 corporate takeovers per year have already occurred, which indicates a significant acceleration. This means that more and more of the economic activity within Canada is being controlled by fewer and fewer corporations.

Since 1975, the hundred largest companies in Canada have been involved in more than 150 mergers and takeovers, and more than 25 per cent of the growth of these large companies has been from financial transactions rather than the development of new products or new growth in the market-place, so to speak. At a time when we ought to be more concerned than we are in terms of finding ways and means of providing employment for unemployed Canadians—and in my estimation the track record of the Government in this regard is rather abysmal—we see corporate takeovers and mergers taking place. This almost inevitably results in a net loss of jobs. As corporations take over other corporations, they are not creating any new business. They are not creating any new enterprises, any new product lines or new jobs. They are simply concentrating their economic power.

The most insidious type of takeover and merger is the one which is on our minds today, that is, the takeover by Imasco of Genstar. What is particularly insidious about it is that it is an example of a non-financial institution, which has vast holdings, taking over one of the largest financial institutions in Canada. Let me quote the chairman of the Finance Committee, the Hon. Member for Missisauga South (Mr. Blenkarn) who said, "Imasco is buying a bank".

• (1120)

We have seen this trend develop in the last while with Branscan, Trilon, Power Corporation and the Power Financial Corporation, with financial and non-financial institutions merging and melding. The concern is that this will give some unfair advantage to the corporate giants which have their own financial institutions. Self dealing will inevitably result.

There are many classic cases of self dealing, of conflict of interest, when unscrupulous corporate leaders have taken advantage of their access to financial corporations in which they own major shares. We do not have to go any further than the famous Leonard Rosenberg and his trust company, Seaway, Greymac and Crown Trust. They were making loans to other interests of Rosenberg that were totally inappropriate in terms of using depositors' money.

If Imasco is allowed to control the largest trust company in Canada, the sixth largest financial institution in Canada, namely Canada Trustco, will this enable Imasco in its operations to have special opportunities in the free market place? I think the concern of every Member of Parliament here is that in fact it would.

Having sat on the Finance Committee now for a number of years, let me suggest that there are hardly any issues on which all of the members of the Finance committee agree. I can recall only three or four instances where the collective members, reflecting all the political Parties in the House of Commons, agreed. One of those issues was that we should not permit financial institutions and non-financial institutions to meld, particularly when the ownership was over 10 per cent. There was a unanimous motion of the committee to that effect in its report. It was a unanimous motion of the committee the other night when it examined the Imasco Genstar situation.

Quite frankly, Mr. Speaker, on that committee are some very thoughtful and experienced financial people. We heard witnesses from the trust companies and from the financial industries of Canada. People made the point very clearly. After a great deal of thoughtful pondering and reflection members of the Finance committee unanimously agreed that the action we are seeing take place in Canada today, the takeover by Imasco of Genstar is not in the best interests of Canada or Canadians.

The other night in the Finance committee I put that very question to the Superintendent of Insurance, Mr. Robert Hammond, who is responsible for monitoring and supervising the trust companies of Canada. He is probably one of the most knowledgeable individuals when it comes to trust companies and the role they play in the Canadian economy. I asked him if, in his opinion, this particular type of takeover was in the best interests of Canada. His answer was that he could not identify any compelling reasons to make that case. I am

convinced there is not a single Member of the House of Commons in his or her heart of hearts who believes that the Imasco takeover of Genstar is in the best interest of Canada, Canadians or the future of the Canadian economy.

The decision is clearly now in the hands of the Minister of State for Finance (Mrs. McDougall), who has the authority under the Bill now before the House, retroactive to the end of November, 1985, to stop this transaction and to say here and now that the Government of Canada will not tolerate the takeover of financial institutions by non-financial institutions.

If the Government were wise enough, it would follow the recommendations of the New Democratic Party in the White Paper where we recommended that financial institutions, such as banks and large trust companies, should abide by the 10 per cent rule, that no group ought to own more than 10 per cent of a bank. Those are the rules we have today. I believe when you look at the large trust companies in Canada, there is no logic, no justification for not having that 10 per cent rule apply to them.

If that were the case, this discussion and concern, now reflected in the House of Commons for many days, would not be in evidence. This takeover would not be allowed.

In closing, we oppose this so-called competition legislation, because we see that it will not result in more fair competition. In fact, quite the contrary. This Bill does very little toward easing the accelerating corporate economic and political concentration emerging, best reflected, as I said earlier, in nine families controlling 50 per cent of the value of the Toronto Stock Exchange.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I want to thank you for giving me the floor, and I would like to say a few words about this competition legislation.

First of all, it is clear that this is an extremely complex Bill which required months of preparation. Several ministers with responsibilities in this area have worked on the subject, and although the Bill is not perfect, there will be discussions in committee. The Official Opposition intends to support the principle of the Bill and help improve the present situation and protect consumers against excessive concentration.

When we look at the problem as a whole, and we realize that a limited number of families and corporate groups control over 50 per cent of the Canadian stock market, on the exchanges in Toronto and Montreal, there is reason for concern not only about the consumer but about the survival of our free enterprise system. I have often told businessmen, when I had occasion to speak to them as a colleague or as a politician, that excessive concentration is probably the greatest enemy of free entreprise, a principle they tend to uphold in their professional associations. When faced with excessive concentration, not just of economic activities in general but in a specific sector, which is very similar to a monopoly situation, I thought it was clear that if voters had a choice between a public monopoly and a private monopoly, they, or our democratic system in general, would opt for the State monopoly. I think that, in this respect, the business community may be somewhat to blame for Government intervention in this area.

I therefore support the idea of legislation that will allow and promote increased competition and make it possible to avoid concentration as far as feasible, in such a way that the consumer will benefit and that our enterprise system, which encourages individual initiative, will continue to prosper in this country.

Mr. Speaker, had this debate on the Bill before the House taken place two or three weeks or a month or two months ago, perhaps the context would have been different.

Today, in addition to the Bill before the House, there is another matter on our minds, and I am referring to a transaction that would place one of this country's largest trust companies under the control of Imasco.

Mr. Speaker, first of all, I would like to define the position we of the Liberal Party have taken on this matter. The report made to the House by the Committee on Finance and Economic Affairs last November, says in Recommendation 58, which we approved, and since I have the English text, I will quote the recommendation in English:

[*English*]

58. That the Minister of Finance not approve any merger between Canada Trust and Canada Permanent Trust until an ownership policy for financial institutions has been developed and implemented.

[*Translation*]

Mr. Speaker, we endorsed this recommendation of the report tabled in the House by the Standing Committee on Finance, Trade and Economic Affairs.

The Minister of State for Finance (Mrs. McDougall) did not do anything. To my knowledge, the Hon. Member for Mississauga South (Mr. Blenkarn) and the Hon. Member for York-Scarborough (Mr. McCrossan) did not intervene publicly to stop the deal between Genstar and Canada Trust. All of a sudden now, because Imasco seeks to do the same thing with Genstar, they are raising hell.

Mr. Speaker, I must tell you that I personally approved Recommendation 58. More than that, we presented a minority report stating that in principle the Official Opposition did not agree with non-financial institutions being allowed to take over financial institutions, particularly larger ones. But I do not see any explanation, and I certainly intend to fight this one to ensure fairness. If the deal was good for Genstar, so it is for Imasco. What is good for Peter is also good for Jacques. If the Imasco deal is to be blocked, in the context of the Bill now under study concerning concentration, I will ask the Government to be consistent by honouring and implementing Recommendation 58 which was unanimously proposed to the House by the Standing Committee on Finance, Trade and Economic Affairs.

If nothing comes out of Recommendation 58 I will ask the Hon. Member for York-Scarborough (Mr. McCrossan) and the chairman of the Standing Committee on Finance, Trade and Economic Affairs, the Hon. Member for Mississauga South (Mr. Blenkarn), to take the same approach with respect to these two companies because they are not financial institutions.

I am saying to the Minister of Finance (Mr. Wilson) and to the Minister of State for Finance (Mrs. McDougall) that we want fairness. If indeed these deals are now being blocked under some kind of principle, considering that nothing was done a few months back to stop a similar operation which was much more significant since it involved the merger of two companies, two trust companies, with the result that Canada Trust is now among the largest Canadian trust companies, if not the largest, well if the first deal was not blocked I fail to see why this one should be.

I would humbly suggest that in the case of these two companies, Genstar or Imasco, both have been behaving as good corporate citizens in this country. I do not see why the Genstar deal should be okayed and the Imasco deal rejected. That would amount to outright injustice. Nor do I see why the Conservatives should be inconsistent if the law is enforced and if they are quite prepared to fight for that law and that principle. They simply must not change the rules in the middle of the game; having allowed Genstar to merge Canada Permanent with Canada Trust there is no way they can now prevent Imasco from doing the same thing, because the situation is similar in terms of these deals.

If the law is enforced, I shall be in complete agreement with Recommendation 58. However, if it is not enforced, I would have to say that there has been a lot of hypocrisy in some of the activities we have witnessed and the comments we have heard.

This is why I say that there must be some sense of equity. On the whole issue of the concentration of power, we must not act too quickly either, because we could prevent other smaller groups from organizing to compete with the larger groups, especially if the Government does not have the courage to dismantle these larger groups. I am thinking of much smaller groups which must become organized to provide effective competition for the consumers. I humbly submit that if the present situation is maintained and if the Genstar deal made last November and finalized in January is not changed and if the Imasco deal is blocked, there will be a basic inequity which could have been avoided if the Government had shown its colours as soon as the Committee on Finance, Trade and Economic Affairs made this unanimous recommendation.

This is why, Mr. Speaker, I come back to what I was saying at the beginning, namely, that it is important to have legislation to limit concentration, that this legislation must have teeth and that we must ensure that there is a competitive capacity in our Canadian system to protect consumers and free enterprise; but to meet this objective, we must act fairly and equitably so that legal entities from whatever region of Canada will be treated fairly and equitably.

• (1130)

[*English*]

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

Some Hon. Members: Question.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, we on this side of the House are certainly not ready for the question. I wonder why government Members are so anxious to rush this Bill through the House, rather than giving it full and adequate debate.

The legislation now before the House, Bill C-91, purports to be competition legislation. Obviously, with its level of corporate concentration, Canada requires effective competition legislation. My colleague who spoke a few minutes ago mentioned that nine families control the vast majority of the companies on the Canadian stock exchange. That gives Canada an image similar to that of a banana republic. Corporate concentration is a real problem in the country and must be dealt with effectively.

We must ask why the Government is so anxious to rush this legislation through. Is it afraid to have the provisions of the legislation examined? Is it afraid of having an evaluation of what this legislation is capable of accomplishing? We oppose this lesgislation because it is weak. It is weak legislation which is meant to deal with a very difficult situation.

We know that the Government was faced with a challenge when it sought to introduce competition legislation. Over the last couple of decades the Liberals have played around with attempts to draft competition legislation. They always hesitated to bring such legislation before the House because they knew that once they drafted effective legislation they would run into opposition from the corporate community. Therefore, they danced around the issue rather than coming to grips with it.

We are not surprised that the Conservatives have not dealt with this matter effectively, because the problem of concentration of corporate economic power in the country is a very difficult one. Rather than dancing around the issue the Conservatives chose to water down their solution. Thin gruel is no answer, Mr. Speaker. We need effective legislation.

While this legislation purports to deal with monopoly, merger, and conspiracy, it is riddled with loopholes. One of the biggest loopholes in this legislation is a clause which refers to mergers which will lessen competition substantially. Through this loophole the Government can allow continued concentration of corporate economic power. The Government can say that it has legislation to assure competition, but if the economic activities result in the substantial lessening of competition, it has gone too far and will not be allowed.

High priced corporate lawyers will argue before a competition agency about whether competition will be increased to the benefit of the public, whether we are going too far in seeking to increase competition, and whether, in fact competition has been lessened "substantially", whatever that means. While the lawyers argue before judicial bodies, the concentration of economic power will continue to take place.

That is why we consider this legislation to be weak, ineffective, and to be legislation in name only. It lacks the required substance to deal with the fact that nine families control the vast majority of the companies on the Canadian stock exchange. This is clearly a terribly over-concentrated pattern of ownership.

• (1140)

We have to ask why the Conservative Government has come up with such weak legislation to deal with such a difficult problem. We do not have to look far to find the answer. Who have the Conservatives been listening to? We are not surprised when we learn that the Conservatives have listened very carefully to the five major business organizations who represent corporate interests in this country: The Business Council on National Issues, the Canadian Chamber of Commerce, The Canadian Manufacturers' Association, the Grocery Products Manufacturers Association, and the Canadian Bar Association. When we have a Conservative Government with the ideology of big business, when we have a Government that runs its political machinery on the basis of donations from large corporate enterprises, then it is not surprising that it listens to the Business Council on National Issues.

What the Government must be severely criticized for is the fact that it has chosen to listen to the representatives of business and not those of ordinary Canadians. The Government has consulted with labour in a very token fashion. Yet it has consulted with the representatives of corporate enterprise in a detailed, clause-by-clause fashion. The Government has failed to listen to the Consumers' Association of Canada. Yet if there is any organization that should be listened to very carefully concerning competition legislation, surely it is a body representing the consumer. They are the ones who pay the price every time competition is decreased, every time a monopoly is created, and every time a merger takes place. The Conservatives have failed to listen to the ordinary Canadian expressing concern about the need for adequate competition legislation. They have failed to recognize the need for measures which will decrease the concentration of corporate ownership in this country. They have produced weak legislation precisely because of who they listen to. They listen to the representatives of corporate Canada and fail to listen to ordinary Canadians.

We are worried about the continued concentration of corporate ownership because it increases the disparities in wealth and adds to the poverty which exists, which in turn adds to the social injustices in our country. The fact that poverty has increased with the election of this new Government is no surprise. This legislation tells us why. The Government continues to condone ownership of the Canadian economy by fewer and fewer people, by nine families. If we are to have a true democracy it is necessary for wealth to be shared equitably. The trend towards increased corporate ownership goes in the opposite direction. We are also concerned about this trend because an economy owned by a few families undercuts political democracy. It allows for large corporations to finance a political party which, when elected, will serve business interests rather than those of ordinary Canadians.

It is time we had decent, effective competition legislation. The Government, rather than trying to rush this legislation through the House, should pull back to reconsider what it is doing and bring forward legislation which can work.

We are particularly concerned about the takeover by Imasco of Genstar. What this means is that a large corporate enterprise is able to buy its own bank. When it wants to borrow money, it can just reach into its other pocket. That is a very dangerous precedent to establish. It is a sad commentary that when we are dealing with competition legislation the Government has to bring in another piece of legislation to deal with this kind of takeover. It just shows how weak this legislation is. Clearly, if we allow large corporations to buy their own trust company or their own bank, we run real risks of conflict of interest, risks that depositors cannot have confidence that their money will be properly taken care of.

I see you indicating, Mr. Speaker. Does that mean I have one second or two seconds?

The Acting Speaker (Mr. Paproski): It means your time is up.

Mr. Keeper: It means my time is up? Perhaps my time for speaking in this House is up, but the time is up for this Government. It is time it brought in good legislation.

[*Translation*]

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I think that there are two major points to consider in the Imasco deal and the Genstar-Canada Trust transaction. The first concerns a deal between associated corporations, especially between a financial institution and a non-financial institution. The concern raised by the Hon. Member for Laval-des-Rapides (Mr. Garneau) on this point seems indeed justified. In my opinion, because of the circumstances, the same policy must apply to the second transaction between Imasco and Genstar as to the first one between Genstar and Canada Trust. I think that the same mechanism must apply to both transactions.

The second aspect to be considered is the concentration of economic power in the hands of certain financial groups or certain families. I think that, in this regard, we should not be reacting to the concentration of power by dealing with isolated transactions. I think that what is needed now is a general set of rules to make an in-depth review of the concentration of

economic power in the hands of certain groups. If I remember correctly, in Canada, 46 per cent of all private corporations are concentrated in the hands of seven or eight families or financial groups. In these circumstances, Mr. Speaker, what I suggest is that the same mechanism must apply to the Imasco-Genstar transaction as to the Genstar-Canada Trust transaction. Otherwise, if we do not apply the same criteria to the two transactions, it might lead people to believe that there is a conflict between certain Ontario lobbies and interests in Quebec.

Mr. Speaker, this is what I wanted to say about the Imasco-Genstar transaction.

• (1150)

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I think it might be useful in the few minutes that I have to review very quickly some of the provisions of Bill C-91. I am going to start by looking at the existing competition law, just to remind ourselves just how wretchedly ineffective it has been in policing the market-place. I want to quote two well known competition analysts, William Stanbury and Gill Reschenthaler who wrote this about our competition track record in Canada:

> The Canadian anti-combines legislation is quite properly viewed by practitioners and academics—in Canada and abroad—as relatively weak. Recent decisions have further weakened the law.
>
> The lack of sensitivity to the non-economic arguments for anti-trust enforcement and the concomitant absence of a fundamental distrust of economic power concentrations account, in large measure, for legislation which is largely behavioral in orientation and which relied exclusively on the criminal law until 1976.

This means we do not have either the motivation or the law to deal with competition issues, and the record bears this out. If we review the major aspects of our competition law we can see how barren the record of correction really is after 100 years of attempts at anti-competition law.

Let us look at that record. In all that time there has been one successful prosecution of illegal mergers, and I believe that was successful because the defendant pleaded guilty. There has been only one successful prosecution of monopoly of a market. Price discrimination is regarded by experts as unenforceable except under the most extreme conditions. What about conspiracy to fight fixed prices and share markets? This is regarded as weak, but workable, and has been found of limited use because of continuing court decisions. What about the question of misleading advertising and resale price maintenance? These have become a little more effective as a result of changes that were made to the Act in 1951 and again in 1969 respectively. There we have five major measures of an effective piece of legislation dealing with competition, and only two of them have been moderately effective. It has not been effective in legal mergers, monopoly of a market or price discrimination. When we get down to some of the market sharing and misleading advertising, we do occasionally find the legislation works on behalf of consumers.

There is no need to wonder why competition reform is necessary, or the reasons for bringing forth Bill C-91. What did we get? We do not seem to have the kind of remedies that are needed. We have recognized that the law courts do not seem to be a proper place for these kinds of cases to be dealt with. We have come up with a sort of halfway mixture of the tribunal and civil law procedures. We are not sure that this is going to solve the problem either.

How are we proposing to handle the monopoly or the abuse of a dominant position of a company that controls the market? In order to win a monopoly case the director of investigation and research now has to meet four basic tests. He must prove substantial control of a market; he has to prove that that control was exercised in a persistent and consistent manner; he has to prove that the anti-competitive act of that person or company means less competition; and the Crown has to prove that the practice that has been followed will lessen or prevent competition substantially. It is not clear what "substantial" means in the court.

Given these difficulties, meaning all four parts and the built-in defence that can be offered, that superior competitive performance brought these results about, means that many people who study this field say there is really little chance of a director winning any cases. Certainly Section 51 should be rigorously examined at committee level to ascertain whether its weaknesses mean that it will rapidly become just another inoperative section of the law.

We encounter the same problem in merger enforcement with this Bill. The director of investigation and research will have to demonstrate a "substantial" lessening of competition with another built-in defence that the merger brings "gains in efficiency". The defence is almost written into the Act by the method we have chosen in Bill C-91 to write the law. The confusion of the wording and the lack of any number of successful cases in past law do not give any ground for optimism for people who are worried about the competition field.

With regard to conspiracy, the third area of practice that we had hoped this law would be able to tighten up in favour of consumers and people in Canada, we find that price fixing, market sharing and restricting entry to competitors is at the heart of any competition law, and yet Canada's law in this area has been critically less effective in recent years.

It has been shown, for example, that prior to 1976 the Crown won close to 90 per cent of all conspiracy cases, but since that time the Crown has been winning just over 50 per cent. Bill C-91 does not really change the provisions of Section 32(1) to tighten this up, and we are continuing with a change in the Bill which does nothing to deal with the problem of conspiracies.

When we go into some analysis of conspiracy cases we find that the average fine has been about $71,000 for the period between 83 and 85, which means it has only kept pace with the

inflation rate since 1900. In effect there has been no change in the way we treat conspiracy in the courts since the year 1900.

I see my time is coming near an end, so I would like to point out very quickly some of the other shortcomings in the Bill. This Bill leaves out many of the protections to consumers that were introduced in other Bills that pass. Let me give some of the aspects of consumer competition legislation that have been left out of this Bill.

There has been no provision to permit class actions, as we see in competition legislation in other countries. There is no means of offering substitute actions. The question of interlocking directorates and management restrictions is not permitted to be brought forward under this legislation, so the influence directors have, by sitting on a large group of different companies and using their information to carry it back and forth and perhaps use their influence to fix prices, cannot be looked at under this Bill. The abuse of intellectual property is not a subject for investigation under this Bill. Neither are agreements to restrict imports or exports subject to this Bill. We are living in a very international kind of economy, yet agreements to restrict imports or exports are beyond the relevance of this Bill, as, indeed, are international conspiracies. There are no amendments to the aspect of price discrimination in this Bill. I see no amendments to cover predatory pricing in this Bill. It is essentially a policital gesture designed to try and appease the public with the appearance of action, while leaving the structure of business totally unaffected. Bill C-91 is another Conservative Government triumph of symbolism over substance.

• (1200)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the debate on Bill C-91, An Act to establish the Competition Tribunal, provides the House with an opportunity to reflect on a number of matters, which I will attempt to do in the next 10 minutes.

First, I want to talk about the whole question of productivity. We have heard much from the Conservatives, both in Opposition and in Government, about productivity and the problems in the Canadian economy being caused by decreased productivity. The argument that our economy had to be made more productive was generally associated with the view that the decrease in productivity was ralated to decreasing labour productivity. Very seldom did we hear Conservative Members talk about other aspects of the productivity debate.

Today's debate concerns a matter which directly relates to the productivity of the Canadian economy. Many economists have noticed in the last 10 years that the Canadian and American economies in particular, and the European economy to some extent, have seen a decline in productivity which is largely a result of the merger phenomenon that has been taking place.

Many of my colleagues in the New Democratic Party have already explained how the rash of mergers and takeovers do not increase employment, and the point has not been made sufficiently clear that these mergers also have an effect on the over-all nature of economic activity. In fact, rather than stimulating new activity and producing new wealth, during the last 10 years the capitalists in this country have been farming the corporate system in such a way that ours has become a paper economy in many respects. The capitalists have been planning how to make money through mergers and utilizing the tax system, rather than through real productivity. Our economy is not nearly as productive as many of those in the corporate sector would like us to believe. They are looking to blame others for the lack of productivity in our economy when, in fact, much of the blame lies with those in the corporate sector who are trying to find the easy way to legally increase their profits in non-productive ways.

Our Party does not believe that this is a good Bill. The debate on this Bill basically centres around the tension between the traditional poles of the capitalist economy; irrational competition on the one hand and monopoly on the other. Neither of these tend to be good for the ordinary citizen. The trend in this country has been toward the pole of the corporate monopoly, and I was shocked to hear that some nine families now control 50 per cent of the Toronto Stock Exchange. Certainly this does not reflect the spirit of free enterprise and rugged individualism, but rather a move toward a new feudalism in this country where a handful of families can make economic decisions which affect all Canadians. If that is called democracy, I must ask Members opposite just what they mean by democracy.

The New Democratic Party believes that democracy is more than just electoral politics. It is a question of social and economic democracy. When our country can allow itself to be in a position that nine families control over 50 per cent of the Toronto Stock Exchange, it can hardly call itself democratic in any comprehensive sense of the word.

I believe that we are debating the future of democracy in this country. When so much power is concentrated in the hands of so few people our function in Parliament as the appearance of democracy becomes increasingly irrelevant, as decisions that affect the economic future of this country are being made elsewhere with no accountability to the well-being of Canadians, or to the Government for that matter.

Previous Liberal Governments and the present Conservative Government have refused to stand up to the beast and make the capitalist economy accountable to the people of Canada. The debate today is essentially whether or not we will ever have a Government that is willing to make the capitalists accountable for those decisions.

We have often heard Members opposite talk about the notion that big Government reduces accountability for the decisions which affect Canadians in their daily lives. While we all must be concerned about big Government, it should not be at the expense of concern for other equally important decisions that are taken without any accountability. At least one can say about Government, however big and bureaucratic, that there is

still a political process in place by which we can occasionally rein in its power, if not in a comprehensive way at election, through political pressure exerted on the Government between elections. Regardless of its size, Government still has accountability.

The debate on Bill C-91 concerns economic power which basically has its way with the Canadian people and the Canadian economy. It has had its way for years in systematically intimidating former Liberal Governments not to do anything about monopolistic power in this country. It has had its way with the present Government by ensuring that it fully agreed with the Government's policy before the introduction of the its legislation. The Government, having made the deal with the devil, is trying to say that it has stood up to these economic powers, when it in fact made an agreement with them.

The absence of good competition legislation in Canada continues to be one of the saddest stories in Canadian history. Canada continues to be a country where very few people make many important economic decisions. I refer to John Porter's book *The Vertical Mosaic*, the subsequent book by Wallace Clement entitled *Canadian Corporate Elite* and other studies which have been made. The trend is obvious that more and more power is being concentrated in fewer hands. That is the exact opposite of what the New Democratic Party believes should be the case. That is why we will continue to oppose this Bill. It does absolutely nothing about that trend.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise to share the concern of my colleagues about the deplorable implications of this Bill. This Bill reflects a long history of inadequate competition legislation in the House, beginning with the Liberals and now being propagated further by the Conservative Government.

When one listens to the debate, one cannot help but reflect on how many monopolies in Canada are controlling our lives. Many Canadians do not realize the very subtle and, in many ways, evil influence. My colleagues have referred several times to the nine large, rich and powerful families who control most of the stocks in the Toronto stock exchange. I can tell you, Mr. Speaker, that in British Columbia, and I am sure in other provinces in the west as well, we do not have to dig very deep at all to see the monopoly powers of the Canadian Pacific Railway. These kinds of powers were given early in our development to this huge monopoly, which even to this day controls our lives and developments in a very anti-social way.

• (1210)

I would like to give a couple of examples I hear about frequently in Vancouver. The fact is that the CPR moved funds from the gifts given to it by the Canadian Government into a merchant fleet which was taken out of Canada. That in effect ruined any chance of a merchant marine in Canada. Instead, the merchant fleet went to places like Panama, where it is allowed to employ non-Canadian crews, thereby destroying the potential for Canadian jobs in Canadian shipping. That is the monopoly of the CPR.

Even last week when I was in my riding of Vancouver East the powers of Marathon Realty, which is a branch of the CPR, made apparent its influence in anti-social development. The transfer points for dangerous commodities in downtown Vancouver is being moved eastward into my riding of Vancouver East. It is alleged that this is largely because Marathon Realty wants to develop expensive condominiums at the location where these downtown rail and ferry lines meet. All of the recommendations made by the planners to get the dangerous goods right out of the city were completely disregarded. We do not want them moved from one very densely populated residential area into another. All good sense would say that these dangerous goods should be moved right out of Vancouver. I must say I am extremely disappointed that the Minister of Transport (Mr. Mazankowski) has allowed this decision to go forward.

You may think, Mr. Speaker, that this particular example is a bit distant from this particular Bill. However, it illustrates the total power of monopolies and corporations which really control our lives, and do not allow either businesses or communities to flourish.

I would like to put some points on the record about the background of competitive legislation reform which, according to one expert, has been one of the "saddest experiences in Canadian public policy". This Bill is the finale to a very sad history of abortive gestures in dealing with competition reform in Canada. That is not just a judgment of the New Democratic Party, but is an assessment of one of the leading competition economists in Canada, Mr. Irving Brecher of McGill University. In 1981, in a study called "Canada's Competition Policy Revisited", he stated:

> This judgement is made all the more painful by the realization that, contrary to often expressed belief, the outcome was not inevitable or beyond the control of Governments determined that it be otherwise.

This is the story of continuing failure over a long period of time. The Economic Council began its deliberations toward a modern competition policy in 1966. Its interim report was completed in 1969. Probably one of the best competition Bills was tabled in 1971, Bill C-256. Perhaps the Speaker who was here at that time remembers that Bill. As of today, however, none of the studies, commitments, Bills or speeches in this House have produced a law which would reform our simplistic, judicially hamstrung and grossly ineffective competition law. Only one very modest Bill was passed.

Today we are being asked to accept Bill C-91 as the ultimate development in competition policy. According to the experts, and I do not profess to be an expert in this field, this is not true at all. It is a fifth generation descendant of a Bill which has been trying to pass this House since 1971. Bills C-256, C-42, C-13 and C-29 all attempted to reform competition law in this country, and all failed. One certainly wonders why.

Anyone who believes that competition law reform is a priority for this country, either under the Liberals or under the Conservatives, should approach Bill C-91 with a good deal of suspicion. The question is not what is in this Bill, but what is

not in the Bill; that is the concern. To introduce this legislation, the Minister had to pay a shameful price. In the name of promoting competition in Canada, the Minister of Consumer and Corporate Affairs (Mr. Côté) had to reach prior agreement with the very same people who had prevented the passage of all four of the previous Bills, namely, the representatives of big business. We know who the spokespersons are for big business. Conservative Hon. Members are usually very proud to say that they are the spokespersons for big business. How can the Tories effectively negotiate with the very large families and corporations which have a vested interest in this issue and give to the Conservative campaigns?

It is not as if the Government is resigned, after fighting the good fight, to getting half a loaf in Bill C-91. It has brought about this outcome by deliberately lowering its sights and being afraid to fight for a better economic deal for average Canadians in most of their every-day purchases. Just how much average Canadians are paying for this continuing policy failure will no doubt surprise Hon. Members.

We should take inventory of what this policy failure has cost the country and ordinary Canadian consumers. The Canadian economy, as we know, is highly concentrated. It is susceptible to price increases associated with high tariffs. Domination of markets keeps prices high throughout a business cycle. The cost to Canada for this kind of anti-competitive system has been estimated at 7.5 per cent of the Gross National Product. I will elaborate on that.

In 1984 the GNP was $416 billion. The cost of economic wastes attributable to the absence of price competition in Canada was, therefore, $31.4 billion and rising yearly. This estimate comes from a noted competition economist, Mr. A. M. Moore. I do not believe the Nielsen task force looked into this whole area; certainly it should have done so. But there again, of course, most of the representatives on the committees who were advisory to the evaluation were also representatives of big business.

There are further costs to the economy, as Profesor Brecher noted. Highly sheltered markets mean a sluggish economy which is slow to adapt. These non-competitive markets also breed persistent and powerful private attempts at manipulation of the political process to sustain the economic *status quo*. Thus we can see a New Brunswick dominated by K. C. Irving family interests, a Newfoundland dominated by Water Street merchants, or the western provinces, formally dominated by C.P.R., in fact still dominated by Marathon in Vancouver, and or many industries such as the food industry, now regionally dominated by only one or two groups.

This legislation in its weaknesses and omissions will is going to allow this trend to continue. That is a disgraceful situation. It affects every Canadian consumer. I am sure that if the Canadian consumers were only more aware of what the Government is trying to do to them, they would join us today in strongly opposing this very inadequate and, indeed, negative Bill.

• (1220)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to take part in the second reading debate on Bill C-91, a Bill which in many ways is one of the most important and fundamental pieces of legislation to come before this Session of Parliament. This legislation is about the smoke and mirrors that goes on when the Tory Government is actually asked to make its rhetoric a reality. The rhetoric of the Tory Government is that it believes in the free market, in free enterprise and in letting the market-place make decisions. The history of competition legislation in Canada shows very clearly that it has been the Conservative Party which over and over again has thwarted attempts to make effective competition a reality. We need look no further than at the level and nature of the consultation which took place before Bill C-91 in order to establish the reality in Canada. A Government which professes its belief in competition and free enterprise in fact believes nothing of the sort when it comes to the crunch.

The big five, the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Grocery Products Manufacturers of Canada Association and the Canadian Bar Association—

Mr. Allmand: The Gang of Five.

Mr. Robinson: That Gang of Five, as my colleague has called it, is once again writing competition legislation for the Government. Was there any consultation with groups representing farmers, working people, consumers or the academic community? No. Rather, the Government consulted the Gang of Five. That is not surprising because we know the old saying that he or she who pays the piper calls the tune.

This morning I took the opportunity of looking through the record of contributions made to political Parties during the last federal election. Lo and behold, as I looked through the list of corporate contributions I found that the Gang of Five was very generous indeed, and in most cases its generosity was shared in equal portions by the Conservative Party and the Liberal Party. The big five banks each donated $50,000 per year to the Conservative Party and $50,000 per year to the Liberal Party. He or she who pays the piper calls the tune, and we see in this legislation that the big corporations and the big banks have been calling the tune on competition legislation.

What is the effectiveness of this legislation? We have seen many cases of individuals being arrested and convicted of theft and sent to jail, or if fined and unable to pay the fine, sent to jail in default. However, when a corporation steals from Canadian consumers through excessive pricing or many of the other mechanisms which are used to rip off consumers, do corporate executives go to jail for that? Of course not. They write it off as another tax expense.

We in the New Democratic Party believe in economic democracy as well. We do not happen to believe in the rhetoric of the Conservative and Liberal Parties which is that if we have a wonderful free enterprise system in which competition

takes place, then somehow everything will be just fine. As democratic socialists, we remind Canadians that in the pursuit of profit through corporate greed, many other human values are twisted, eroded and destroyed.

What results from the pursuit of global maximization of profit? First, because the costs of production are driven down, we see destruction of the environment, pollution, destruction of our beautiful lakes and rivers and destruction of clean air. It costs money to properly protect and nurture our precious environment. If a corporation is trying to drive down the costs of production and externalize those costs, it wll pollute and destroy the environment.

We know that in an attempt to maximize profit, working men and women have their health and safety threatened. Of course, it costs money to make sure that the workplace is safe and healthy. In the corporate drive for profit we see regional disparities and inequities resulting. The levels of unemployment in some parts of the country, including the Maritime provinces, rural Quebec and British Columbia are tremendously high.

We see the results of the pursuit of corporate greed in the production of shabby and unsafe goods. Of course, it costs a little more money to produce quality goods. If a corporation wants to maximize, then the bottom line is that it does not care about effective, safe and non-hazardous consumer goods. It builds in the costs of a few deaths, as did the manufacturers of the Pinto, knowing full well that that car would explode and result in a few deaths. That is the corporate greed which we in this Party reject.

Corporate greed means that there is advertising to promote a demand which in many cases is ineffective. It means that the corporate sector will be fighting tooth and nail against effective affirmative action to ensure that the hiring of the disabled, women, visible minorities and native people is promoted. As we know, that is action which the corporate sector has vigorously rejected.

While we recognize that we should be holding the Government accountable to its own rhetoric about competition, free enterprise and letting the market rule, we in this Party believe in a very fundamental alternative. We believe that the economy should be organized, not to squeeze as much profit as possible out of it for a few faceless shareholders in some corporate board room in another part of the world, but to serve the needs of Canadians and to ensure that global inequities in the distribution of wealth and power are eliminated. We believe that an economy should be organized in such a way as to ensure that the overriding goal of full employment, a job for each and every Canadian who wants one is met. We believe that there are many ways of achieving this other than using corporate cutthroat greed and competition.

In the short time available to me I will not have an opportunity to elaborate to any great length on some of those alternatives. However, surely we should be looking far more seriously at an important and significant role for the co-operative sector to play in society. We must look at an important role for local communities to play. Local communities should be able to make decisions about their own economic priorities.

I see that my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis) is present in the House. He very ably chaired a task force on unemployment and job creation. One of the things we on that task force heard over and over again was that smaller communities wanted to make their own decisions about their economic priorities, rather than seeing more and more mergers and acquisitions which contribute not one new job, but merely line the pockets of a few corporate shareholders.

We in this Party say that this legislation is fundamentally flawed. As my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), has pointed out so eloquently in his remarks, many of the objective commentators have pointed to the weakness of this legislation and to the fact that it has been systematically eroded over the passage of time. We know that effective provisions for class actions, for example, which are so important for consumers, are totally lacking in this legislation. We know that effective provisions to deal with predatory pricing are absent from this legislation.

We look forward to an extensive study of this legislation in committee in order to ensure that, to the extent that it is possible to improve this badly flawed legislation, it will be improved.

• (1230)

Surely the bottom line is that we as a country must recognize that the way to organize the economy is not to try to squeeze as much profit as possible out of the country, but to serve human needs and human values.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is the following one. Mr. Côté (Langelier), seconded by Mr. Hnatyshyn, moves that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

• (1240)

(*Division No. 218*)

YEAS

Members

Allmand	Fraleigh	McLean
Attewell	Garneau	Minaker
Beatty	Gass	Mitges
Berger	Gauthier	Nicholson
Bissonnette	Gervais	(Trinity)
Blenkarn	Gormley	Nickerson
Boyer	Graham	Nielsen
Bradley	Gray	Nowlan
Brightwell	(Windsor West)	Nunziata
Caldwell	Gustafson	Oberle
Carney	Hamilton	O'Neil
Champagne	Hees	Ouellet
(Saint-Hyacinthe-Bagot)	Hicks	Paproski
Clark	Hnatyshyn	Penner
(Brandon-Souris)	Holtmann	Pennock
Clifford	Hopkins	Plourde
Clinch	Howie	Porter
Cooper	Hudon	Redway
Copps	Isabelle	Reid
Corbett	Jelinek	Reimer
Cossitt	Johnson	Schellenberger
Côté	(Bonavista-Trinity-	(Wetaskiwin)
(Lac-Saint-Jean)	Conception)	Scott
Côté	Joncas	(Hamilton-Wentworth)
(Langelier)	Kaplan	Scowen
Crombie	Kempling	Shields
Crosbie	Kilgour	Sparrow
(St. John's West)	Kindy	Stevens
Dantzer	King	Stewart
Daubney	Lawrence	Tardif
de Corneille	Leblanc	(Charlesbourg)
Della Noce	Lewis	Taylor
Desrosiers	Mantha	Thacker
Dingwall	Marchi	Towers
Domm	Marin	Tremblay
Dorin	Mayer	(Québec-Est)
Edwards	Mazankowski	Tupper
Epp	McCrossan	Vankoughnet
(Provencher)	McCuish	Vincent
Fennell	McDougall	Warner
Ferland	(St. Paul's)	Weiner
Finestone	McKenzie	Winegard
Fontaine	McKinnon	Wise—116.
Forrestall	McKnight	

NAYS

Members

Althouse	Epp	Murphy
Angus	(Thunder Bay-Nipigon)	Orlikow
Benjamin	Manly	Riis
Blackburn	McCurdy	Robinson
(Brant)	Mitchell	Waddell—13.

• (1250)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to a legislative committee.

Mr. Lawrence: Mr. Speaker, is the result of that vote because some Members voted twice, or are some of the Members being counted as voting once? I really think there should be some clarification.

Mr. Speaker: I think the Hon. Member knows that the votes were counted as Members intended them to be counted.

* * *

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-62, an Act respecting employment equity, as reported (with amendments) from a legislative committee.

Mr. Hnatyshyn: Mr. Speaker, I think that under the circumstances it would probably be appropriate to call it one o'clock. Now that the Bill has been called for consideration, we can commence our deliberations in earnest after Question Period.

Mr. Speaker: I take it that the House agrees that the Chair now see it as one o'clock.

Some Hon. Members: Agreed

Mr. Speaker: It being one o'clock, I do now leave the Chair until two o'clock p.m.

At 12.56 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE ADMINISTRATION

MOVEMENT OF SECRETARY OF STATE FOR YOUTH

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Tory Government has done it again. By moving the Minister of State for Youth (Mrs. Champagne) from the Secretary of State to Employment, the Government is downgrading the importance of youth in Canadian society. All the Government is going to do from now on is to consider youth as an employment problem.

S.O. 21

Until now, women, the disabled, minorities, the native people and youth were looked upon as an integral part of Canadian society. By relegating the Minister of State for Youth to Employment and Immigration, youth is dropped from the Canadian scene. In essence the Government says: "You are no longer a partner in Canadian society. You, whether native, multicultural or otherwise, have no place at the national table and we decide, not you."

In the Liberal Party we reject vigorously this ill-considered decision by the Tory Government and we will do what is in our power to ensure that youth regain their strong voice and role in Canadian society.

* * *

[*Translation*]

CANADIAN CULTURE

TRIBUTE TO ABBÉ MAURICE PROULX

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I, and with me all the people of the riding of Kamouraska—Rivière-du-Loup, all Quebecers and all Canadians, wish to pay tribute to a man who has made an unprecedented contribution to the history of film in Quebec. From the Depression years to the Quiet Revolution, he produced and made an impressive number of films.

Father Maurice Proulx, a pioneer in the art of cinematography, was among the founders of one of our greatest Canadian cultural institutions, the National Film Board.

In recognition of the admirable work done by this resident of La Pocatière, yesterday, Father Maurice Proulx was made a Member of the Order of Canada.

* * *

[*English*]

FORESTRY

LOSS OF JOBS IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, in view of the fact that both the Prime Minister (Mr. Mulroney) and the Minister of State for Forestry (Mr. Merrithew) participated in the National Forest Congress which is concluding today in Ottawa, I would like to bring to the attention of the House the plight of forestry workers in Canada, particularly in British Columbia. Some 26,000 people have lost their jobs in the forest industry in B.C., 16,000 of them members of the IWA. Of those, 5,500 are older workers whose pensions are threatened because their lay-offs have extended beyond two years. I call on the Minister of Labour (Mr. McKnight), the Minister of State for Forestry, the Minister of Employment and Immigration (Miss MacDonald) and the Prime Minister to help immediately develop a labour adjustment program for these disadvantaged older workers.

Given the Government's failure to introduce a national forest policy, it must now take measures to introduce a National Forest Act, a Department of Forests, and a full Minister of Forests in order to bring the industry into the prominence it should occupy in our country.

* * *

THE DISABLED AND THE HANDICAPPED

OPENING OF THE WALTER DINSDALE DISABILITY INFORMATION SERVICE IN CALGARY

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the number of services available to the physically disabled in our communities is growing, but many people have trouble finding out about these resources. Today in Calgary the Secretary of State has opened a centre which will keep track of all the information and services available to physically handicapped persons, their organizations, and rehabilitation professionals across the country. The federal Government is giving $720,000 to the University of Calgary over the next two years to develop and operate the centre.

I am particularly delighted that the Disability Information Service Centre is to be named after my predecessor, the late Hon. Walter Dinsdale. Periodically, individuals make an outstanding commitment to a cause. The Hon. Walter Dinsdale was such a person. He devoted a lifetime of work to increasing the awareness of all Canadians of the specific problems encountered by the physically disabled. He worked to make life easier for those who were so disadvantaged. Therefore it is exceedingly appropriate that this Centre be named in his honour.

* * *

SHIPBUILDING

OPPOSITION TO PROPOSED OFFSHORE PURCHASES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, why is the Government more concerned with creating jobs in foreign countries than in Canadian shipyards? Canadian shipbuilders will see their jobs either gone or about to disappear. They are outraged with the latest insult to their industry by the Associate Minister of National Defence (Mr. Andre). On April 4 in Halifax the Minister told a news conference that "I am still entertaining the possibility" of buying up to $100 million worth of foreign vessels for the naval reserve and auxiliary fleet.

• (1405)

Whatever happened to the eight separate promises made by the Progressive Conservative Party during the last election campaign to the shipbuilding industry to increase the number of workers?

These proposed offshore purchases must be scrapped immediately and replaced with a commitment on the part of the Government to build these ships using Canadian labour in Canadian shipyards in British Columbia, the Atlantic provinces, as well as in Quebec. The Government of Canada has an obligation to support Canadian workers in this industry and it is about time it began living up to that responsibility.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

CANCELLATION OF *CONTACT* PROGRAM

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, not long ago, The French network of the CBC, Radio-Canada, announced that the program "Contact" would be dropped. This program had a daily listener rating of 40,000. "Contact" was the only program covering social and cultural activities in the Gaspé.

The half-million dollars Radio-Canada wanted to save in Gaspé could have been found in other areas, by cutting back on administration and overtime, for instance.

The decision by Radio-Canada to drop "Contact" reflects a petty attitude and a desire to politicize a decision that should have been a purely administrative one.

The people of the Gaspé will not tolerate being used by Radio-Canada in its attempts to blackmail the Government.

Remote regions really need Radio-Canada's regional services. If the Crown Corporation no longer wishes to accept that mandate, its very existence may be challenged.

Our Government's goal is to cut fat, not to cut services to remote communities.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

RESTORATION OF PENSIONERS' RAIL PASSES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, today is a day of victory for CP pensioners. As a result of the lobbying by CP pensioners across the land, as a result of the lobbying by Members of this House, and as a result of the petitions tabled here by members of the New Democratic Party, CP Rail has informed its present pensioners that they can get their rail passes back.

In a letter to CP pensioners the President of CP Rail, Mr. Allison, indicated that pensioners can have a choice: they can either keep their rail passes or join the health care plan offered by the company. This is exactly what the pensioners wanted. CP Rail could have avoided this controversy if it had given the pensioners this choice in the first place.

To the pensioners' credit they fought back this attempt to take away something that is rightfully theirs. CP Rail should have learned from the experience of this Conservative Government: you do not do anything to get our senior citizens mad. Seniors fight back, and as they should, and they invariably win.

* * *

[*Translation*]

ENERGY

REQUEST THAT QUEBEC GASOLINE SURTAX BE REDUCED

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, this morning, gasoline was selling at 44.1 cents a litre in Ottawa and at 50 cents a litre in Montreal. That is a difference of 6 cents a litre and it does not go to the oil companies. It does not go to the retailers either, nor to the federal Government. The fact is that the Quebec surtax has not been adjusted to the lower prices since September 1984. Apparently, the elevator cannot go down when the prices fall.

Mr. Speaker, why wait for the next provincial budget to adjust this odious and unfair surtax charged to Quebecers?

When prices have increased in the past, the adjustment was made the very same week.

I have been denouncing this surtax since November 18, 1981, and I shall continue to denounce it until it is completely withdrawn because it was supposed to be temporary and variable. Withdrawal of this surtax would not make things better in Quebec than in Ontario, but it would put both provinces on the same footing.

This is my fondest wish for all Quebec consumers. This surtax is unfair and it has cost Quebec consumers about $64 million. This money should be given back to them immediately.

* * *

EMPLOYMENT

VERSATILE DAVIE EMPLOYEES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the employment growth attests to the success of our administration. Instead of closeting ourselves with Government technocrats, we made sure that we would have the ongoing co-operation of the people.

In my riding of Lévis for instance, a private company, Versatile Davie, its unionized workers, the Chamber of Commerce, the economic development councils and businessmen have been openly co-operating with their Member and the Government.

Our Government paid close attention to the wishes of people in the constituency of Lévis, and today the Lauzon Versatile Davie shipyards workers know that they need not worry about unemployment for several years.

As a result of this co-operation, Mr. Speaker, the various economic interests in this case will take part in a radio program aired between 6 a.m. and 9 a.m. tomorrow over our regional station CFLS.

We are successful, Mr. Speaker, thanks to the co-operation of other Canadians.

* * *

UNEMPLOYMENT INSURANCE

BENEFITS REDUCTION—CONSEQUENCES FOR EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Department of Employment and Immigration has released statistics which prove that once again older Canadians have been had by the Conservative Government as a result of unemployment insurance cut-backs: 34,000 pre-retirees have been had, including 13,000 in Quebec, 8,000 in Ontario, 6,648 in western Canada, and 3,087 in the Maritime provinces.

Those people had been assured by their employers and Department officials that they would be eligible for early retirement to enable younger workers to keep their jobs, but on January 5 the Government arbitrarily slashed their income.

Mr. Speaker, a national organization is being set up to urge all those people to launch an appeal, and I do hope we will have the support of all Hon. Members to help those retired Canadians.

* * *

• (1410)

[*English*]

FARM CREDIT CORPORATION

COMMODITY BASED LOAN PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Commodity Based Loan Program represents an innovative approach to farm financing for those existing FCC clients who find themselves in financial stress.

The CBL permits refinancing at 6 per cent interest, while principal and annual payments will fluctuate according to the percentage increase or decrease in the selling price of the borrower's main commodity.

This is not an interest rate subsidy plan. The purpose is to reduce the number of farm failures among FCC clients by reducing payments, and thus easing demands on cash flow in times of falling commodity prices. Should prices rise greatly, which we all hope, there is a cap. A borrower cannot pay more than the amount called for in the CBL mortgage.

The CBL program will be monitored over the initial two years and a decision will then be made on whether the program has merit and can be expanded to other potential borrowers.

This is a bold initiative, one worthy of consideration. I commend the Minister of Agriculture (Mr. Wise) for this new and imaginative measure.

* * *

OCCUPATIONAL HEALTH AND SAFETY

SMOKE-FREE WORKPLACES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Members of Parliament may have noticed the unhappy story of the de Havilland employee who was forced to work in a smoke-polluted office or quit her job.

The fact that this case falls under provincial jurisdiction and proves the inadequacy of provincial occupational health and safety legislation should give us no cause for complacency.

Federal legislation is no better, as other cases of employees wishing to work and breathe safely have shown. Treasury Board still fights employees and their unions who seek a smoke-free workplace.

Returns from a survey in my riding show 90 per cent support for legislation to ensure a smoke-free working environment, and support goes up to 93 per cent, 94 per cent, and 95 per cent respectively for smoke-free buses, planes, and trains.

With 35,000 Canadians dying every year from tobacco related diseases, 5,000 of them from secondary smoke, largely in the workplace, surely it is time for the Government to bring in effective legislation.

* * *

THE ECONOMY

MEASURES TO ASSIST SASKATCHEWAN

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, some recent examples illustrate that Saskatchewan people are being heard in Ottawa.

Despite quite a bleak outlook for Canada's grain exports, the Minister of State for the Canadian Wheat Board (Mr.

Mayer) announced an initial price which was low, but higher than it could have been. With a good grain stabilization payment anticipated, and a serious commitment to raise the domestic price, our Saskatchewan citizens know that the Government is doing everything possible to improve prices.

In the energy field many of us have worked hard to see the Husky upgrader stay alive. Federal Ministers and Premier Devine have agreed to a $90 million plan to see the project through until the construction phase.

What about the issue of farm credit? Just minutes ago the bank rate dropped from 10.14 to 9.33 per cent.

Some Hon. Members: Hear, hear!

Mr. Gormley: This will help the farmers and the small-business people of Canada. Indeed, Saskatchewan is being heard here in Ottawa.

* * *

CANADIAN HYDROGRAPHIC SERVICE

SOUNDING OF NAVIGABLE WATERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, much of Canada's navigable waters yet remain to be accurately sounded. This is particularly true in the Arctic where Canada would exert its sovereignty.

Conventional bathymetry, using sonar equipment carried by surface vessels, is costly, time consuming, and hampered by ice cover.

The Canadian Hydrographic Service is to be complimented for its excellent work over the years and now for its interest in developing new airborne depth measuring systems such as those using electromagnetic and laser techniques.

Speedy, accurate, and cost effective airborne bathymetry will improve the efficiency and safety of navigation in Canadian waters.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEWFOUNDLAND AND LABRADOR MINISTER OF CULTURE, RECREATION AND YOUTH

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of the Hon. William Matthews, Minister of Culture, Recreation and Youth for Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

REDUCED INITIAL GRAIN PRICES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Because of yesterday's news that the initial grain prices would be 19 per cent lower than the 1985 initial prices, the western provinces, already reeling from lower oil and gas prices, find themselves in a wholesale crisis. I wonder if the Prime Minister would respond to what I put to him yesterday and convene a meeting of the western Premiers to address the question and come up with some sort of farm emergency relief.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are well aware of the serious situation facing western grain farmers, in fact all grain farmers in Canada. As was said yesterday, we are getting very close to being able to announce an initial payment under the Western Grain Stabilization Act. I think the Right Hon. Leader of the Opposition is well aware of the many initiatives taken by the federal Minister of Agriculture and the amount of money which was pumped into the Canadian grain economy last year.

We are well aware of the situation. We have been communicating as well with our trading partners in order to make them aware of how serious we view this situation, and how much we question their actions in terms of trying to be helpful to farmers in all parts of the world.

Mr. Turner (Vancouver Quadra): I would have hoped that my question would have merited a response from the Prime Minister. However, I will put my second question to the Minister in charge of the Wheat Board.

REQUEST FOR REDUCTION ROLLBACK

Right Hon. John N. Turner (Leader of the Opposition): The Minister knows that, as a result of the difference between the 1985 and 1986 initial grain prices, gross income for many western grain farmers will drop by about $20,000. Under these circumstances he will understand what that does to western communities, the municipal base, machinery companies and automobile dealers, in fact the whole community. Would the Minister talk to the Prime Minister and to the Minister of Finance to see whether he could get a guarantee to move the 1986 prices back up to the 1985 level?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the Minister of Finance needs to be congratulated for the way he has been handling things so that we can see such a dramatic drop in interest rates as we have today.

Farmers are large borrowers and users of money. This will have a beneficial effect on them and help to reduce some of their operating costs.

Mr. Gauthier: But they can't pay their debts.

Mr. Mayer: We know that is not the total answer. Something the Right Hon. Leader should also be aware of is the Striking Committee Report this morning on the establishment of a committee to investigate increasing the price for domestic wheat. That also involves consumers. We were very happy that Sally Hall, the President of the Consumers' Association of Canada, said this morning that she supports an increased domestic price of wheat used to make pasta, flour, and other food products, as long as the money reaches farmers. There are some encouraging things and some things we can do there.

Mr. Turner (Vancouver Quadra): The Minister refers to his colleague, the Minister of Finance. I doubt whether people in his constituency or other farmers in western Canada would be in the same congratulatory mood.

REQUEST FOR MORATORIUM ON FARM FORECLOSURES

Right Hon. John N. Turner (Leader of the Opposition): Under the circumstances I will direct my third question to the Minister of State for Finance. She knows that farmers are now paying about $1.1 billion annually in interest rates. Since she has been so generous to the depositors in the western banks, to the tune of $1 billion, would she convene her friends in the banking industry and arrange a moratorium on foreclosures in western Canada until this crisis is over?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, let me just point out two rather important pieces of information to the Right Hon. Member since he seems to have missed them. First, we had another decline in interest rates today which is of great benefit to farmers.

Mr. Ouellet: He just said that.

Ms. McDougall: Second, many of the depositors in those banks were farmers.

REQUEST FOR CO-OPERATIVE PLAN

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. As he may well know, if a farmer in southern Manitoba were to find some way of moving his land across the border to North Dakota he would not only receive double the value for his wheat, he would get cheaper machinery, fuel, and chemicals. This crisis calls for a totally co-ordinated approach covering all aspects of the farm cost price squeeze. Would the Prime Minister undertake to put that co-operative plan into place to look at things like reducing the fuel tax for farmers and providing a deficiency payment so that they can at least have a chance to compete in top world markets?

• (1420)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member talked about a co-ordinated approach. He should know that the U.S. Farm Bill was put in place not solely by the administration but by the Congress as well. We have gone across the line to speak to farm groups and we have encouraged farm groups in Canada to do the same.

As I understand it, the Hon. Member had a chance to participate in the Canada-U.S. Parliamentary Association meeting which occurred at the end of February and the beginning of March. I would like to know if he took the concerns he is raising now on behalf of farmers to the U.S. Congressmen to see what kind of response he would get. If we are going to have a co-ordinated approach, I would like to know if he has been participating in seeing that that co-ordinated approach comes about.

INTERNATIONAL MEETING OF GRAIN EXPORTING COUNTRIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, once again those people are abdicating their responsibilities and asking us to form the Government. We would be quite happy to take on that responsibility.

My supplementary question is again directed to the Prime Minister. The Minister of State for the Wheat Board has said that he expects there to be an international meeting this summer of all the export grain producing nations. In his discussions with President Reagan did the Prime Minister gain the agreement of the President for American participation in that conference, and did he also get the President's agreement that the Americans will co-operate in trying to find an international solution to this very deep and devastating problem affecting our farmers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member talked about abdicating responsibilities. He should know that, as a result of a Government of which he was a part, which totally abdicated fiscal responsibility, we saw interest rates go as high as 20 per cent and that put a lot of farmers on their backs. We have a Minister of Finance who today is able to see the bank rate go under 9 per cent. That tells me that there is some responsibility on behalf not only of farmers but of everyone else in the country.

REQUEST FOR DEFICIENCY PAYMENT ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I too have a question for the Minister. He said earlier that the Government would soon have something to say about stabilization payments. The Minister knows that there is a major distinction between that and deficiency payments. Since the Governments of the United States and European countries are doing a lot for their farmers to enable them to keep their farms and to keep producing, much more than our Government is in the present

crisis, will our Government announce a deficiency payment soon in order to put our farmers into a competitive position?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, this is the beginning of the growing season and it is a long way away from being completed. Admittedly it is bad news at the beginning because of world grain prices over which Canada has very little control.

The President of the Saskatchewan Wheat Pool, the largest grain handling company in the country, said that "only crop insurance, grain stabilization and other agricultural programs kept the provincial farm economy from plunging into the red in 1985," and that in 1985 farm income showed "a net loss of $405 million when payments from these Government-supported programs aren't considered". We have been aware of the serious situation in agriculture and, as Mr. Turner said, without the help we gave in 1985, prairie farmers would have been in the red. That is the kind of record we have had in the past and we want to see what we can do to see that that record survives into the next year.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister referred to what Mr. Turner said last year. I will refer to what he said the day before yesterday. The day before yesterday he said that prairie farmers needed $1 billion from the Government. The Government did it for the banks. It should do it for the farmers now.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Would the Minister deal with that substantive question? Considering that the Europeans and Americans are helping their farmers, and considering that the Government bailed out the banks when they were in need, will he bring in a deficiency payment to help out our farmers who are now in need?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not accept the premise of the Hon. Member's question. By listening to him, one would think that the federal Government has done nothing for farmers. In fact there have been over 100 initiatives for farmers involving several billions of dollars.

As I said yesterday and on previous occasions—and if the Hon. Member wants to do the arithmetic, I will give him the figures after Question Period—the amount of money the federal Government put directly into the prairie grain economy in 1985 amounted to something like $1.5 billion. We have seen the problem, and we have acted by transferring literally billions of dollars to the western economy.

Mr. Broadbent: Mr. Speaker, the crisis that is being faced now is in 1986. The Minister was talking about 1985.

• (1425)

FARM FUEL TAXES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister. On the eve of the last general election, in Prince Albert, appropriately enough, he made a number of promises on behalf of his Party to the agricultural sector. Among them was the promise to remove all federal taxes from farm fuels. Since at least four cents per litre has not been rebated to farmers, will the Prime Minister at least live up to his promise which he made in the Prairies to farmers, and remove all federal taxes from farm fuels?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member was reading the wrong document. The document to which he should more accurately refer suggested that we would remove the sales tax from farm fuels. If he checked the record, he would see that we did that. In fact we did it about three days after this House convened after the election.

EFFECT OF REDUCED INITIAL PRICE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. In the last general election the Prime Minister made a campaign commitment that he would make Canada into a superpower in terms of agricultural exporting nations. How can the western farmer even survive with the initial price announced this week, it being the lowest since 1930 in terms of purchasing power back in the days of R. B. Bennett and Bennett buggies?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, in terms of Canada's reputation as a reliable supplier of high quality food products around the world, Canada has an extremely good reputation. The Canadian Wheat Board has a very good reputation of being able to sell and maintain our markets. The Canadian Grain Commission has a reputation second to none. It is one of the oldest and most respected agencies in terms of grading and quality of grain in the world. We have maintained that reputation. The problem we face is not unique to Canada and Canadian farmers. The problem we face is a larger problem, that is, very depressed world grain prices.

REQUEST FOR 1985 INITIAL PRICE

Mr. Maurice Foster (Algoma): Mr. Speaker, why is the Government not prepared to provide 1985 initial prices which would provide about $1 billion worth of support to western farmers who are in serious financial difficulty? The Minister knows that during the last several weeks, or a month or so, we have advanced several billions of dollars to support banks in trouble. Why can we not give the same kind of support and assistance to farmers who are in deep trouble?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I have to say again and again that we have been spending many, many millions, in fact billions of dollars, in terms of the federal Government's support to Canadian agriculture. Let me also tell the Hon. Member what some people in the grain business are saying. He talked about raising prices to the 1985 level, which everyone would like to see return. Here is what some people are saying: "Please tell the farmer the truth and don't use initial prices to mislead him". That is what we tried to do. We have tried to be as honest and as straightforward as possible in the very serious situation which we face in world grain prices.

As I pointed out, the Government has a good record in terms of seeing the problem, being able to address it, and of the amount of money which has been transferred from the federal Government to the grain economy.

REMOVAL OF FARM FUEL TAX

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. The Prince Albert Declaration indicated that they would remove the 9 per cent sales tax and all the excise tax. Will the Minister now tell us that they will do exactly that?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that action was taken so long ago that I would have to check the record, but my memory would lead me to believe that indeed that has been done.

Mr. Broadbent: Ask the Prime Minister.

Mr. Hovdebo: Mr. Speaker, along the same lines of agricultural finance, would the Minister of State for the Canadian Wheat Board at least consider the payment of a deficiency payment?

Mr. Speaker: I think the Hon. Member knows that that is not a supplementary question. The Hon. Member for Papineau.

* * *

[*Translation*]

AIR SAFETY

PRIME MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Prime Minister. What guarantees can he give this House that today, as he promises to tighten security in our airports, his credibility is any better than it was on June 25, 1985, after the Air India tragedy, when he announced that exceptional air safety measures would be taken?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated to the Hon. Member yesterday, a number of steps have been implemented and a number of steps are under review. Airports across the country are undergoing audits. I also indicated yesterday the additional steps we would be taking in view of the very serious issue which occurred last week. I take this matter as a very serious one. I indicated that I would be calling in the executives of the airlines and the Burns security people. As well, I will be inviting representatives of the unions to sit down to see what further steps can be taken to ensure the highest level of safety at all airports throughout the country.

• (1430)

RECOMMENDATIONS TO IMPROVE SECURITY

Hon. André Ouellet (Papineau): Mr. Speaker, I appreciate the Minister jumping on his feet to try to save the credibility of the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Could the Minister of Transport tell us whether it is true that 100 recommendations were made a long time ago that are now before Cabinet and before the Government for study, and that the Government has not yet taken any action because of costs? The Government is now nickel-and-diming with the lives and the security of Canadians.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first, I will put the credibility of this Prime Minister against any past or future Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Axworthy: We will take a bet.

An Hon. Member: Tell John Fraser that.

Mr. Speaker: Order, please.

Mr. Mazankowski: To respond to the serious part of the Member's question, as I said yesterday, the Solicitor General and myself are in the process of preparing a joint memorandum to Cabinet which will provide for a comprehensive security enhancement program at all our airports. I am sure the Hon. Member will be very interested in that.

* * *

AGRICULTURE

CANADIAN AND UNITED STATES GRAIN PRICES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister responsible for the Canadian Wheat Board. He knows that the United States floor price for grain is $145 a tonne Canadian, and that the announcement the Wheat Board made in this country for initial prices works out to $130 Canadian.

Why is the initial price for Canadian grain $15 or $10 lower in Canada than in the United States when the U.S. floor price

in reality becomes the world floor price? Why is there a $15 shortfall for Canadian farmers? It is not necessary, Mr. Speaker.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am not so sure the Hon. Member does his arithmetic correctly. There is more to setting prices than simply looking at the U.S. rate. Also, if the Member wants to get into the U.S. Farm Bill, he will know that it is a very complex piece of legislation. I have said previously, and I will say again, that we do not want to be totally spooked by the U.S. Farm Bill. We want to look at the bigger problem and look at it in context with what the Europeans are doing.

We have set, to say it again, the initial prices this year at probably a higher percentage of the anticipated realized final price than has been the case in the past.

COMMITTEE STUDY OF PARITY PRICING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister responsible for the Wheat Board knows that this morning we had a striking committee on a special study of parity pricing and a higher domestic wheat price.

Can the Minister say whether or not he is now prepared to make a recommendation that we have a parity price for Canadian grain sold to Canadians for domestic purposes and that we adjust it annually according to the increase in the cost of production?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not think it is appropriate for anybody to prejudge what the committee will find. What I said on Tuesday, and say again, is that we want to look very seriously at raising prices for domestic consumption.

Mr. Benjamin: What the hell is your policy?

Mr. Mayer: We give credit to the Hon. Member for Yorkton—Melville and also to the Hon. Member for Swift Current—Maple Creek, for this is something we want to look at very seriously.

I quoted before the President of the Consumers Association of Canada, Mrs. Sally Hall from Edmonton. Anytime we have gone to consumers with our case and consumers understand where the money is going, we have been treated very fairly by them. That, however, is up to the committee. Whatever the committee recommends, as far as the Government is concerned, we will be prepared to take a very serious look at it.

[*Translation*]

PUBLIC WORKS

INVESTIGATION INTO AWARDING OF MUSEUM OF MAN CONSTRUCTION CONTRACTS—INQUIRY WHEN PRIME MINISTER INFORMED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns the matter of the Public Works contract or contracts at the Museum of Man construction site in Hull.

When did the Prime Minister become aware of this situation and could he inform the House whether his Office or the Privy Council Office has investigated the matter, and more specifically, what the scope of the investigation was? Was it a full investigation and will it be tabled in the House?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the House dealt with this question the other day. As the Hon. Member knows, he alleged in the House of Commons that there was a police investigation under way. It would not be appropriate for the House to comment further on it.

Mr. Gauthier: How about the Government?

INQUIRY CONCERNING SEARCH WARRANTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is for the Solicitor General. He seems to want to answer lots of questions on this subject. My question concerns the same case.

Can the Solicitor General inform this House whether the RCMP has obtained warrants for the search of parliamentary offices of any Members of Parliament?

Mr. Speaker: Order, please. I will not allow that question.

An Hon. Member: Why not?

Mr. Speaker: Any matters with regard to that are entirely within the province of the Chair.

* * *

EMPLOYMENT

EXPENDITURES ON JOB TRAINING IN BRITISH COLUMBIA

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of Employment and Immigration. There are now so many chronic unemployed in Vancouver that the Vancouver food bank is running out of food and has to close down on "welfare Wednesdays". Why, in the last fiscal year when $55 million was approved for job creation and job training in British Columbia, was only $40 million spent? Why, Mr. Speaker?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member will know that, indeed, the situation in British Columbia is serious with regard to unemployment, but he will also recognize that since this Government came to office 60,000 new jobs have been created in the Province of British Columbia.

In the past year some $260 million alone has been spent by the Department of Employment on programs to assist individuals and organizations in the Province of British Columbia.

FEDERAL FUNDING

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, there are 50,000 fewer people employed in British Columbia today than there were in 1981. There are 5,000 fewer people employed on Vancouver Island than when this Government came into office.

Even though that money has officially lapsed, will she reprofile it so that the people of British Columbia can at least get some benefit from it and the $15 million will not be completely lapsed?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, unemployment in the Province of British Columbia is down 32,000 since our Government came to office.

Some Hon. Members: Hear, hear!

Miss MacDonald: That is not a full answer, but it is the right trend. We want to see that trend continuing.

As I said, in the last year some $260 million was spent in the Province of British Columbia by the Government, and this year we will continue to fund projects that will help alleviate the distress in that province.

* * *

INCOME TAX

REQUEST THAT SIMPLIFIED TAX RETURN FORM BE DEVISED

Mr. Jim Jepson (London East): Mr. Speaker, my question today is for the Minister of National Revenue. One way American citizens cope with the complicated personal income tax system is with a special one-page tax return for filers with few deductions, called 1040EZ. Can the Minister tell the House whether it would be possible to provide over 10 million eligible Canadian taxpayers with similar and much needed tax simplification?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, my colleague knows that for many many millions of Canadians who are claiming tax credits, such as refundable sales tax or child tax credits, the T-1 Special affords them an opportunity to simplify greatly their income tax filing. On the other hand, for Canadians whose social benefits are delivered by both the federal and provincial Governments through the tax system, we are still trying to devise a way to simplify their tax returns.

As Members know, the Hon. Member for Mississauga South made reference to the contribution that the Standing Committee on Finance, Trade and Economic Affairs hopes to make in this regard, and I can assure him that our officials are also working very hard in conjunction with the Minister of Finance's officials in proceeding with this important task.

* * *

PUBLIC WORKS

REPORTED INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Prime Minister a question about the matter raised by my colleague and not answered by the Solicitor General. The Solicitor General has been silent about the matter but his officials have not. Officials of the RCMP have made official statements about the matter.

Therefore, with the cloud that has been raised by these statements over the activities of the Ministry of Public Works, has the Prime Minister discussed this investigation with the Minister of Public Works? Will the Minister of Public Works continue to be responsible for all of his duties, or does the Prime Minister intend to call him in for a discussion about this matter, which has been officially raised by the RCMP?

• (1440)

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I refer the hon. gentleman to the comments of his Leader made on November 30, 1984, reported on page 770 of *Hansard*. He said the following:

> Would he—
>
> —meaning my predecessor as Solicitor General—
>
> —review the practice of his Department, and perhaps his own approach to investigations, by reinstating the practice that used to apply in this House, and I believe still should, reflecting the principle of presumption of innocence until proven guilty?
>
> He must realize the reflection that announcements of investigations may have on private reputations, and should refuse to reveal whether an investigation is in progress by the police unless and until charges are preferred.

Mr. Nunziata: That has nothing to do with the question.

Mr. Beatty: I expect that the Hon. Member would respect the wishes of his Leader, which were not to do that.

Mr. Turner (Vancouver Quadra): The issue has been raised by your own officers, Perrin, and that's quite different.

Ms. Copps: That's right, get your facts straight.

MINISTERIAL RESPONSIBILITY

Hon. Bob Kaplan (York Centre): The Solicitor General has raised a red herring in the remarks he has just made. A cloud has been cast over the operations of the Government. There is an inquiry going on and there may be charges laid. I am not asking about that.

With regard to the ongoing operations of the Department of Public Works, has the Prime Minister spoken to his Minister of Public Works? Does that Minister continue to exercise fully the responsibilities of that office?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, all of the questions which are being asked by the Liberals today are premised on the belief that there is a police investigation under way. I refer them to the comments made by their Leader, the Leader of the Opposition, who was very explicit and said that the Minister "should refuse to reveal whether an investigation is in progress by the police unless and until charges are preferred". I believe that was the position of the Liberal Party of Canada as enunciated by the Leader of the Opposition. It is the correct policy, and I would expect that his members would respect it.

* * *

HOUSING

VANCOUVER SOCIAL HOUSING PROJECTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister responsible for CMHC. I have just learned that 20 more hotels in downtown Vancouver are undergoing renovations which could cause another 1,000 evictions. Will the Minister now reconsider and approve emergency funding for the five downtown social housing projects which were requested as a special CMHC Expo project?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, prior to January of this year I approved five special projects for the City of Vancouver. I received a communication from the Mayor of the City of Vancouver recognizing the fact that CMHC and the federal Government had recognized that there would be additional strains in the City of Vancouver this summer. He thanked us for that recognition. We put forward five or six additional housing projects in the City of Vancouver in anticipation of Expo 86.

RESPONSIBILITY FOR SOCIAL HOUSING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am sure that the Member for Vancouver Centre would agree that the people of downtown Vancouver are suffering greatly. What are they supposed to do—sleep under a bridge?

Is the Minister responsible for housing still determined to transfer responsibility for social housing to the B.C. Social Credit Government when it has demonstratred again and again its lack of consideration for poor people, especially those in downtown Vancouver?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, we anticipate a 60 per cent increase in the number of social housing units in British Columbia this year because the provincial and federal Governments are joining together to spend additional dollars on social housing.

Ms. Copps: You're creating ghettos.

Mr. McKnight: The Member for Hamilton East says that we are creating ghettos. Under the policy of the previous administration only one-third of the housing dollars spent by the taxpayers of Canada went to those in need. We will be spending 100 per cent of those dollars on Canadians in need.

Some Hon. Members: Hear, hear!

* * *

SCIENTIFIC RESEARCH TAX CREDITS

AUDIT OF COLOURED CATTLE RESEARCH PROJECT

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, my question is for the Minister of Revenue. Dreamstreet Holsteins of the United States, presently constituted as Redgen Holstein Research Inc. in Canada, is planning to use $10 million or more in Canadian Scientific Research Tax Credits to conduct what appears to be a superficial test of red and white versus black and white holsteins.

Can the Minister assure the House that the audit procedures in place in his Department will guarantee Canadian farmers that the $10 million in research tax credit will be used efficiently to benefit Canadian agriculture?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I certainly can. In view of the rather unfortunate history of this program, all applicants for SRTC are being audited. When necessary, appropriate expertise is employed to ensure that the research qualifies for the purposes of the Income Tax Act.

While I cannot talk about the specific affairs of any taxpayer, I can assure the Hon. Member that in every case the interests of the Crown are being looked after.

[*Translation*]

UNEMPLOYMENT INSURANCE

CHANGES AFFECTING BENEFITS—PROVISION OF INFORMATION—RIGHT OF APPEAL—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I should like to direct a question to the Minister of Employment and Immigration.

Undoubtedly the Minister is aware—and I am sure she disagrees—that her Government arbitrarily decided to reduce the income of 34,000 Canadians by changing the unemployment insurance regulations, overnight as it were.

Considering that they were misinformed, would the Minister be prepared to write to these 34,000 people and advise them that they are entitled to appeal and seek redress?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this issue has been raised many times in the House of Commons. I have said that the question of pension income as it affects unemployment insurance benefits has been referred to the Forget Commission. We are awaiting the recommendations of that commission with regard to this issue. In the meantime I am sure the Hon. Member knows that anyone making any claim whatsoever under the Unemployment Insurance Act has a right of appeal.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Minister did not reply to part of my question.

I would point out to her that the people whose income was reduced were misinformed when told that they did not have the right to appeal.

That is why I am asking the Minister, in light of these changes, to write to these 34,000 Canadians and tell them they have the right to file an appeal, including those who were misinformed and for whom the appeal deadline is over.

[*English*]

Miss MacDonald: As I said, Mr. Speaker, anyone who feels that he or she has any claim whatsoever with regard to unemployment insurance has the right to appeal.

* * *

AGRICULTURE

DROUGHT LOSSES SUFFERED BY BRITISH COLUMBIA CATTLEMEN

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Minister of Agriculture. All of the western cattlemen who experienced drought conditions last year have received some kind of compensation except those in central and southern British Columbia. Can the Minister explain to the House why this is the case, and why he has not taken action to provide relief to these troubled cattlemen as well?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have received questions on this serious matter from the Hon. Member before, and more particularly, and more frequently, from members of my own caucus. As I have indicated before, the federal-provincial committee was under a great deal of pressure to identify the areas affected and the seriousness with which they were affected. I appreciate that the committee has met its deadline and, in doing so, has perhaps overlooked certain areas in the interior of B.C. If it is possible to secure some financial assistance within the existing package, I will direct it to that area. Today I am not in a position to indicate other than that at this time matters are fairly positive.

BRITISH COLUMBIA GRAPE GROWERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is also for the Minister of Agriculture. The president of the largest fruit growers' association in British Columbia has found that very few of the financially strapped B.C. fruit farmers will be able to take advantage of his FCC proposal. What does he plan to do to help the lion's share of farmers in western Canada who do not qualify for his FCC program?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have a little difficulty following the Hon. Member who has moved from the vineyard to agriculture in B.C. specifically, and then on through to western Canada.

Mr. Broadbent: I thought B.C. was in the west.

Mr. Wise: His Leader should realize that the three of them deal with different programs. I am not aware of any specific difficulties which exist with the B.C. grape growers. In co-operation with the provincial Government we provided some financial assistance. Recently I signed an order, at the request of British Columbia, changing an agreement to allow greater paricipation by the grape growers in that replant program.

* * *

• (1450)

UNEMPLOYMENT INSURANCE

CALCULATION OF PENSION AS INCOME—EXPENSE OF APPEALS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment. Last evening we learned from her Deputy Minister that since January more than 34,000 Canadians have suffered the harsh impact of her unemployment insurance changes. Of those, 2,000 have already taken their cases to appeal. Will the Minister not recognize that this is an expensive and difficult process for unemployed Canadians, and

immediately suspend these measures until the Forget Commission reports?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will just reiterate that this question has been raised on a good many occasions in the House of Commons. I have indicated to the Hon. Member and to the House on a number of occasions that the matter has been referred to the Forget Commission. I am awaiting its recommendations.

UPHOLDING OF APPEALS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, since unemployed Canadians have already won several of these appeals at the board level, will she not at least let these decisions prevail until the Forget Commission reports? Let the positive decisions prevail.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, again, as I have said in this House each time this question has been raised, decisions have been made by Unemployment Insurance Boards of Referees, on both sides of the question. It now proceeds to the Umpire. That is a judicial hearing. The hearing will proceed and I do not feel I should intervene in that process.

* * *

AUTOMOTIVE INDUSTRY

JAPANESE MANUFACTURED VEHICLES—IMPORT LEVELS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion whose emissaries have returned from Japan. Will he give us a report on whatever progress has been made with respect to the continuation of voluntary import restraints on the part of the Japanese auto manufacturers, as well as Japan's intent with respect to part sourcing in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in 1986 we seem to be having a repeat of what happened in 1985. You will recall there was continual questioning concerning negotiations between Canada and Japan regarding the voluntary export program. We arrived at an agreement last July, and I ask the Hon. Member to be patient. Negotiations are continuing very well and I think he will not be disappointed with the results.

SOURCING OF PARTS FOR TOYOTA PLANT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, will the Minister give his response to today's CBC report that Toyota officials have indicated they intend to source 90 per cent of their parts in Japan for the new plant in Cambridge, Ontario?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I hope no other Member of the House would use a source for his questioning such as the Hon. Member has just done. Let me assure him that when I met with Mr. Toyota, Chairman of Toyota, in Davos, Switzerland, about six weeks ago—

Some Hon. Members: Oh, oh!

Mr. Axworthy: Name-dropper.

Mr. Stevens: — he specifically said that he intended to source in Canada with respect to the parts that were needed for the plant he intends to build in Canada.

* * *

CHALLENGE '86 PROGRAM

APPLICATION MADE BY VANCOUVER FOOD BANK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I can see the Minister goes right to the top in a neutral country.

My question is directed to his colleague, the Minister of Employment and Immigration. She knows that the Vancouver food bank is now obliged to close its doors one week a month because of a lack of funding. She was not able or did not see fit to respond to my request that that bank be funded either under the Job Development Program or under Section 38 of the Unemployment Insurance Act. Will she consider an application by the food bank to be funded under the Challenge '86 Program so that during the summer students may collect any surplus food in the Lower Mainland to help that bank operate?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member has followed Challenge '86 and its various aspects and will know that the application date for Challenge '86 projects has already passed.

Mr. Axworthy: The soul of generosity.

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OCCUPATIONAL HEALTH AND SAFETY

HAZARDS FACED BY MINE WORKERS

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, my question is directed to the Minister of State for Mines and concerns the safety of miners working in Canadian mines. Following four mining fatalities in the Sudbury area in 1984, the Province of Ontario commissioned an inquiry into ground control and emergency preparedness, the findings of which have recently been made public. In light of the inquiry could the Minister tell us what the federal Government is doing

about the hazards involved in working in this very important sector of our economy?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I am happy to acknowledge the Hon. Member's concern for the safety of workers in the mines. The federal Government has been sharing in the cost of that very special study which followed the accident. We have been providing one-third of the cost. There is a very extensive $4.2 million program into rock bursts, and we are providing an information exchange on ground control in mining involving the EMR, the U.S. Bureau of Mines, and the Ontario Ministry of Labour.

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ENERGY

PETRO-CANADA—SALE OF GASOLINE TO UNITED STATES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy. Petro-Canada and Imperial Oil are selling gasoline in the U.S. at 7.5 cents a litre less than in Canada. American buyers are turning their trucks around at the border and reselling it to Canadian consumers at our domestic price. How can the Government allow the people's own oil company to participate in such a sham?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member knows, we have virtually open borders with the U.S. in energy products at this time. Therefore there is naturally a lot of movement of product across the border in both directions as entrepreneurs look for the best marketing opportunities. I think that is in the interest of consumers.

PRICE OF GASOLINE IN CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): American companies are making a profit at the expense of Canadian consumers of as much as $3,000 per tanker truckload. Will the Government take action to stop this shameful practice and assure Canadians that they can buy their own gasoline at a fair price?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am sure that, upon reflection, the Hon. Member will agree that gasoline in a tank does not have citizenship papers.

Some Hon. Members: Oh, oh!

Miss Carney: It is almost impossible to tell whether a molecule of gasoline came from the American side or the Canadian side. I suggest that the situation as he presents it—

Some Hon. Members: Oh, oh!

Miss Carney: Mr. Speaker, I clearly find that they do not want to hear my answer.

* * *

ENVIRONMENTAL AFFAIRS

LOCATION OF UNITED STATES NUCLEAR WASTE DUMPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a question for the Right Hon. Prime Minister with respect to the summit in Washington. Can he tell the House now whether or not he raised with President Reagan personally the question of the list of potential American radioactive dump sites near the Canadian border which can possibly affect Canadian water basins?

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

Mr. Benjamin: What did he say?

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I know it is not a tendency of the Prime Minister to go on and on, but can he tell us whether or not he got a positive response from Mr. Reagan, and what action we can expect from the American administration to alleviate the concerns which many Canadians have about that list of potential dump sites?

Right Hon. Brian Mulroney (Prime Minister): The President was very interested.

* * *

CONSUMER AFFAIRS

TRANSPORTATION COSTS—EFFECT OF REDUCED FUEL PRICES

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my supplementary question from Monday is addressed to the Minister of Consumer and Corporate Affairs.

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa—Carleton): As energy prices decline I would like to know if Canadians, especially senior citizens and students, can expect to see a decline in their transportation costs, particularly bus fares, air fares and taxi fares, as well as all other direct transportation costs?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am grateful to my colleague for his concern over consumers.

As he pointed out, the regulation policy announcement concerning the oil industry, among others, did result in

declining consumer prices, and hopefully the deregulation with respect to transportation will lead to lower consumer prices. Of course we are monitoring the situation with great interest.

* * *

• (1500)

[*English*]

FORESTRY

REQUEST FOR ESTABLISHMENT OF DEPARTMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister knows the National Forest Congress is being held in Ottawa. In fact the Prime Minister participated briefly yesterday at that Congress. I want to ask the Prime Minister why has he not announced, as requested by both industry and labour in the forestry sector, the establishment of a full Ministry and full Department of Forestry as the Prime Minister himself committed to do during the course of the last election campaign?

Right Hon. Brian Mulroney (Prime Minister): What we announced after 20 years of Liberal neglect was a creation giving the forest industry a proper and responsible voice at the cabinet table for the first time in years. One of Canada's most important industries had been deprived of an opportunity to have representation at the cabinet table. I know that my hon. friend would agree that the present Minister of State for Forestry is doing such a remarkable job that I would not displace him except to promote him.

Mr. Speaker: Order, please. I am in receipt of a notice of a desire to raise a point of order and a notice with regard to a question of privilege. Since privilege takes precedence I will recognize the Hon. Member for Oshawa (Mr. Broadbent).

* * *

PRIVILEGE

FEDERAL TAX ON FARM FUELS

Hon. Edward Broadbent (Oshawa): I rise on a question of privilege arising from what the Minister of Agriculture (Mr. Wise) said in reply to a question earlier today. I hope the Prime Minister (Mr. Mulroney) sticks around because his words are directly relevant to what I have to say in a minute. There goes the man, Mr. Speaker, who said he would speak up for the west.

Point of Order—Miss Carney

Mr. Speaker: Order. Questions of privilege.

Mr. Broadbent: All right. I raise a question of privilege because the Minister of Agriculture, who we know without exception to be an honest person, would not want to mislead the House deliberately. I think inadvertently he has misled the House and that is my question of privilege.

He said in response to a question from me today that his Party did not promise to remove federal taxes from farm fuels, he said only sales taxes.

Mr. Speaker: Order. Order, please. The Hon. Member may have a dispute about facts or debate, but I take it he is raising a question of what the Minister said. That is not a question of privilege. All he is doing is debating what the Minister said. Does he have a question of privilege?

Mr. Broadbent: Mr. Speaker, I thought that might be the case, and I will raise the matter directly with the Prime Minister tomorrow, and I hope he will answer at that time.

Mr. Speaker: I have received notice of two points of order. The Hon. Minister of Energy, Mines and Resources (Miss Carney), then the Hon. Member for Windsor West (Mr. Gray).

* * *

POINT OF ORDER

EXPENDITURE OF FUNDS ON HEAVY OIL UPGRADER PROJECT—CLARIFICATION

Hon. Pat Carney (Minister of Energy, Mines and Resources): On a point of order, Mr. Speaker. If there is any interest in this matter I wanted to advise the House—

Mr. Speaker: Order, please.

Miss Carney: I am attempting to say that yesterday in response to the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) I may have inadvertently misled the House in terms of the expenditures of the $90 million which will be shared between the provinces, the company, and the federal Government. In his question to me the Hon. Member indicated that it was his view that all the money was for historic or past cost. In my answer I inadvertently indicated that all of the money is for future costs. I just want to clarify that I have been advised that of the $90 million, some is going for historic costs because the project is an ongoing one. In response to the Hon. Member I may add—

Mr. Speaker: Order, order. On the business question, the Hon. Member for Windsor West (Mr. Gray).

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the customary questions for a Thursday. Will the Government House Leader give us an indication of the business he intends to call for the coming week?

Mr. Speaker: I gather the Minister of Agriculture (Mr. Wise) wants to raise a point of order. Order, please. A point of order? Order, please. The Hon. Minister of Agriculture.

* * *

Mr. Wise: I appreciate you recognizing me, Mr. Speaker, and if I just had the support of the House for 30 seconds I think I could clarify the information that the Hon. Leader of the New Democratic Party raised earlier during the Question Period. I indicated that I was responding from memory.

I had an opportunity to receive more specific information and I think that perhaps it would be good information to be shared by both of us. The actual commitment was to reduce the price of farm fuels by 20 cents a gallon by removing the 9 per cent federal sales tax and by not collecting the current excise tax. The action, of course, was to remove the 3-cent sales tax rebate and the 1.5-cent excise tax. That goes into effect, providing a benefit of some 18 cents a gallon.

* * *

Mr. Speaker: On the business question the Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, I would like to proceed with the customary question on House business. I might say parenthetically that the interjection of the Minister of Agriculture (Mr. Wise) has nothing whatsoever to do with House business. I say with all due respect to him that if he wanted to make a statement of that kind there is another time and place to do it. I hope the Government House Leader will now give us a statement as to the business he intends to call for the coming week.

* * *

Mr. Nunziata: Just as the Minister of Energy had almost completed her point of order, and as she was sitting down I distinctly heard her either call you or the Member for Hamilton East (Ms. Copps) an s.o.b., and I would ask Mr. Speaker—

Mr. Speaker: Order, please. Order, please. I will check the record as is our custom. I did not hear the comment. I take it the Hon. Member would like me to check the record and I will do so.

* * *

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, some time back the House Leader of the Official Opposition asked me about the business for the next week. I would like now to respond to that question. Parenthetically, Mr. Speaker, I might say that we look forward to a very busy and interesting week. I hope we can make some progress.

Today on Orders of the Day we will, of course, start the consideration of report stage of Bill C-62 regarding employment equity. After some consultations with opposition representatives and the House Leaders I will interrupt the consideration of Bill C-62 and call as an item of business Bill C-99, an Act respecting the borrowing authority which has now been reported out of committee. Hopefully we can make some progress on that. If we have not completed our consideration of Bill C-62 by tomorrow, we can maybe go back to that particular item of legislation.

I would like to put forward Bill C-45 and Bill C-103 in that sequence as the business into next week. We will continue to monitor progress on that legislation and consult. If there is progress made we will bring forward further legislation, and I will advise the House at the earliest possible date.

Mr. Speaker: Orders of the Day.

GOVERNMENT ORDERS

[*Translation*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House proceeded with consideration of Bill C-62, An Act respecting employment equity, as reported (with amendments) from a Legislative Committee.

Mr. Speaker: There were more than 60 motions on the Order Paper to amend Bill C-62, an Act respecting Employment Equity.

Let me first deal with the motions standing in the name of the Honourable Member for Outremont (Mrs. Pépin). From the consultations that I have had with the Official Opposition, I understand that the Hon. Member for Outremont will not proceed with her motions. Accordingly, motions Nos. 2, 3, 5, 7, 11, 12, 13, 14, 16, 17, 18, 20, 21, 25, 26, 27, 30, 32, 33, 36, 37 and 38 will not be selected for debate and will be dropped from the *Notice Paper*.

[*English*]

Motion No. 1 is in order and will be debated and voted on separately.

Motions Nos. 2A, 9, 11A, 13A, 14A, 15, 16A, 20A, 22, 24, 25A, 26A, 31 and 36A have all been dealt with in committee, or closely resemble motions dealt with in committee. The new provisional Standing Orders not only allow the Chair to group motions for debate but also, in effect, instruct the Chair to use its discretion in selecting motions for debate, guided by the note attached to Standing Order 114(10) which reads in part:

—a motion, previously defeated in committee, will only be selected if the Speaker judges it to be of such exceptional significance as to warrant a further consideration at the report stage.

Of course, this is our first time through this procedure and the Chair finds itself in a dilemma at this point. How is the

Speaker to decide that a motion previously defeated in committee is of such significance that it warrants further debate? In fact, the note would appear to instruct the Chair not to select for debate any of the motions that I have just mentioned. I am not ready to make a final ruling on this question because some discussions are still going on about those motions, but I invite Hon. Members concerned to make further representations to me. But it must be absolutely clear that under no circumstances, reading that note correctly, could the Chair ever accept to put to the House all of the motions mentioned.

[*Translation*]

Motions Nos. 3A, 4, 5A, 6 and 10 standing in the names of the Hon. Members for Yorkton—Melville (Mr. Nystrom) and for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) give the Chair procedural difficulty in that these five motions significantly modify the interpretation clause of the Bill. It would be my intention to rule these motions out of order and I refer the Hon. Members to citation 773(10) of Beauchesne's 5th Edition.

Motions Nos. 8 and 8A are identical and it is the Chair's intention to select motion numbered 8, since it was the first one submitted.

Motion No. 12A will be debated and voted on separately.

• (1510)

[*English*]

Motions Nos. 19 and 20B in the name of the Hon. Member for Yorkton—Melville (Mr. Nystrom) appear to seek to add the principle of collective bargaining to the Bill, which was not contemplated at second reading. In keeping with our precedents, it would be my intention to rule these motions out of order.

Motion No. 19A standing in the name of the Hon. Member for Notre-Dame-de-Grâce—Lachine-East (Mr. Allmand) attempts to introduce into the Bill a new group of employers who were not considered for inclusion when the principle of the Bill was agreed to by the House at second reading stage. To paraphrase Citation 773(1) of Beauchesne's Fifth Edition, an amendment is out of order if it is beyond the scope of the Bill it seeks to amend. Therefore, it would be my intention to rule this motion out of order.

[*Translation*]

Motion No. 19B will be debated and voted on separately.

Motion No. 21A will be debated and voted on separetely.

Motions Nos. 23, 28 and 29 seek to incorporate provisions from the *Canadian Human Rights Act* into the Bill. This was not contemplated by the House when the Bill was read a second time. I would be very reluctant to proceed with these motions.

Motion No. 27A will be debated and voted on separately.

Motions 31A and 32A will be combined for debate but voted on separately.

Motion No. 33A would have the effect of enlarging the duties of the Human Rights Commission by making it a partner with the Minister in the preparation of reports under the provisions of the Bill. This is beyond the scope of the Bill and, in the view of the Chair, out of order.

[*English*]

Motions Nos. 34 and 35 will be grouped for debate but voted on separately.

Motion No. 37A will be debated and voted on separately.

Motions Nos. 39 and 39A will be debated together. An affirmative vote on Motion No. 39 will dispose of Motion No. 39A. A negative vote on Motion 39 will require the question to be put on Motion No. 39A.

For the benefit of Hon. Members, I will review those motions which the Chair believes to be out of order. These are Motions Nos. 3A, 4, 5A, 6, 10, 19, 19A, 20B, 23, 28, 29 and 33A.

[*Translation*]

In order to allow Hon. Members sufficient time to present any procedural arguments they may wish to make, I will hear such arguments on the day when the order is next called or sooner if necessary.

Motions Nos. 2A, 9, 11A, 13A, 14A, 15, 16A, 20A, 22, 24, 25A, 26A, 31 and 36A previously dealt with in committee will be allowed to stand on the *Notice Paper* until the Chair has received representation from the Hon. Members concerned and a final ruling is made.

[*English*]

The motions that the Chair finds now to be in order and to be debated are Motions Nos. 1, 8, 12A, 19B, 21A, 27A, 31A, 32A, 34, 35, 37A, 39 and 39A.

May I say to those present that one of the Chair's concerns with the motions that were defeated in committee is that those motions were laid on the Order Paper prior to the adoption of the new rules. For the moment the Chair will put Motion No. 1 to the House, unless there is some argument to be made.

Mr. Allmand: Mr. Speaker, since you asked for some representations in your ruling, I would like to make some representations and arguments.

You stated in your ruling that you invite Hon. Members concerned to make further representations, preferably in private. I must say that since this is the first time that we are dealing with some of the new rules as they apply at report stage, I want to make my comments in public because I believe it is important business that should be considered by the House.

First, let me speak to the new guideline under one of the Standing Orders which states that a motion previously defeated in committee will only be selected if the Speaker judges it to be of such exceptional significance as to warrant further consideration at the report stage. I believe that the

motions I have reintroduced here at report stage, that were defeated in the committee, are all of exceptional significance.

I note that you said at the end of your comments in this respect that: "— it must be clear that the Chair cannot accept to put to the House all the motions mentioned." This indicates to me that you might not be following the rule which is in the Standing Orders, but some sort of quota system. It would seem to me that if none of the motions which were defeated in committee are of exceptional significance, none of them should be allowed. On the other hand, if there are four or five such motions put forward and they are all of exceptional significance, then they should be accepted. I agree that this type of guideline puts the Speaker in a very difficult position because he is not always able to closely follow the debates in committee and in the House. Since we deal with such a wide range of questions, how is the Speaker to know what is of exceptional significance? I can only say that in interpreting this new guideline in the rule I hope you would give it broad interpretation and err on the side of permitting the motion that was defeated in the committee rather than keeping it out. If you do not do that, I suggest Hon. Members will begin to keep most of our key amendments for the report stage and not take a chance. I suggest this will simply clog the House with far more motions than you would otherwise get.

It has been my experience so far with the new legislative committees that little attention is paid to them. It is very difficult to reach the public in those committees because they are not covered by the press or television. In other words, one cannot have the impact on public opinion; whereas we can have impact to a certain extent in the House. If Members believe that every time they put a motion in the legislative committee and it is defeated it cannot be dealt with here, they will simply reserve and put them here. Therefore, I would argue for a broad interpretation of that rule.

You also stated in your ruling that it would be your intention to rule these motions out of order and you referred Hon. Members to Citation 773(10) of Beauchesne's Fifth Edition. That citation reads as follows:

A substantive amendment may not be introduced by way of a modification to the interpretation clause of a bill.

• (1520)

I would argue that two of the motions to amend which you say you intend to rule out of order are not substantive amendments to the interpretation clause because the interpretation clause of the Bill simply says:

"employer" means any person who employs one hundred or more employees—

We simply changed the number from 100 to 25. So we are not really changing the substance of the interpretation section but suggesting simply that the level be changed. I would ask you to reconsider that submission.

Finally, in point 13 of your ruling you say:

Motion numbered 33A would have the effect of enlarging the duties of the Human Rights Commission by making it a partner with the Minister in the preparation of reports under the provisions of the Bill.

In committee the Government agreed to an amendment which brought in the operation of the Human Rights Commission. After it had originally drafted the Bill and the Bill had gone to committee, the Government agreed to an amendment to the Bill to mention the Human Rights Commission and to bring it in as a partner. All we are doing simply is refining that new provision which the Government itself provided. I would respectfully ask that the Chair give some consideration to the points I have made.

Mr. Speaker: I will, of course. My dilemma, as the Hon. Member well knows, is that although I was happy to hear him on the selection question, he has continued beyond the selection question into his concerns about particular procedural arguments, which I had indicated I thought Hon. Members would prefer to make when the matter is next called.

However, I am perfectly happy to hear other Hon. Members on the procedural admissibility question now, if they want to be heard, or to proceed with Motion No. 1 and those motions which have been ruled in order for those Hon. Members who may wish to take a little time and make argument when we call the Bill again. I am perfectly prepared to hear argument now if the Parliamentary Secretary is ready to respond.

Mr. Lewis: May I ask for a point of clarification, Mr. Speaker? Did I understand the Chair to say that Motion No. 21A has been ruled on?

Mr. Speaker: I did indicate that I found it in order and subject to a debate and vote. Does the Hon. Parliamentary Secretary wish to make an argument that Motion No. 21A is out of order?

Mr. Lewis: I just wanted to clarify the position on Motion No. 21A. Motion No. 21 has been withdrawn and the Chair has ruled on Motion No. 21A, then.

Mr. Speaker: Yes.

Mr. Lewis: Thank you very much. If Motion No. 13 has been withdrawn, that leaves for discussion the matter of whether or not Motions Nos. 13A and 15 should be proceeded with.

Mr. Speaker: Yes. Motions Nos. 13A and 15 are two of the motions which were defeated in committee. I have not yet made a ruling as to the procedural admissibility or inadmissibility of any of the motions which were defeated in committee. If the Hon. Parliamentary Secretary wishes to make a procedural argument that, even if they were to be considered significant, they should be regarded as inadmissibible on other grounds, I have not reached that stage. Does the Hon. Parliamentary Secretary wish to make that argument now or wait?

Mr. Lewis: I am prepared to wait.

Mr. Speaker: Therefore, we will proceed to Motion No. 1.

Mr. Lorne Nystrom (Yorkton-Melville) moved:

Motion No. 1.

That Bill C-62, be amended in Clause 2 by striking out line 6 at page 1 and substituting the following therefor:

"2. The purpose of this Act is to promote and encourage".

He said: Mr. Speaker, we now begin the next stage of Bill C-62. This debate has been going on for over a year since we first received the report of Judge Rosalie Abella. Judge Abella was appointed by the former Government when the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was the Minister of Employment and Immigration. Judge Abella brought down with a very superb report. She stated that this country needed what she called "employment equity" for the majority of women as well as for the three minority groups, the disabled, natives and visible minorities.

We have gone through the preliminary stages. A Bill was introduced for first reading by the Minister of Employment and Immigration (Miss MacDonald). We then had a second reading debate. We have gone through very extensive hearings in the parliamentary legislative committee. It has been an interesting and fascinating process.

I have proposed Motion No. 1 which deals with the purpose of the Bill. The purpose section of Bill C-62 states:

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada—

The key words in the purpose section are: "The purpose of this Act is to achieve equality in the work place".

I moved this amendment because I do not think this Bill will achieve equality in the workplace. I call as my witness to this fact the four target groups for which this Bill was planned. Several women came before the committee and all said to us that the Bill was not strong enough, what we needed were targets. The Bill does not have targets. They said we needed goals and timetables, but this Bill does not have these either. In addition to women, disabled Canadians came to committee and told us the Bill is not strong enough, that it does not have timetables, goals or objectives. In effect, this is not a Bill to achieve employment equity. It is a Bill to report on employment equity. There is a big difference.

I was proud of several disabled Canadians who came to this Parliament about a week and a half ago and waited outside the Conservative Caucus Committee room. When the Prime Minister (Mr. Mulroney) came to the caucus they confronted him. They pleaded with him to strengthen Bill C-62. I remembered a blind Canadian, a deaf Canadian, and a very articulate woman from Toronto who was in a wheelchair. They spoke to the Prime Minister as part of a coalition against Bill C-62 as drafted. They pleaded with the Prime Minister to strengthen it. To his credit, the Prime Minister sent them up to see his policy adviser in the Prime Minister's Office. They spent about a half hour with him and were promised that a report will come back to them.

But I make an appeal now on behalf of disabled Canadians, one of the four target groups, that we strengthen Bill C-62. If we do not, we might just as well accept Motion No. 1, because my motion brings Bill C-62 in line with what it is really all about. My motion would change the words "to achieve employment equity" to the words "to promote and encourage employment equity", because all we see in the Bill is the reporting of employment equity, we do not see the achievement of employment equity. So on behalf of disabled Canadians I call upon the Goverment majority to persuade the Minister of Employment and Immigration and the Prime Minister to bring us some targets, an enforcement agency and some goals and objectives so that employers will be made to achieve employment equity on behalf of women and disabled persons; that is what they asked for in committee.

I also call as witnesses the visible minorities. They came to our committee and contacted us in person by telephone and by letter. They also said the Bill was not strong enough. They want an enforcement agency, targets, goals and objectives. If these things are not written into law, because of the human psyche of the majority in our country and everywhere else in the world, these minorities will still be discriminated against.

My last witnesses are the original Canadians, the Indians, Métis and Inuit people of Canada or, as the Hon. Member for Provencher (Mr. Epp) used to call them in our constitutional committee a few years ago, the "prefounding Canadians". They are not the founding races such as the French and the English, but they are the ones who were here first of all. Those people spoke to us as a predominantly white, male-dominated Parliament, and said that this Bill is not strong enough and would only encourage and promote employment equity in reports on employment equity rather than achieve employment equity.

• (1530)

Believe it or not, Mr. Speaker, when the Conservative Party was elected to government, I was greatly optimistic that there would be a new era in Canadian politics.

Ms. Mitchell: Shame on you.

Mr. Nystrom: I am being shamed by my colleague from Vancouver—Kingsway, and she is right.

Ms. Mitchell: Vancouver East, but he's ashamed too.

Mr. Nystrom: When the Conservative Party was elected to govern, I thought that there would be more openness. I thought that Conservative Members would listen to various groups and draft legislation that ordinary Canadians wanted. The Prime Minister (Mr. Mulroney) made a solemn promise that he would do so. In fact, he made over 300 electoral promises on which Canadians elected him. Even new Members

like the Hon. Member for Capilano (Mrs. Collins) who is sitting here in all her splendour are disappointed that the Conservative Party has not kept its word.

The Bill before us has been drafted for the benefit of women, natives, disabled Canadians and visible minorities but all four groups say that it is not good enough. All four groups have rejected the Bill. Is that participatory democracy? A former Prime Minister used to talk a lot about participatory democracy. He lasted here for about 16 years before the people wisened up. Now members of the Conservative Party talk about the same thing without using those words. They said they would listen to the people and that there would be more openness in Government. They said that they would bring people into the centre of power and cut away the bureaucracy.

I know that the Minister of National Health and Welfare (Mr. Epp) is probably quite embarrassed by all this. Having been Minister of Indian Affairs and Northern Development at one time, he has a great feeling for native Canadians. I am sure that if he had drafted this Bill, it would be a stronger one. I know that he is a good progressive Tory and he would have drafted a stronger Bill.

Ms. Mitchell: There's no good Tory.

Mr. Nystrom: The Hon. Member seems to be very anti-Tory. She has said that there is no such thing as a good Tory.

Mr. Waddell: There's a good suppository but not a good Tory.

Mr. Nystrom: Perhaps she is right, but I tend to be a bit more optimistic than that. I do think that the Minister of National Health and Welfare would have developed a more progressive Bill than did the Minister of Employment and Immigration (Miss MacDonald). Perhaps the Minister of National Health and Welfare could use his good offices and influences to try to persuade the Minister of Employment and Immigration to accept some amendments that would ensure that this Bill will listen to disabled Canadians and other targeted groups and include an enforcement agency and a maximum fine increased from $50,000. After all, what is $50,000 for the Bank of Nova Scotia, the Bank of Montreal or General Motors? It is peanuts.

We are going to have to get a lot tougher. We are going to have to have targets. As well, Government Departments will have to be brought into line with Bill C-62. I know that there are Treasury Board guidelines, but those guidelines are ignored. In fact, we heard in committee that over 75 per cent of disabled Canadians who work for the federal Government work on contract and are not full-time employees. When there are budget cut-backs, the contract employees are often the first to be let go. That is why disabled Canadians want a stronger Bill.

I know that many Conservative Members are afraid to take a stand against the big banks and large companies but I appeal to them to listen to the target groups for which we are trying to draft legislation and to put into law the things that the groups are requesting. These groups are saying that they want collective bargaining to be implemented in this Bill so that workers in the different industries will have a guaranteed role to play in the implementation of employment equity. Women are telling us that they need equal pay for work of equal value. Like the Hon. Member for Vancouver East (Ms. Mitchell), I was not optimistic that the Conservative Government would listen to us about that, but perhaps we can make a few more appeals.

I see you are getting a little restless, Mr. Speaker. Last, on behalf of those four target groups, we want to have a tough provision in this Bill on contract compliance so that companies that sell goods or services to the Government of Canada will have to achieve employment equity or be cut off like you are trying to cut me off, Mr. Speaker. I am now taking my seat. I ask the Government to either amend the Bill according to the wishes of the four target groups or accept this motion which says that instead of achieving employment equity—

The Acting Speaker (Mr. Paproski): I do not wish to cut off the Hon. Member but he knows that under Standing Order 14(9) of the new rules, he has 10 minutes to speak. I would love to listen to him, but unfortunately his time has expired.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I would like to begin by saying that I fully agree with all the criticisms levelled against this Bill by the Hon. Member for Yorkton—Melville (Mr. Nystrom). He is quite correct in stating that the Bill is a toothless tiger. It is not nearly as good as the Charter of Rights which is entrenched in the Constitution and prevails over all other ordinary legislation. If this Bill did something, it would be worth while, but it is a toothless tiger. There is no means of enforcement of the Bill.

While I agree with everything the Hon. Member for Yorkton—Melville has said about the Bill, to change the purpose of this Bill, which is to achieve equality in the workplace so that no person shall be denied employment opportunities, at this stage before we have had a chance to deal with the other amendments that he and I have put, amendments designed to strengthen the Bill, would be wrong.

It is too bad that the amendment put by the Hon. Member could not be put at the end of the process. Both and he and I and others have put amendments on the Order Paper which, if the Government accepted them, would create a Bill that would achieve equality in the workplace. At the present time, the mechanisms in the Bill are not sufficient to achieve equality in the workplace.

If all the clauses of the Bill remain as they now are and if all our amendments are defeated, then I think it would be appropriate to change the purpose of the Act as the Hon. Member suggested and perhaps even to change the name of the Act. Many of the witnesses we heard in committee suggested that this Bill should not be called an employment equity Act because it is not an employment equity Act. They

said that it should be called an Act to collect information with respect to employment equity. That is why I will put such an amendment at the very end of the process. If the Government will not accept any amendments to make this Bill enforceable, then we should change its name and purpose.

While I appreciate the spirit in which the Hon. Member for Yorkton—Melville has put his amendment to change the purpose of the Bill so that it would describe what it really is, I think we should deal with the other amendments that will strengthen the Bill first. I would like to reserve my vote on that amendment until we see what gets done. Since all votes are deferred in any case, I will know at the time whether or not it is worth while voting for this amendment.

I should remind the House that during the extensive hearings on this Bill, not one of the target groups said that this Bill would achieve employment equity and they all recommended amendments. Many of the amendments that my colleague, the Hon. Member for Yorkton—Melville, and I have put down for consideration were suggested to us by the people who are being discriminated against, the visible minorities, the disabled, women and native people. We are simply trying to act for them in this Parliament. There are not enough of them here. We must voice their views on their behalf. If none of the amendments put forward to strengthen the Bill are accepted, I will certainly vote for Motion No. 1 in the name of the Hon. Member for Yorkton—Melville.

• (1540)

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I rise with a great deal of pride and humility in responding to the comments of my two hon. colleagues. I have lived my entire life in the milieu, although I am not a member of a visible minority, of a minority community. Through my lifetime I have been exposed to quotas. I can say honestly that I feel I am a worthy representative of all target groups which have been mentioned. Sixty per cent of all Canadians fall within that range. I represent a riding which is very heavily ethnic in its nature. My consultations with my supporters and the people who live in the riding of Dollard indicate to me how pleased they are with the Government, the first Government anywhere, having the guts to bring in legislation which will actually put into effect an employment equity program.

We want jobs. We know that when goals and timetables are put into effect, we will get those jobs because we are qualified. We do not want quotas. We do not want to focus upon process. We want results. We want initiative. We want a commitment to change. We want measureable goals. We get all this with employment equity.

Today I heard the request for a new enforcement agency. We are already involved in enough bureaucratic red tape. We are in the process of examining ways of dismantling some agencies. We know the high costs of governing. We already have in place the Canadian Human Rights Commission which is very well prepared to handle all cases of systemic discrimination resulting from employers not following the program we have put into effect.

My friend in the New Democratic Party wants us to put water in our wine before we ever begin. We are introducing today a mandatory program for the first time. The wording "to achieve equality" more correctly reflects the purpose of the Bill. What we are doing is achieving it. Promoting and encouraging are voluntary terms, and that is not what we see in the Bill. We want to see all groups move forward, not strictly by legislation because that is simply a process. We want to send out a signal of how productive society will become when we use the full constituent part of our community.

I am certainly completely against this motion. In terms of what might be the position of the two opposition Members, it has been a pot-pourri. In terms of all other motions, I know I will have an opportunity to speak on each one of them. April 10, 1986 is a proud day for us because we are sending out a signal to Canadians in all walks of life that from now on one's colour, sex, nationality or racial origin does not matter; if one is qualified, the job will be his or hers. We are doing it with an affirmative action program.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am pleased to have an opportunity to speak on Motion No. 1 in amendment to Bill C-62. I am concerned with the remarks which the Parliamentary Secretary has just made. I am somewhat amazed that he should rise and say that he represents a minority which has suffered from the imposition of quotas and then imply that we do not need positive mechanisms to deal with the problem. He is making quotas, an example of enforcement machinery, a dirty word. He is using the same language for positive measures to promote real employment equity. He is trying, by guilt by association, to suggest that it is somehow discriminatory. He says that they want results, but we have Bill C-62 which will not bring results. He says that we have mandatory employment equity. It is not mandatory if there are no employment equity enforcement mechanisms. That has been made very clear. Judge Abella said that voluntary enforcement simply would not be adequate. It does not matter how much it is called mandatory. If there is no enforcement mechanism to make it work, it will not be truly mandatory.

I support the motion before us which calls the Bill really what it is. Turning to Clause 2 of Bill C-62, it reads:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada—

That is certainly the objective. That would be fine, but since we do not have teeth or enforcement mechanisms in Bill C-62, the clause dealing with the purpose of the Act is misleading. It tells the public that employment equity will be achieved, but it

will not be achieved until there are real tough mandatory provisions. The proposal of the NDP is simply to be honest about the Bill. It has good intentions, and that is all. Therefore, in part our amendment reads:

The purpose of this Act is to promote and encourage.

Of course it will promote and encourage employment equity. It is looking in the right direction. It has the right goal at the end, but it is just that it is in no hurry to get there. If we are to have effective enforcement of employment equity, we would have serious penalties for violation. However, Hon. Members will recall that the only penalty contained in Bill C-62 is a $50,000 fine, and $50,000 is peanuts for a company which is making a fortune by exploiting people and paying them less than they ought to be paid. The only penalty is for failing to report. There is no fine for failing to make progress in achieving employment equity. If this Bill were really about the achievement of employment equity, the fine would be in the failure to move ahead, the failure to see that women, visible minorities, handicapped people and native people really made it into the labour force in sizeable numbers, the numbers they deserve, not just token members here and there.

By comparing successive reports, the Minister hopes that the evidence will be sufficient for the Canadian Human Rights Commission to correct systemic discrimination identified by the reports. However, the Minister intends to rely heavily upon public opinion to persuade firms to remove discriminatory barriers which face women, native people, visible minorities and disabled persons. This is precisely the approach which was rejected by Judge Abella in her study. It is precisely the point made by representatives of organizations representing women, native people, disabled persons and visible minorities. They have said that this is not enough. Indeed, some of them said very strongly that we ought to vote against the whole Bill unless the Government is prepared to bring in amendments or to accept our amendments to put real teeth into it.

Public opinion will not work because profits are involved. People make money by paying victims in the market-place less. That is what they will do. They are not moved to change their practices. They are not moved to make reasonable accommodation to incorporate disabled persons. They are not moved to change their recruitment practices to find people who have not heretofore been available for that kind of work. All of that requires a bit of effort and a bit of money. Who is going to put forward that effort and money to bring their employment practices up to fair standards when they can go ahead without any fear of penalties by maintaining the practices that they already have?

• (1550)

We recommend that this Bill should include all Government Departments under federal jurisdiction as well. As it is written now, it applies only to federal Crown corporations. It does not extend to Ministries. At the very least, as a matter of principle, the Government should expect itself as an employer to follow these quite low expectations, not high enough expectations, but surely that at least should be a requirement for the Government to follow.

Treasury Board guidelines are in place for affirmative action in the federal Public Service, but these have been very weak. They have not been effective. We have seen very little movement as a result. The guidelines can be changed. They are not subject to a statute. They can be changed without the matter coming to Parliament at all, whereas if the requirement were right in the Bill, then that could not happen without a new Bill being brought back into Parliament.

The Bill as it currently stands does not allow for adequate participation by labour unions, which have shown a great deal of sensitivity and willingness to work to achieve employment equity. Many of the employers who fall under federal jurisdiction have largely unionized workforces. We have asked that wherever a union is present in the workplace, the employer must bargain the implementation of employment equity. The Bill does not require this. It simply requires the employer to consult with the bargaining agent, but not to sit down seriously and work out a plan that is fair, reasonable and will be effective.

Throughout debate in the House and before committee we emphasized the importance of enshrining the concept of equal pay for work of equal value in this Bill. We moved amendments to this effect, but our amendments were rejected. The Abella Report was very clear that equal pay for work of equal value should be part of all equity programs. It is not here in the Bill.

Finally, I would like to point to contract compliance. We fought to have this added to the Bill. The answer we got was: "Well, we are going to go ahead with it anyway so we do not need a statute on this". But the provisions which the Government is planning to go ahead with are not as vigorous as they could be. They are limited to firms doing $200,000 or more worth of business with the Government and where the firm has more than 100 employees. It is a start, but why should it be restricted to only those companies?

If we really want to encourage employment equity and equal pay for work of equal value, we would extend that principle and use the bargaining power of a contract with Government to make more companies be fair in their employment measures. They would have a positive incentive for coming up with employment equity measures instead of relying on the same goodwill which we know has not been effective. If that had been effective, we would not need this Bill. Employment equity would already have been achieved and it would have been achieved years ago. But it has not.

What we are calling for is real teeth. Unless and until we get real teeth we think at the very least the Government should have the decency not to mislead the Canadian public and to call the Bill precisely what it is, namely, an attempt at goodwill to promote and encourage employment equity, but it should certainly not claim that it is a Bill that will achieve employment equity.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I rise to speak to motion No. 1 which has been proposed to amend the text on the purpose of Bill C-62 from saying it is a Bill to achieve equality in the workplace to stating instead that it is a Bill to promote and encourage such equality.

The explanation given by the mover of this motion is that regrettably the Bill does not achieve the goals that are needed and, therefore, the Member proposes that we call it what it is and say that it is simply something to promote equality in the workplace, a very desirable thing.

I have to say that I do not want to support this motion because I feel that that would be a way to give satisfaction to the Conservatives. They would then be able to say that they had achieved something by saying that they were promoting something. We know they are not going to achieve a thing through this Bill, other than to deceive the public into thinking that they have done something. This is the regrettable part of this Bill. It will betray by delaying those people who are still waiting for their rights, rights which were promised to them under the Charter of Rights and Freedoms, at least guaranteed to them by law if they take their cases to court. The Government, instead of now applying the provisions of that Charter, for which we had to fight so hard in the last Government, is postponing its implementation by making people think that by a long, circuitous action they will some day arrive at the promised land.

Some people say they are eternal optimists. They have to wait an eternity. One of the Tory Members said that she was an eternal optimist. Those people who have to wait, the handicapped, the deaf, or the blind do not want to wait for an eternity. They want action now. They want the kind of action that has been called for by all who are experts and knowledgable in this field as to what the purpose of a Bill that brings about equality means. They want action that will have teeth in it.

Judge Abella brought a report forward. We had the *Obstacles* Report before that. Various reports in other countries have been made. All reports call for legislation to make it clear that the victim does not first have to prove his right to justice. It is up to the Government, if it has courage, to provide to people the kind of guarantee that they will have their rights protected.

After fighting for the Charter of Rights and Freedoms against the Tories during the last administration when they rang the bells, attacked the Chair and yelled and stood up hour after hour on various questions of privilege and points of order to stall and deter the Charter of Rights and Freedoms and the Constitution from being brought to this country, that same Party, in this kind of hypocritical stance, now pretends it will stand up for those rights and enforce them. It is not standing up for rights. It is not enforcing them. It is making a mockery of them.

I heard the Parliamentary Secretary for Employment and Immigration (Mr. Weiner) speak about how he represents minority groups in his riding. I hope he will continue to try to represent them. I am sure he is sincere in believing in his heart that he is effectuating something helpful to them, but I want to tell him that I have worked for most of my life in human rights causes and as head of a human rights organization. One of the reasons I came to Parliament was to try to see the Charter of Rights and Freedoms brought into effect. One of the reasons I am in Parliament is to try to bring about those things that I saw needed to be done as head of a human rights organization. I saw the discrimination that took place, the delays, and I saw the poor people who do not have the money to bring their cases to court. As a Government, we should provide effective machinery for them to carry their cause so they do not have to go to court to plead it. That should be the next step. The question must be asked, is that what is happening?

I can tell you, Mr. Speaker, that in the field of human rights you will find that all minority groups, all oppressed groups, say that if you want to know whether or not something is good, ask us because we are the ones who suffer. We have heard the people. We have asked them. They have come to the committees. They have practically unanimously said that this Bill is not enough, it does not protect us.

I suggest that we should leave the word "achieve" right where it is. It is not as the Parliamentary Secretary to the Minister of Employment and Immigration said. If we put in those other words, it would not be watering the Bill down to say, "to encourage". What the Member of the New Democratic Party was trying to do was to mock the Bill. That is why he did what he did. The Bill deserves to be mocked. I will not, therefore, support the idea of changing this to "encourage", but would rather leave it as "achieve" so that the record of history will judge them on what they did to help the people of the country who are handicapped, the women, the native people, and the minority groups.

• (1600)

Are they really satisfied in their hearts that they have done enough? I think they will not say that they have achieved nothing else but to ensure that some reports are sent in. Is that what they are going to do? They are giving companies three years to make reports. If the reports are not made, they will be fined $50,000, but if they do make a report, it will be okay. That is the kind of enforcement this Bill gives us. They can dilly-dally in the courts indefinitely with regard to what that report said and did.

This a tragic travesty. I hope that when the Government comes to its senses it will either change this Bill or accept the condemnation of all of these groups: women, minorities of various racial backgrounds, visible minorities, native people, and the handicapped.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Public Service—Impact on Employment of Government Policy. (b) Government Position; the Hon. Member for Hamilton East (Ms. Copps)—Trade—Provincial Fresh Water Rights. (b) Grand Canal Company Proposal.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-62, an Act respecting Employment Equity, as reported (with amendments) from a legislative committee, and Motion No. 1 (Mr. Nystrom) (p. 12098).

Mrs. Mary Collins (Capilano): Mr. Speaker, it is a great pleasure for me today to have the opportunity to comment on the employment equity Bill as it moves into report stage. I have been interested and involved in this Bill since its inception and through the committee stage. It is a very proud moment for me and my colleague, the parliamentary Secretary to the Minister, to be here today as the Bill goes through its final stage in the House and becomes reality.

The Hon. Member for Eglinton—Lawrence (Mr. de Corneille) referred to a Member who has been referred to as an optimist. I am that Member. Yes, I am an optimist, and I am proud of it. I am proud of this country and I am proud of Canadians. I believe that Canadians support the concept of employment equity, and it is Canadians who will make it work rather than government. Social change does not come about merely because government decrees it. This kind of social change comes out of the consciousness of Canadians. We, as legislators, provide moral leadership, but Canadians themselves, who recognize inequity, are prepared to make the changes which will be so important.

If we are going to mock anything, I think we should mock the horrendous record of the opposition Party which was in power for almost 20 years and did not do anything to ameliorate the conditions of inequity in the workforce. It had lots of opportunity, but did nothing. In a mere 18 months the Progressive Conservative Government has put this proposal forward, has listened to the people of the country, and is achieving results.

Some Hon. Members: Hear, hear!

Mrs. Collins: The purpose of this Bill is to achieve equality, and I believe it will do that, for a number of reasons. Those of us who have been involved in the committee are aware of the process. Employers will be required to report on their progress in employment, training, and promotion of people from the target groups. Data will be available to which companies may compare their figures with the number of people available in the community with those qualifications. It will be quite an easy process and it will be on the public record.

There will be, first of all, the public assessment. I know that some of my colleagues in the Opposition pooh-pooh that and say it does not matter. I do not agree with them. Public assessment will operate in two ways. People who are concerned can respond with their dollars. They can withdraw from purchasing the goods or services of those companies which do not fully participate and achieve employment equity. There are other interesting things which I am sure my colleagues are aware of.

In my own hometown of Vancouver, the Vancouver City Savings Credit Union and a private sector group have already new investment funds in place which they will only invest in socially responsible companies. Part of the criteria will be that companies implement and achieve employment equity. That kind of recognition is taking place out in the market-place. That is not Government telling people to do it. Canadians are saying that they think it is right, and they will achieve it themselves.

This piece of legislation is perhaps a carrot on a stick. Being the optimist that I am, I really believe in the carrot. I certainly think this legislation provides that carrot. The companies will have to make their reports, and they will have to start to examine themselves. They will have to start to put in place proper human resource management policies in order to achieve equality. They will have to reach out into the community.

As I said in committee so often, if we spent less of our time arguing about the process and procedure, and more of our time getting representatives of the target groups together with the employers to talk about how we are going to do this, we would achieve more. I recommended this to representatives of the target groups and companies. They said that, since they were not quite sure of what they should be doing, they would like to talk to people in those groups. If we used that co-operative, consultative approach, I think we could achieve employment equity even without the stick which we have in this piece of legislation.

Mr. Epp (Thunder Bay—Nipigon): There is no stick.

Mrs. Collins: My colleague has said that there is no stick. He is totally wrong. There is a very heavy stick. There is the stick of the Canadian Human Rights Commission. If the Member had attended the December 19 meeting of the legislative committee, he would have heard from Gordon

Fairweather, the Chairman of the Human Rights Commission, that we can enforce employment equity by enforcing the Canadian Human Rights Act. He said that we can initiate complaints, examine data and plans, and then appoint tribunals which have the authority to impose sanctions.

Mr. Fairweather also said, as have my colleagues, that some of the groups would like their own agencies to be there. There is enough fragmentation in the country now without dividing into a proliferation of boards, commissions, and agencies. We want to improve opportunity. Gordon Fairweather, who I know all Parties acknowledge for the pre-eminence of his work, supports this position. He said that we can do it.

One of my colleagues in the NDP said that a fine of $50,000 is peanuts. Maybe for the NDP $50,000 is peanuts, but for someone involved in business $50,000 is an awful lot of money. No company would want to be faced with the shame of being brought before an inquiry, with the cost involved in such an inquiry, or with the public shame of receiving a fine which would not look very good on their bottom line when they have to report to their shareholders and the public.

My colleagues on this side of the House have worked hard. This Bill does provide mandatory sanctions and a mandatory system of enforcement. However, I do not know why we spend so much time on this issue because, more importantly, the Bill provides the new thrust and thinking which will achieve employment equity for women, natives, racial minorities, and the handicapped in this country. I applaud this Bill and am happy to have been a part of it.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I listened with interest to the remarks of the Hon. Member for Capilano (Mrs. Collins). She mentioned that she believes in the carrot. I know that Bugs Bunny believes in carrots, but I do not, nor does my Party. What we really need is a big stick in this Bill.

• (1610)

Mr. Epp (Provencher): Bugs Bunny turned 50 the other day and what happened?

Ms. Mitchell: Bugs Bunny turned 50? He still likes carrots, but I do not.

There is no question, as we have said over and over again in committee and in this House, that this Bill must be strengthened if it is going to achieve the goals of equal opportunity in the workplace for women, native people, visible minorities and the disabled. There is no way we can expect movement in this direction unless the federal Government sets the example. We need a Bill which is far more comprehensive. It should affect a far greater number of employers and employees. It should have real teeth so we can have real enforcement of affirmative action or employment equity as the term is used in this Bill.

I am really rather amused by the amendment we are speaking to because it attempts to define the Bill as it really is. In its original state the Bill refers to the goal of achieving employment equity. As my colleague has pointed out through this amendment, it will not achieve employment equity. It is aiming at promoting, encouraging and persuading a few large companies which do business with the Government to give more attention to employment equity.

It will be very interesting to see how Conservative Members vote on this amendment. Are they going to vote in favour of our amendment which describes the Bill as it actually is? Or are they going to go back to the existing wording in the Bill? I hope that in the time remaining they take action with the Minister to try to change the Bill to strengthen it so it will have some real meaning. As it is now, it is just paying lip service. It will really be regressive to raise people's expectations only to find that in practical terms it cannot work.

My colleagues have also talked about the things we object to in the Bill. All the target groups who appeared in committee, I refer particularly to the National Action Committee on the Status of Women, as well as the coalition groups, the CLC and many trade unions—

The Acting Speaker (Mr. Paproski): Order, please. I would hope Hon. Members will give the Hon. Member an opportunity to speak. I love to listen to her expound on this particular Bill and I would hope the other Members would, too.

Ms. Mitchell: Thank you, Mr. Speaker. I appreciate the wisdom with which you listen to these profound remarks I am making and I also thank my colleagues for listening.

I was saying that many groups will be affected by employment equity or the lack thereof. There were many women's groups, groups of the disabled, trade union and labour groups, as well as various representatives of native groups, including the Assembly of First Nations, and certainly other groups concerned with race relations and multiculturalism. I know there was a consensus among them all that this Bill was not strong enough. It did not have the teeth to enforce the stated goal of achieving employment equity. There is no effective enforcement mechanism. The only penalty is one of $50,000 if a designated employer fails to report. Even just providing a picture of what their business is, is hardly achieving employment equity in a very real sense.

We have also expressed a number of objections about the kind of myths the Minister has put forward. Sometimes I wonder if she really understands what mandatory affirmative action is. I really feel that she does not comprehend it. I have respect for her, I think her motives are very strong and she wants to do something for the target groups we are talking about. However, she brought in an amendment which provides an action plan for employers. It was added after all the various groups objected that there was no enforcement. However, it is just words because there is no enforcement. There is no penalty for the employers who do not adhere to the plan. What is the point in putting it in? It is, once again, just platitudes.

I cannot believe that the Minister did not listen, but she did not seem to comprehend what organized labour is saying.

These are the people who work in these large corporations. The CLC and various other labour groups have said over and over again that employment equity must be negotiated. It must be part of the collective bargaining process.

Mr. Epp (Provencher): Must be negotiated?

Ms. Mitchell: What does the Minister do about that? She brought in some reference to token consultation with unions. I see the Minister of Labour (Mr. McKnight) is here. You cannot really blame the labour movement for really being very angry about this. This is undercutting the whole collective bargaining process. There must be negotiations involving employment equity and all employees must be involved.

Mr. Epp (Provencher): Negotiations? What happened to the big stick?

Ms. Mitchell: The Minister of National Health and Welfare (Mr. Epp) comes from Manitoba. I wish he would stand up and tell us about the pay equity Bill which the Manitoba Government brought in. That is an attempt to put into legislation equal pay for work of equal value. Judge Abella strongly advocated that this must be part of the legislation. The NDP tried to present amendments here and they were rejected. There is no contract compliance which requires every company doing business with the Government to practise employment equity. There is no penalty if they do not. This Bill only applies to a few very large employers. There are probably only about three or four in British Columbia who will even be affected. Again, all they have to do is to report.

Another thing I want to stress, something to which Judge Abella made reference, and I have not heard other speakers referring to it, is that Judge Abella said that for there to be employment equity for employees in Government and private industry, there must be access to child care for parents who are working. If they do not have affordable access to child care suited to their shifts or their hours of work, they do not have equal opportunity in the workplace. They certainly do not have equal opportunity for promotion.

• (1620)

We have travelled from the Atlantic to the Pacific and back again. Everyone is asking us to do something about the crisis in child care. One of the things that should be done is to have more access to workplace child care and the federal Government has given no attention to that whatsoever. There has been no attention given to training opportunities. People who know about affirmative action say you must have opportunities to upgrade people, especially women and disadvantaged people, so they have a chance to move into other kinds of better paying, promotional jobs. It is an inadequate Bill and I feel very sorry that in this first attempt we have not made a better job of it.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is with considerable reluctance that I rise to speak to the question and the amendment before the House.

First of all, what we want is to obtain equality for all Canadian men and women: equality as such and equal access. However, this Bill is a sham.

[*English*]

Mr. Speaker, although I would like to support the Bill as it stands, assume and hope that it would achieve employment equity, there is no way the content of this Bill will enable people who are suffering at this point from a lack of equal access and equal opportunity to bring to the workforce their talents and skills.

We do have, unfortunately, a systemic discrimination that is indigenous to our workforce. The goal of employment equity is real and it is practical. It is a distant goal that is not going to be realized for those people who really need it.

I listened to the Parliamentary Secretary and the Member for Capilano (Mrs. Collins), both of whom I had assumed had a much larger heart and a bigger understanding of the issues. It is with a deep sense of regret that I listened to both of them. On the one hand the Parliamentary Secretary talks about the fact that he is a witness to what discrimination can do. I can speak as well from the same perspective. On the other hand the Member for Capilano spent six months with me travelling across this land and was witness, as I was, to the testimony of one group after the other who, unlike my colleague, the Parliamentary Secretary, the Hon. Member for Dollard (Mr. Weiner), and myself, have lived the experiences that we heard about. We have not had to live our life being deprived of earnings, which has a negative impact on our life and our ability to raise our family and give them the things we would love to give them. This would apply to native people in this country, the aboriginal peoples, the blacks in this country, or any of the other visible minority groups and some of the non-visible minority groups as well as the handicapped who are looked at constantly based on their disability rather than their abilities.

I wish the Parliamentary Secretary had come along; maybe he would not have spoken the way he did. I regret that the Member for Capilano, who did come along, did speak the way she did. The reality is that there are few industries upon which this Bill will impact. We have had a sensitization of our population to this problem by Judge Abella. She is a very fine spokesman, extraordinarily articulate, and she made her voice heard. She said that voluntary action has not worked. Appeal to the hearts and minds does not impact on the people who are included in our concept of non-discrimination and equal opportunity in the workforce. From what I heard I can only tell you that we have missed the boat, and it is sad. The potential was there. I think the Minister wanted to realize her goals, but I think she was blocked at every turn by big business and by the corporate sector which, if you read the Nielsen task

force Report, indicate quite clearly that they did not want this Bill to be mandatory and they were not at all interested in seeing it applied in its fullest measure. I am sorry to say she has had to cave in.

One of the disappointments in this Government is the breaking of the promises that were so glibly falling from the tongue of our charming Prime Minister (Mr. Mulroney). In the Throne Speech the Prime Minister stated, and I quote him, "economic equality is the vehicle through which women—", and he is referring here, of course, to a lovely target market, 52 per cent of whom were supposed to buy his promise, and I continue my quote, "—will come to full partnership and participation with men in our society". These are very laudable principles, and words are very simple, but a law is another matter.

I would suggest to you that this law has no mechanisms to effect what we want in principle and in practice through equality. Judge Abella said that employment equity is a strategy designed to obliterate the present and residual effects of discrimination and to open equitably the competition for employment opportunities to those arbitrarily excluded. It requires a special blend of what is necessary, what is fair and what is workable. Obviously what was necessary, fair and workable did not work to date. In order for it to become workable you have to have a law that has teeth, otherwise it is a law in name only and it is a farce and a joke. To play games with our visible minorities, with our handicapped, with the ethnics, with the native people is a sham, and you should be ashamed of yourselves.

Some Hon. Members: Hear, hear!

An Hon. Member: You are wrong.

Mrs. Finestone: You may think I am wrong, but it is you who are wrong.

I bring to your attention that when an evaluation was done in New York on the impact of the affirmative action program, which was mandatory in the United States, the analysis was, and I quote Victoria Smith, the senior consultant in New York, that, "Business is comfortable with numerical goals and targets. That is how business works. We just did surveys of our clients and most of them are Fortune 500 big corporations, they are now Fortune 1000, and of 142 responses 95 per cent said they would keep on using numerical goals to track the progress of women and minorities regardless of government requirements".

She went on to say that first you have to get them to understand that we are not imposing on them something that is anathema. The focus and the goal of employment equity is to bring the talents and potential of individuals to enrich our business community. It is not to punish them because we wish to give equal opportunity to those people who were discriminated because of the systemic barriers that need to be revised and reviewed.

I think it is about time that our federal Government, its agencies, Crown corporations, the federally operated and regulated sectors, and companies doing business with Government start to recognize the diversity of Canada's population and the potential of these disadvantaged people. This Bill demonstrates that this Government lacks the willpower and the leadership that is needed to implement employment equity programs effectively. I can only ask the Parliamentary Secretary to go back and read what the Canadian Ethnocultural Council has said or the coalition of provincial organizations for the handicapped. They are all disappointed with this Bill. I would specifically direct the Parliamentary Secretary to take a look at a research piece that was done in his own area. How will he respond to the Jamaican Association of Montreal? We have 18,000 Jamaicans and the statistics are quite astounding. There is a 69 per cent unemployment factor for 18 to 25 year olds; 41.5 per cent unemployment for those between the ages of 25 and 35; 31 per cent unemployment for those aged 35 to 45; 22 per cent unemployment for those between the ages of 45 and 60; and over 43 per cent unemployment for those aged 60 and over. That takes only the Jamaican community of Montreal into account, not including Haitians, Vietnamese or the handicapped. It is a shame. Tell me how this Bill will answer the needs of those people. It will not.

• (1630)

Employment equity deals with many things, including education, child care, re-education and training. Many activities are required and this Bill will not meet the needs of those members of his constituency, mine or that of anyone else in this country. It is with a deep regret that I indicate that we on this side of the House are not satisfied with this Bill.

There is no such thing as voluntary compliance according to affirmative action laws right now. A law without teeth is not a law. If voluntary compliance worked, then Moses would have come down from the mountain with the 10 guidelines.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to speak to Motion No. 1 in the name of my colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), to amend Bill C-62. This Bill is purportedly designed to achieve equality in the workplace. The amendment attempts to change that to read:

The purpose of this Act is to promote and encourage—

—equality in the workplace. This motion recognizes the particular lack of enforcement provisions that would be required to achieve employment equity and, therefore, justifies our proposing that the Bill is designed only to promote and encourage employment equity. It is a fair description of the Bill and it is particularly important to recognize that this is the extent to which the Government plans to take action. I believe that various groups in Canada hope that the Government will do more; which leads one to question how one views this particular Bill. We trust that the Bill will provide the necessary information to undertake additional action through various forms of compliance with the required enforcement to

ensure that employment equity is actually achieved. The information provided in this Bill is certainly necessary in achieving that goal, and these groups will argue that the Bill should be passed so that the Government can introduce additional measures to meet the criticisms that my colleagues have already put forward and which I will consider as well.

The fact is that the Government does not intend to do anything more. There has been enough dicussion about the need for enforcement mechanisms to be included in the Bill.

A few minutes ago the Member for Capilano (Mrs. Collins) made a fine argument for depending on carrots. It is similar to what a Liberal Leader of the Opposition in the 1890s called "sunny ways", against the harsh measures that a Conservative Government was trying to bring to bear on the Province of Manitoba. One can celebrate sunny ways and one can enjoy carrots almost as much as Bugs Bunny has during his 50 year career, but the sad fact of the matter is that human beings frequently need a little more pressure than that.

The corporations to which this Bill will apply are those with more than 200 employees and having sales to the Government amounting to hundreds of thousands of dollars. Those corporations in particular will require some pressure, but the Government does not plan to bring any of that pressure to bear because once the Bill is passed—as the Government will presumably ensure—and the reporting begins, the Government will argue that several years must pass before we have any real basis to say that on the evidence of the reports they failed to act. The Government will argue that we must let that time pass before we envisage bringing in any substantial pressure to bear on these companies.

There will be a great deal of disappointment and anguish across the country in the next two or three years because there is no doubt that we will not see any enforcement provisions before the end of the Government's mandate in 1988 or 1989. Furthermore, there will be no action to meet the other criticisms that I will explain in a moment. Undoubtedly we will hear many fine intentions. The Minister of Employment and Immigration (Miss MacDonald) makes that kind of speech very well. The Parliamentary Secretary is undoubtedly an honourable person and speaks to the need to achieve employment equity. I am sure that other Government Members can state those intentions very well too, but the Government does not intend to ensure that employment equity takes place.

It will depend on the Human Rights Commission, which is an independent body. I fear that when amendments to strengthen the Canadian Human Rights Act are introduced sometime in the next year or 18 months, they will not include some of the provisions that are needed so that the Canadian Human Rights Commission—the only enforcement means envisaged by the Government—will have the authority to ensure that employment equity will make progress. It is clear that this Bill does not provide the means to achieve employment equity but is undoubtedly designed to promote and encourage employment equity.

Let me point out some of the more specific weaknesses in the Bill. I have already commented on the lack of enforcement mechanisms. The most the Bill provides for is a $50,000 fine to those who fail to file reports. The Bill should have included provisions that take into account how a workforce reflects the local labour force, including the number of women in the workforce or who want to be in the workforce, the number of native people and visible minorities who live in the area and would like to find employment, as well as the number of disabled who are seeking employment. As the evidence mounts that these companies have not employed these people, we will only have the effect of public opinion on the Government.

In a week when we have been considering Bill C-91 relating to competition, I am reminded of other Governments that thought public opinion would do a great deal. The Combines Investigation Act is a splendid example of that. The best that could be said for William Lyon Mackenzie King in his day is that if companies were exposed as combining with others to constrain trade in order to drive prices up, to take from consumers more than those consumers should have to pay, and if he thought public opinion would make any difference, there is a lot of evidence that it did not in fact happen. Although fines are assessed against companies these days for a variety of offences, there is no lack of evidence to show that when companies are found guilty, they pay these fines and presumably go on their way, which leaves us to appreciate the fact that the lack of enforcement mechanism is a very serious flaw in the Act.

• (1640)

The first words in Clause 2 of the Bill, "to achieve equality in the workplace" makes this Bill unworthy because of the fact that it refers to the "workplace" in general terms. The Bill does not not provide for federal Government Departments themselves who are, after all, fairly substantial as employers. One of the things we sought in committee was an expansion of the Bill to relate specifically to Departments of the Government. I fear that in this area the report of the special committee on the participation of visible minorities may deserve some part of the blame for what has happened. In the distinctions which were drawn in that report we have discussion of the need for "affirmative action", as the language was at that point. There was a section which related to the country generally and to the private sector, if you will, and then we have another part which related to Government and the needs of Government. I believe that if the Government of our day were really serious about achieving employment equity in the workplace, it would have ensured that the Bill applied to those Departments. It would have overcome the shortcomings of that aspect of the *Equality Now* Report and ensured that there was such an application.

For these reasons, among others, I support the amendment of the Hon. Member for Yorkton-Melville that Clause 2 be amended to read "to promote and encourage", because that is the most that this Bill will do.

Mr. Sergio Marchi (York West): Mr. Speaker, I am also pleased to participate in the debate on report stage of Bill C-62. I would like to preface my remarks by recalling to the House a quote by Judge Abella, the architect and author of the Abella Commission Report. She said: "Unenforceable rights are no more satisfactory than unavailable rights". I think that speaks volumes about the malaise of Bill C-62. I believe it is the malaise of Bill C-62 to which Motion No. 1 refers itself. Following the presentation of the Abella Commission Report, which was a very courageous, forthcoming and progressive report, great expectations were created among Canadians and, more specifically, among the four target groups which the Abella Commission identified. There were great expectations that the Government of the day would take the window of opportunity and the momentum which was offered by the Abella Commission, by the *Equality Now* and *Equality for All* Reports and that somehow those recommendations and bold findings would be put into legislation. But neither the recommendations nor the findings are in Bill C-62.

Bill C-62 does not achieve employment equity. It only talks of and about employment equity. There is a world of difference between the two.

During second reading, Hon. Members on this side of the House asked the Minister of Employment and Immigration (Miss MacDonald) to strengthen Bill C-62. It was hoped that at the committee stage, where we would be meeting with those four target groups and other Canadians interested in Bill C-62, the Minister of Employment and Immigration and the Government would see the merit and the reasons for strengthening such a Bill. Group after group, the Ethnocultural Council, the Urban Alliance for Race Relations from Toronto, women's groups, native groups and groups of the disabled, all came forward with hope in their hearts that the committee would grant equal opportunity not just to you and me, Mr. Speaker, but to those individuals. These groups appeared before committee and told Hon. Members from all Parties what they were seeking and had been seeking for years. It is not an easy process, nor is it an overnight process. It is a long-term difficult task. There should be no shortcuts nor the easy public relations gimmicks about which Bill C-62 speaks.

The Prime Minister (Mr. Mulroney) said so often on the hustings in 1984: "We will provide a Government for the people". If there is an absence of that promise, it is in Bill C-62. It is a piece of legislation which says that we are going to have basically four targets, women, natives, the handicapped and visible minorities. But those people came before the committee and before Members of Parliament in other forums, such as public meetings in Toronto, and said that they are not in agreement with Bill C-62. They told us that it falls short and will not do the things it says it will do. But those submissions fell on deaf ears. If this is a Government for the people, then the Government should at least have the decency to respond specifically and honourably to these requests and aspirations.

Those groups have gone away with the hope that at report stage, at which we are now, the eleventh hour, the Government will address in a bold and courageous manner that which it said it would. There is a shortage of action between Bill C-62 and the Abella Commission Report. There were great expectations which once again have not been met.

As Members of Parliament, perhaps one of the most difficult things for us to tackle in terms of individual representations in our constituencies, are the requests of individuals seeking employment. Individuals come to their Members of Parliament and say: "Look, I have not had a job in the last year. I have put in X number of applications and the answer is always the same. Would you please try to help me?" We, as Members of Parliament, try to do our utmost to assist those constituents. What is more hurtful is to have individuals within the four target groups come to us and suggest they are being denied opportunities of employment because of who they are or because of their handicaps. That hurts deeply. It is the dignity of work which I believe gives definition to one's self worth. It is having employment which gives one the hope of carrying on and providing for one's family. But when a black Canadian, a handicapped Canadian, a native Canadian or a woman come to us and tell us they are being discriminated against based on their particular traits, we must feel that this is something that should not happen in this country. It should not happen with our Charter of Rights and Freedoms.

• (1650)

Yes, Canada is a great country. We all realize that we have no peer in terms of our greatness. However, we should not end the debate there. There are a large number of Canadians who unfortunately cannot concur with those sentiments. Some Canadians are saying that the opportunities that exist for their neighbours or for people in other provinces do not exist for them. As long as that is the case, Canada does not mean to those people what it means to you and me, Mr. Speaker. That is why it is important for Bill C-62 to deal with opportunities in a forthright and courageous way and, perhaps, in the most challenging and difficult way.

It should be admitted that this problem is not an easy one to eradicate. However, that is not an excuse to give the issue only some PR and patchwork. There is no excuse for doing that. We should have built on the momentum of the findings of the various reports to which I have referred. We should have built on the representations that these four communities made not only during the constitutional process and the making of the *Equality for Now* Report but during the Abella Commission hearings. The Government is not delivering the goods.

It is no wonder that we are hearing representatives of these individual groups saying that they are losing faith and trust in the system. They have been telling the system to change for the last number of years. Here in Parliament we have the window of opportunity open that would allow us to make the lot of these four groups better, but I am ashamed to be a part of a Parliament that is presenting Bill C-62. That is why I was

astounded when the Parliamentary Secretary to the Minister rose to say that April 10 is a great day and he is proud. What is he proud of? Why do we not ask members of the four target groups if they are proud of the Government? Does the Parliamentary Secretary understand the struggles of those Canadians day after day or, in some cases, generation after generation?

We should not be proud of Bill C-62. We should put it back on the drawing board. Motion No. 1 speaks to the malaise that has gripped Bill C-62. I see that my time is up, Mr. Speaker, but it is my hope that following report stage, the Government will find some sensitivity and will be progressive rather than simply do a PR job on what is a very fundamental issue for Canadians.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to say a few words on this Bill. But before I do so, Mr. Speaker, noticing you in the chair, I would say that I was severely critical of 21 Alberta MPs for not speaking out on another matter the other day. I would like to make that 20 MPs and certainly exclude you, Mr. Speaker.

Some Hon. Members: Order.

Mr. Waddell: Well, then, 19. Are there any more? Let me speak on this Bill. It is important—

Mr. Desrosiers: Shame on you.

Mr. Waddell: I invite the Hon. Member to rise to speak on this Bill if he wants to reply. Unfortunately, unlike the Hon. Member, I cannot speak while seated. We know where the brains of the Tories are. They are better when they are sitting on them.

This Bill is supposed to be about employment equity. I think the Hon. Member for York West (Mr. Marchi) summed it up very neatly when he said that the Bill talks about employment equity and looks as if it were about employment equity but does not really do very much about employment equity. He outlined the four major groups that have made submissions to the Government over three inquiries, one commission and one constitutional hearing, namely, women, visible minorities, natives and the disabled. Apparently the Government was not listening to them. Certainly if it had been listening, there would have been a much stronger Bill with some teeth and enforcement provisions presented to the House.

Let us confess, we all like the Minister of Employment and Immigration (Miss MacDonald) a great deal. However, I have picked up from the debate that Hon. Members feel that she kind of struck out in Cabinet. That is an appropriate metaphor as baseball season is just beginning. Flora got up to bat and struck out in Cabinet. This Bill certainly will not do effectively that which we believe the Minister of Employment and Immigration would like to do, giving her the benefit of the doubt, and that is, to bring in a Bill that will give a sense of equity and fairness to Canadians who are not in an equal position.

[*Translation*]

Mr. Nystrom: In French!

Mr. Waddell: My hon. friend asks me to speak French. Well, the problem is the same for Quebec as it is for other regions in Canada. The problem is exactly the same, and that is why I intend to continue in English.

[*English*]

We have to ask ourselves why the Government has watered down this Bill and the policy of real equality.

Mr. Nystrom: Because they are Conservatives.

Mr. Waddell: Exactly, because it is a Conservative Government. As we can see by the competition Bill, and with only a few exceptions, this is a Government that is in tune with the wealthy and big business interests. Its relentless pursuit of tax increases, elimination of jobs, protection of the wealthy minority, taxes on old age pensioners, taxes on pensionable UIC recipients and cut-backs on social services for the needy show the basic thrust of the Government. We can see evidence of that in the competition Bill, a sweetheart Bill for business, and this Bill, a backtracking Bill that does not really deal with employment equity.

In *Proverbs, chapter 22:16*, the Bible says:

> He that oppresseth the poor to increase his riches, and he that giveth to the rich, shall surely come to want.

In spite of today's opinion polls, I predict that if the Government continues on this path, it too will surely come to want, if not in heaven then at the next election.

There are ways to deal with the flaws in this Bill. It could be made stronger. Women are members of one group that is affected. Employment equity pertains basically to women. They are the ones who are unequal in the workplace. All sorts of commissions have said that, and some eloquent speeches have been made by some of the women opposition Members today. I need not repeat them.

This Bill will not have the tough enforcement procedures we need to make equality a reality. It will not come overnight. We have to have some enforcement procedures and some specific goals and targets. Again, there have to be ways of enforcing those goals and targets. The Hon. Member for Broadview—Greenwood (Ms. McDonald) spoke about possible effective enforcement procedures in some detail.

Visible minorities form another group that will be affected. In my riding, there are many Chinese Canadians, probably more than in any other riding. In many ways, Chinese Canadians are now receiving a measure of equality and acceptance that they never have in the past, mainly through their own efforts but also through a change in attitudes on the part of the people of British Columbia. In the past, there were race riots in British Columbia. The stores of Chinese Canadians were burned. A recent survey taken in British Columbia revealed that British Columbians had become one of the most tolerant people in Canada. That is real progress. The Chinese

struggled to get that equality. I am not pleased to say that the place which Chinese Canadians used to occupy is now occupied by East Indians who are a very visible minority in the southeast part of Vancouver, especially Sikhs who wear turbans and so on. Sometimes it is a real struggle for them to get equality in the workplace. They have made progress. Unions such as the IWA have helped to make progress in integrating East Indian people into the forest industry, but it takes a lot of effort. Native people are another visible minority group.

• (1700)

I remember the worst thing that happened to me in the last election campaign. The people in one household absolutely turned me away. I can sense some heckles coming from Hon. Members opposite; I leave myself open when I refer to the worst thing that happened to me. I can knock on a door and be confronted with people who may not agree with me. They may be Conservatives or Liberals, although there are few of them in the West.

Ms. Copps: Watch it.

Mr. Waddell: Well, not Liberals, because people in the West believe that politicians should stand for something, so they vote either Conservative or NDP.

Ms. Copps: You will live to regret those words.

Mr. Waddell: They realize that Liberals are like—

Ms. Copps: A former member of the Liberal Party, shame on you, Ian.

Mr. Waddell: —mugwumps who sit on the fence with their mugs on one side and their wumps on the other and do not know on which side to come down.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please. I am willing to give this popular Member an extra minute or two, but if this carries on, I think I will have to cut him off.

Mr. Waddell: Mr. Speaker, even I know that I am being irrelevant.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. I think the Hon. Member for Hamilton East (Ms. Copps) really insulted the Hon. Member for Vancouver—Kingsway (Mr. Waddell) when she said that he used to be a former Liberal. That is not the case, is it?

Ms. Copps: Yes, it is. Now he is really embarrassed.

The Acting Speaker (Mr. Paproski): The Hon. Member knows that that is not a point of order. Now, look it, let's grab a lifestyle here and let's get with it, okay? It is three minutes after five o'clock and the Hon. Member has two minutes remaining.

Mr. Waddell: A nasty rumour went around a few years ago that there was a fellow who looked exactly like me and knew the most intimate details of my personal life. There used to be, years ago, a former assistant to a Liberal Prime Minister. I do not know where this fellow gets around, but I want to say that I am certainly not a Liberal, today.

Mr. Nystrom: That was a Liberal answer.

Mr. Waddell: Yes, it was. However, let me conclude by saying that we think the Bill is flawed. The Minister of Employment and Immigration had good intentions but she could not get a really tough Bill through Cabinet. We need a Bill which will help women, visible minorities, native people and disabled people. We need a Bill with better goals than Bill C-62. We need targets to reach those goals and some way to enforce those targets and goals. That is what a good Bill would be about, and we would vote for such a Bill. However, this Bill ain't it.

Mr. David Kilgour (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to rise to speak in support of Bill C-62. Much has been said about it this afternoon. For a moment or two I should like to refer to the contents of the Bill itself. Its purpose is defined as follows:

> —to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

I hope it is clear to everyone that the target groups are women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada.

In that Your Honour is from Edmonton, I think you would be the first to agree that southeast Edmonton contains large numbers of people in the target groups. It may surprise Hon. Members opposite to know that in Edmonton—Strathcona 62 per cent of the people living there are of origin other than British or French. As was stated so eloquently by the Hon. Member for Dollard (Mr. Weiner), this is a step forward in Canada. It is the first time in our entire history that a Government has done something about employment equity. It is a day of which all of us in the House should be proud. I, for one, am very proud to be associated with a Government which is doing this.

It is self-evident that the target groups are not given the same opportunities as other Canadians. I recall being in Montreal a couple of years ago when it was pointed out to me that the unemployment rate among visible minorities in that city was in excess of 20 per cent. It is an unfortunate fact of life in Canada that people in the target groups do not have the same opportunities as have other Canadians. If my Party believes in anything, it is that we believe in equality of

opportunity for all Canadians including the four targeted groups.

Mrs. Finestone: Certainly you do, David.

Mr. Kilgour: It is not perfect, but I ask my close friend, the Hon. Member for Mount Royal (Mrs. Finestone), what has any other Government in our history done in this regard? I think the answer, in fairness, would be, absolutely nothing.

I should like to deal with some of the points raised by Hon. Members opposite. The Hon. Member for Mount Royal referred to employment statistics on visible minorities and to Canadians of Jamaican origin. For the first time employers in Montreal and elsewhere will be required to implement equity and demonstrate the results of their efforts. For the first time those employers will have to account to the people of Canada and to the Canadian Human Rights Commission which will take action if companies fail to show positive results. As I understand it, the Hon. Member for Vancouver East (Ms. Mitchell) stated that she did not like the enforcement question. The Canadian Human Rights Commission will monitor progress under the Bill. I understand the commission appeared before the committee and indicated that it fully supported the proposed enforcement process and that it would continue to monitor the progress made. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) indicated that public opinion, as I understand it, was not important in the achievement of employment equity. To what do any of us answer? It is public opinion, and I am not referring to those days when we do well in a public opinion poll. Public opinion is the governing factor in a democracy, and I hope it always will be.

I listened to the remarks of the Hon. Member for York West (Mr. Marchi). I would ask him: Which recommendations in the excellent Abella Report we are not attempting to deal with? My parents and his ancestors came to Canada with hope. In my view we must all start at the same point on the starting line and compete together. However, the reality is that the target groups in the Bill all too often do not have the same opportunity. We are determined on this side of the House—and I hope that is the case for those on his side—to ensure that Canada takes this very significant step forward today.

• (1710)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am happy to participate in this debate. There have been a number of facetious and fallacious statements made by Government Members. It is unfortunate that they do not know the facts. They do not know that this particular so-called step forward has been criticized by every group and every organization involved in the search for equality and for minorities.

It is also pretty clear, as stated by the Hon. Member for Vancouver—Kingsway (Mr. Waddell), that the heavyweights in the Conservative Cabinet put their foot down and blocked any move toward real equality for women. It is very clear that some of those heavyweights do not believe in equality for women.

The Minister of Justice (Mr. Crosbie) is the Minister responsible for the implementation of the equality report. Let us look at what the Minister of Justice thinks about women and what he thinks about equality even in this very august Chamber. At a fund raising dinner a couple of weeks ago, the Minister of Justice made his comment very clear, Mr. Speaker. An article in a newspaper, in part, reads:

> Saying federal opposition MPs presented "strong arguments for retroactive birth control" and likening Liberal MP Sheila Copps to a codfish, federal Justice Minister John Crosbie was on the attack—
>
> One of his more venemous attacks made against Ms. Copps. After describing a codfish as having a "stupid looking face" with a mouth that is "usually wide open," he went on to say: "The perfect example of a codfish would be Sheila Copps."

The Minister of Justice who said that the opposition Parties are the greatest justification for retroactive birth control is, in fact, the same Minister who is responsible for the implementation of equality. If Members on the Government side of the House had taken the time to read the equality report, they would know that in the report itself there is an absolute and direct challenge levelled at the Government with respect to the employment equity Bill.

The equality committee, made up of a majority of Conservatives, studied the laws of the land, including the proposed Bill we are discussing today, and found that this particular legislation did not meet the needs of women, did not meet the needs of minorities and was a violation of the principles of equality. Why is it still a violation of the principles of equality?

First, built into the legislation is a clause that states that all federal agencies covered under the Financial Administration Act will not be covered by this Bill. In one fell swoop, with one stroke of the pen, the federal Government has introduced a Bill which does not apply to the RCMP, to the Canadian Armed Forces or to any federal Government agencies which are directly under the rubrick of Treasury Board. It only applies to federally regulated companies. To boot, Mr. Speaker, all federally regulated companies are not covered under this legislation. Only approximately 100 of over 30,000 federal companies will be covered by this legislation. Approximately 100 companies, and the balance, over 30,000 companies, can thumb their noses at the Government and can tell the Government that they will continue to pursue the voluntary approach which has proven in the past not to work.

Even though this measure covers only 100 companies, it will target a number of employees within federally regulated bodies, such as the banks and various transportation industries, and for that we would give them a great round of applause if the Bill said anything. The Bill should say, "You have targets which you must reach, otherwise the federal Government, through the auspices of the Canadian Human Rights Commission, will step in and do something". There is no requirement upon any company to do anything. All that is asked of a company is to send in an annual report on its progress.

How will those reports be monitored? An audit, a random audit which would lead to absolutely no response or no conditions on the companies at all. We have heard over and over again in the House of Commons today from a number of Members who should know better. I think of the Hon. Member for Capilano (Mrs. Collins), who was presumably informed on the issue since she spent the better part of last year criss-crossing the country, studying questions and saying that nothing had been done under previous Liberal Governments. I would like to set the record straight, Mr. Speaker.

Those of us in Parliament realize that under any Government the progress we have made is not enough, but it is pretty important that the public recognize that in 1971 Canada became the first country in the western world to recognize women at the highest levels of decision making by establishing a cabinet position for women. In 1973, a non-governmental advisory council on the status of women was established. In 1972, the federal Government ratified the International Labour Organization's convention concerning equal pay for work of equal value, even though the current Minister of Labour (Mr. McKnight) with respect to the labour dispute in Newfoundland has made it quite clear that the Government does not intend to respect the ILO convention signed by previous Liberal Governments. In 1975 there was the introduction of an omnibus Bill to provide equality of status for women. In 1976, we had the adoption of the Canadian Human Rights Act forbidding discrimination on the basis of sex. In 1978, we had an amendment to the Canada Pension Plan to provide for the equal splitting of pension credits and amendments to the Canada Labour Code to eliminate pregnancy as a basis for lay-off or dismissal. In 1982, we had the Charter of Rights and Freedoms over the dead body of a particular Progressive Conservative Premier of a certain province in Canada. Over his dead body the federal Liberal Party introduced the Charter of Rights and Freedoms which guaranteed equal rights to men and women, including an override clause, which was blocked at every step by Conservatives across the nation.

When we talk about equality, let us look at the question of unemployment benefits, which has a direct bearing on how we can seek equality in the workforce. We know right now that the federal Conservative Party, the Government sitting across the way, is looking at taking pregnancy leave out of unemployment insurance benefits. It is one of the things being studied by the Minister of Finance (Mr. Wilson).

When the Liberal Government introduced pregnancy leave as a right through unemployment insurance, as with other types of leave which were not covered under the Searching for Work section, it was introduced because Liberals believed and continue to believe that in order to give women the opportunity to compete equally in the workforce they have to have an opportunity of access to child care, access to bearing a child without being penalized and without fear of losing their jobs, without financial hardship and disability. It seems to me that what we have here is a Government that is sending the women of Canada a double-whammy.

[*Translation*]

It is a well-known fact, Mr. Speaker, that many ministers in this Government, in this Cabinet, have not the slightest interest in achieving equality for women. We also know that as far as this Bill is concerned, all groups, including women, minority groups, racial minorities, all those groups have already told the Government that the Bill does not meet the needs of Canadian men and women. Not just the ethnic groups and visible minorities and women's groups have voiced their disapproval. The Conservative Committee said in the report on equality that Bill C-62 went against the principles of equity as previously defined in the Canadian Charter of Rights and Freedoms.

If Progressive Conservative Members would take the time to read the Charter, they would see why the Committee was unanimous in demanding that the Government change the Bill, and the reason is that the Bill as tabled fails to provide for Government responsibility.

For instance, most companies are not covered by the Bill, including the Government, including the Royal Canadian Mounted Police, which has been said to discriminate against Francophones. Today, the Canadian Forces fail to respect the equality of women as far as career opportunities in the Armed Forces are concerned. All these groups are not covered by the Bill because the Government, or rather the Minister—I suppose as a result of the enormous influence of the Minister of National Defence (Mr. Nielsen)—has decided to eliminate all the groups included in the Financial Administration Act. In other words, Government employees will not have the same rights as employees in the private sector, before the federal Government.

Mr. Speaker, it is clear there are incredible deficiencies, and if Progressive Conservative Members are truly interested in equality for women, they should reject the Bill in its present form.

• (1720)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the remarks of the Minister when she introduced this Bill and to those of the Parliamentary Secretary, I could only conclude that either they are completely ignorant of how the real world of employment operates, or they are involved in a charade trying to fool the Canadian people into believing they are doing something when, in fact, they are not.

In terms of employment, the fate of four important groups will be vitally affected by the effectiveness of this Bill. Those groups have expressed their opposition because they know from experience that without targets and numerical goals being set in the Act, nothing will happen. I refer to women, natives, the handicapped, and people from the visible minorities.

I heard the Member for Edmonton—Strathcona (Mr. Kilgour) say that 62 per cent of his constituents come from neither Anglo Saxon nor French origin. That Member grew up in Winnipeg and he will know that the percentage is even higher in my constituency. I had the opportunity to work for a dozen years with the labour movement, ethnic groups, and community organizations in precisely this area of how to deal in Canada with the problems of prejudice and discrimination.

In the 1950s we suggested to Governments, federal and provincial, that legislation was needed to stop employers from refusing to hire people because of their race, religion, or colour. We heard all kinds of lectures about the fact that legislation would not work. We were told that legislation would only exacerbate the prejudices and that we needed education. After a few years of really studying the problem, the Government realized that legislation was needed.

I give credit to the first Government to enact such legislation in the form of the Fair Employment Practices Act, the then Conservative Government of Ontario lead by Mr. Frost. Some years later, when we went to work on the question of accommodations, we were able to prove that there were hotels, summer resorts, and even districts in certain cities, which made it impossible, or very uncomfortable, for people to get accommodation because of their race, colour, or creed. We then had passage of the Fair Accommodation Practices Act.

We are told that all we need do is to encourage people. The federal Liberal Government targeted certain Departments. It said that it believed in making employment for minority groups easier. It targeted certain Departments to hire people from minority groups. The record was very poor. I am not saying that that Government did not want a better record and did not try. However, it is easy to pass legislation or announce policies, but if the personnel managers do not believe in it, it simply will not work, and it has not worked.

If one studies the Departments which were targeted by the former Government to make progress, one sees that there was very little progress. How many natives and other non-white people work for the federal Government? How many women are there in senior executive positions? There are very few, although our universities have graduated large numbers of women lawyers and doctors and some women engineers and architects. They are not working for Governments because the personnel managers have not been convinced that they ought to do this, and we have not set goals.

The United States has had a great deal of experience in this area. Under the Johnson and Carter administrations, legislation very similar to ours was passed. However, they set goals and targets, and those targets were monitored. The American Government is now headed by the most pro-business President that the United States has had in 50 years. The present Government is against legislation and regulations which interfere with the rights of businesses to make decisions which they think are right for themselves. They have been considering getting rid of these targets. This is a very interesting situation. Even though they are ideologically committed to getting rid of these targets and goals, the Secretary of Labour, Mr. Brock, is telling President Reagan that they should keep the goals and targets.

In addition to Secretary of Labour Brock, representatives of the National Association of Manufacturers in the United States, the major organization representing the major business corporations in the United States, have said openly, clearly, and on the record to the President of the United States that they do not want those numbers to be eliminated. They have explained it very simply by saying that as long as the Government sets targets and tells them clearly and precisely what they are required to do by way of bringing more equity into the workforce, hiring more people who are non-white, native, handicapped, and women, they are prepared to do it. They feel that there will be no doubts or difficulties and that they will not be criticized in the future for not having done the right thing. If that is what the American business community has learned through experience, surely Canadian business and industry would come to the same conclusion if given the opportunity and requirement.

I go into the banks, supermarkets, and major retail stores in my city of Winnipeg. We have thousands of non-white citizens in Winnipeg. I challenge the Minister of National Health and Welfare (Mr. Epp), who comes from my province, to come to Winnipeg, as I am sure he does, and to go, as I do, into any of those establishments. Mr. Speaker, you would have to look for a long time and wear very large magnifying glasses before you would see a few, if any, people who are non-white, handicapped, or native, working in any of those places. The record of my city Government is no better. There has been a long campaign to try to get the Winnipeg Police Department to hire a few native people, a few Filipinos, a few Sikhs. We have as well a very small percentage of women on the Winnipeg Police Force. When I use my city as an illustration, the record in other cities such as Montreal, Halifax, Toronto, Calgary, Edmonton or Vancouver is, I am certain, no better. Passage of this Bill without a requirement for targeting as well as provision for enforcement will make it a mockery and it will not work.

• (1730)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Ona point of order, the Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Kilgour: He is sending someone out to get another Member.

Mr. Nystrom: Mr. Speaker, I am sorry, I cannot hear because of interjections on the other side.

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Yorkton—Melville on a point of order.

Mr. Nystrom: Mr. Speaker—well, that's okay.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): Pretty shabby.

The Acting Speaker (Mr. Paproski): The Hon. Member for Windsor—Walkerville (Mr. McCurdy) wishes to participate in the debate?

Mr. Howard McCurdy (Windsor—Walkerville): Thank you, Mr. Speaker. The debate is on the motion to change the preamble of this Bill to "promote and encourage" rather than to "achieve". At first sight this amendment is almost trivial. However, I think it communicates something of importance, that being a recognition of the limitations of this legislation, which are considerable. It reminds us, too, of the limits of past legislation dealing with human rights. There have been a number of laws passed in this country the purpose of which in general has been to give the force of law to the notion that there ought to be accorded equal opportunity in the first instance to minority groups and, as our philosophy on equality evolved, to women, the disabled, natives and others. Never has any of this legislation achieved the purpose for which it was intended. It has always been a case of an effort to make progress along a path which has always proved to be far more difficult than people want.

Of course, this legislation is dramatic testimony to the failures of the past in attempting to achieve anti-discrimination legislation. At one time it was possible to hope that by saying it was against the law to discriminate in employment practices and providing a mechanism by which someone could enter a complaint, in the end employers would not discriminate. Of course it failed and ultimately led to a whole new point of view regarding anti-discrimination legislation, usually described as affirmative action. Therefore, even if you accept that this Bill was able to promote employment equity or affirmative action, the fact is that it has none of the requirements which are essential to achieving that end.

It is to mislead the public and the target groups to suggest that this Bill promotes that goal, because it lacks so much. Even were it to contain every necessary element, the essential purpose of the Bill could not be described as any more than promoting and encouraging employment equity. Therefore, to suggest this amendment is to do nothing more than to suggest that the English language be used properly.

Of course, there are more substantial difficulties with this Bill. These have been enumerated on many occasions. The claim that it does achieve or even promote employment equity or affirmative action dissolves into nothingness when you realize that all it really does is to demand that employers determine the numbers of minority groups or target groups in an employer's shop. That is fine, that is progress, but let us not make it any more than it is. It does not set any kind of penalty for failure to achieve some measure of equity. It has no targets, no timetables, and none of the things that just about everyone concerned, certainly the target groups, have demanded.

I have many opportunities to talk in particular to members of visible minority organizations and many who are not part of any organization at all. Many of them have lived in this country for many, many years, watching a moving target. That moving target is to achieve equality and equal opportunity not only in employment but in a number of other areas. This Bill specifically deals with employment. In Toronto, for example, the Urban Alliance discovered two things in two studies, first, that members of visible minority groups have one-third the chance of the majority population of even getting as far as an interview. The same survey found that many employers, without provocation and quite spontaneously, uttered the most awful stereotypical and negative comments and views about members of visible minorities.

We were told in an earlier intervention that this Bill imposes a really serious requirement in its demand for enumeration, that to impose anything more would be to increase the degree of factionalism in this country and increase division. I have never heard a more absurd argument. What could be more divisive or faction-generating than that significant portions of our population, something of the order of half a million citizens of this country, should have the perception that they have one-third the chance of the general population of getting access to ordinary jobs in a city which historically has been regarded as one of the best urban areas with regard to access to opportunity? Many of these people have watched effort after effort to implement anti-discrimination legislation only to see such legislation fail. Often the legislation has been excellent for its time. The anti-discrimination legislation of Ontario led the continent. The anti-discrimination legislation and its implementation in Nova Scotia became the symbol for the world of the success of that kind of an effort. No matter how successful this good legislation was, it failed. It failed because attitudes hardened and practices developed that made discrimination more subtle, and now is the time for change. Everyone who has looked at the issue knows that the only approach is through affirmative action programs which are mandatory and enforced. This Bill, therefore, lacks its essential quality to provide affirmative action and employment equity which are mandatory and have teeth.

• (1740)

This is a toothless wonder that disappoints the minority groups of this country and it is far too long that they have been disappointed in their goal of achieving a nation in which equity, fairness and opportunity are accorded to them in the way that history has given them cause to earn.

Mr. Russell MacLellan (Cape Breton—The Sydneys): I would like to support the amendment that has been put forward because I think it is more in keeping with what is going to be achieved if Bill C-62 is passed. There is nothing in this Bill to indicate that the purpose of the act of achieving, as it is presently stated, equality in the workplace can possibly be realized. It is a Bill of statements and a Bill of wishes, but nothing that would indicate anything in the area of what is

going to be achieved. Neither is there any indication or likelihood that it will be achieved unless this Government brings forward some proper sanctions.

I think the idea of the Bill and the statement of what we would like to see brought forward and achieved in it is a laudable one, and I commend the Government for that. I am very much concerned that we have this Bill before the House at the present time, and we have stated what we would like to see achieved, but I am very concerned that it is not going to be achieved.

It has been said in debate in this House, "Well, here we have Bill C-62, and this is a start, this is something that we can build on, this is more than we have had before". I do not see it that way. I am concerned that the opposite will be the case, that by passing this Bill into law, Members of the House and the Government are going to say, "Well, that is that subject out of the way. We can put this question of employment equality aside for a while and get on to other things", when actually this matter has not been dealt with adequately.

To delude ourselves that this Bill is going to allow us to push this question aside and to get on with other things I think would be a travesty. In fact, there is so much that needs to be done for the visible minorities, women, native peoples and the handicapped that this Bill does not scratch the surface.

We are not even putting our own house in order as a federal Government and as a federal jurisdiction. The federal Departments and agencies are not all being brought under the auspices of this Bill. We have got to create an example in the federal jurisdiction. We have not done that and this Bill is not going to do it. If the Government is not going to set the example, how can the Government possibly expect others to adhere to what this Bill would like to see achieved?

None of the requests or objectives of the four minority groups that this Bill hopes to cover have been met. All four groups have appeared before the committee relating to this Bill and have asked for a stronger Bill, for more stringent provisions, and certainly sanctions that would allow this Bill to be followed the way we all would like to see it followed.

We owe a great deal in this country to the groups that are mentioned here, and I think that by giving this question such a cursory glance and such cursory attention we are really doing a disservice, not only to the groups but to our country. We have heard so often about the problems that exist with respect to the disabled. We have had an excellent task force on the disabled which presented a report during the last Parliament called *Obstacles*. I think it brought to our attention and to the attention of Canadians in a much more detailed fashion the problems facing the disabled today. The disabled have a right to achieve equal opportunity in the workplace and in the market-place.

We must certainly do a great deal more. I know we have given special attention to entrance and exit requirements, to special parking requirements, and to service requirements for the disabled, and these are very important. These have been very sizeable steps in recent years. This Act does not complement these advances. This Act does not add anything further to what has been done, because what we need now is to be able to give the disabled the assurance that they are going to be treated fairly when it comes to gainful employment.

Another group that is mentioned here are native people. A great deal still needs to be done. Many of the problems have been historical problems that we have created. I think that trying to deal with the problems that have been created from past attempts, albeit very noble and well meaning attempts to deal with the needs of our native people, trying to address and correct these problems here with this Bill, is only going to make the situation worse. It is going to indicate to our native people that by bringing this Bill forward in the form that we have it we are not sincere, we just want to make a cosmetic attempt. This is wrong because it deserves much more attention.

What I have to say about the first two groups applies as well to the visible minorities and to women whose problems and needs have been emphasized and discussed already in the House. There is a great deal more that needs to be done. There needs to be some way of getting to the problems and ensuring that the problems are going to be corrected. We cannot let employment equity take place on an honour system. It is far too important. We must create an example by imposing sanctions to show that we, as parliamentarians, mean what we say and are determined to improve the situation of these groups.

• (1750)

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

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I know there are some Members who may be disappointed that the House is not ready for the question, but they will have to listen to one more speech and, hopefully, many more.

An Hon. Member: The Bill disappoints you.

Mr. Keeper: I hear the cries of disappointment across the way and they bring joy to my heart because they indicate that we must continue the debate. Perhaps if we repeat the points that must be made government Members will begin to see the error of their ways and realize how this Bill is deficient. Perhaps they will decide to withdraw this Bill and introduce adequate legislation.

Mr. Nystrom: With new ideas.

Mr. Keeper: More than anything else, the Government needs new ideas and new initiatives. It must begin to take real action on the problems facing Canadians.

Mr. Nystrom: They're Conservatives.

Mr. Keeper: Of course, it comes as no surprise with a Conservative Government that it fails to take effective action

when it involves social justice and equality in Canadian society.

Although this employment equity Bill purports to have a mandatory affirmative action program, its compliance is essentially voluntary. Experience has shown that in order to have an effective affirmative action program it must be truly mandatory, which means there must be an enforcement mechanism to make sure that companies falling within the domain of this legislation will pay a price if they do not take the necessary action to ensure equality in the workplace. That penalty must be sufficient to encourage them to take the necessary action.

This legislation fails fundamentally because it does not have any teeth to enforce the policies of equality in the workplace between men, women, visible minorities, native people and the handicapped.

Enforcement mechanisms are necessary because the decisions made by companies are motivated by the ability to make profit from products that are marketable and competitive. Those companies face these pressures when making decisions on the allocation of their resources. If the Government expects these companies to bring about equality in the workplace, it must apply sufficient pressure to encourage them to introduce those programs.

One of the basic elements of an affirmative action program is enforcement. That mechanism is lacking in this Bill. Therefore, this legislation needs to be debated at length.

An Hon. Member: For at least another five minutes.

Mr. Keeper: Given the quality of the legislation, five minutes would be a long time.

[*Translation*]

Ms. Mitchell: In French.

Mr. Keeper: That is a good idea, Mr. Speaker.

One of my colleagues here says the legislation should be debated in French as well. I must say I agree, because the legislation is important for all Canadians, both Francophones and Anglophones.

This legislation on employment equity is inadequate. It is inadequate because it lacks a basic provision, which is the authority to force a company to set up a corporate employment equity program.

Mr. Speaker, we have seen how affirmative action works in the United States and Australia. The Australian experience is especially important because, in that country, the affirmative action program has positively changed the income ratio between men and women. They found that legislation can be effective.

[*English*]

The Acting Speaker (Mr. Paproski): I would appreciate it very much if the Hon. Member would stick to the amendment.

[*Translation*]

Mr. Keeper: I am sorry, Mr. Speaker . . . yes I have it now, I can read the Bill.

Mr. Speaker, the Bill provides, and I quote:

The purpose of this Act is to achieve equality—

We do not think it will ever be achieved with this Bill and that is why we have introduced an amendment which states: The purpose of this Act is to promote and encourage—

Mr. Speaker, the amendment implies that the measure now before the House is too weak and inadequate. It is unfair, we must change the law, we must introduce an adequate law which can be enforced—

[*English*]

The Acting Speaker (Mr. Paproski): We have approximately 15 seconds. Is the House ready for the question? The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on debate. It is six o'clock. The Hon. Member will be the next to speak.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

PUBLIC SERVICE—IMPACT ON EMPLOYMENT OF GOVERNMENT POLICY—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Thank you for recognizing me, Mr. Speaker. This evening I would like to speak to an issue which affects the Ottawa—Vanier region in particular, and the National Capital Region in general, namely the fate of federal employees as a result of budgetary measures and especially staff cut-backs. I would like to refer to a situation which is alarming, to say the least, and say how sorry we are to see the lack of sensitivity shown by this Government towards its federal employees.

Mr. Speaker, Hon. Members will recall that on January 21, I asked the President of the Treasury Board (Mr. de Cotret) whether his Government will make sure that, in the future, collective bargaining will include a provision under which layoffs might be negotiable.

As you know, Mr. Speaker, it is very important in terms of job security and in looking forward to a career within the public service to know whether the main employer, the Treasury Board, is aware of what it can mean to a family to learn one day that the income earner has been told: "We no longer need your services."

I simply asked the President of the Treasury Board, who has jurisdiction as employer, whether he intended to keep his word to negotiate an agreement concerning layoffs with these public servants.

I would like to quote his answer, which can be found on page 9995 of Hansard for January 21, 1986. Here, then, are the comments of the President of the Treasury Board:

I would like to emphasize the fact that we indicated in the May Budget that 15,000 person years would be eliminated over the next five years, including 5,000 during the next fiscal year. We have negotiated with all our unions a policy concerning employees who might be adversely affected by this program. ... most of them will be re-assigned either in their own Departments or in others.

We all know, Mr. Speaker, that the fiscal year began last April 1. There will therefore be 5,000 lay-offs, and since one third of those will involve people who work in the Ottawa-Hull region, nearly 1,500 and perhaps as many as 2,000 workers will be directly affected by this staff reduction policy.

In a supplementary, Mr. Speaker, I asked the President of the Treasury Board whether he would keep the promise made by his Prime Minister (Mr. Mulroney) to federal public servants during the 1984 campaign to the effect that he would initiate discussions with the unions to ensure that such matters would be negotiable, and I quote from the Prime Minister's letter—

• (1800)

[*English*]

A PC Government will negotiate directly with Public Service unions and associations toward the establishment of an improved collective bargaining system ... Staffing procedures, classification, technological change, designations and other issues will become negotiable.

[*Translation*]

Mr. Speaker, we have to wonder if this promise will be kept, and God knows that this is a current issue, because this Government is becoming one of the least credible we have had in a long time! To the cut-backs announced by the Treasury Board, namely, the 15,000 jobs in the next few years, must be added the staff reductions by agencies and corporations whose person-years do not come under the control of the President of the Treasury Board, that is under direct Government control. Mr. Speaker, I am referring to the Budget Papers of May 1985 where, following an explanation of the budgetary cut-backs, one can read all about staff cut-backs over the coming years with respect to Treasury Board controlled person-years. I quote from page 31 of the Budget Papers:

Similar reductions will be made to the salary budgets of those departments and agencies whose person-years are not controlled.

Mr. Speaker, "similar" might mean another 15,000 employees. It is not complicated! All journalists got the message, and so did I!

So we are looking at a minimum 30,000 job cut-backs in the staff of departments, agencies and corporations of this Government.

Mr. Speaker, let us delve deeper into this issue and see whether this Government really has a specific policy. I am referring in particular to the recent Treasury Board announcement that maintenance workers would be laid off. One can read in the press release issued by Treasury Board that only 15 of the 265 Public Works maintenance workers declared surplus in October 1985—therefore prior to the new fiscal year—had found alternate jobs in the Public Service. And then the Government announced the adoption of special incentive measures to convince other cleaners that they ought to hand in their resignation. In doing so, the Government has admitted that its reassignment policy is a failure, and as for the promises made by the Minister in the House, that a substantial percentage of the 5,000 jobs to be declared surplus in the coming year would be reassigned within the Public Service, while others would find other positions, and that as far as the Minister was concerned, only 700 people would be affected ... Mr. Speaker, if we only consider what is happening in the maintenance sector, we see that this policy does not work. Among Public Works maintenance workers, 15 found jobs.

Mr. Speaker, I see you are looking at the clock, and I would like to conclude by reporting a comment I heard.

• (1805)

[*English*]

Phillip Aspinall, Chairman of the Nielsen task force study, said, as reported in the Ottawa *Citizen* of March 12, that "the 15,000 (Public Service job cut target) is not necessarily the limit or maximum."

[*Translation*]

Mr. Speaker, it is a matter of grave concern, and I may say I consider it to be a disaster for my area.

[*English*]

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, on Tuesday, January 21, 1986, my hon. colleague asked the President of the Treasury Board (Mr. de Cotret) if the Government would allow negotiations in the future on layoffs and job security. I can appreciate my hon. colleague's concerns about job security of Public Service employees.

The Hon. Member was right in stating that the legislation does not provide for collective bargaining on this issue. In fact, we are dealing with two different Acts. The Public Service Employment Act provides that the deputy head of a Department may lay an employee off where his or her services are no longer required because of lack of work or because of the discontinuance of a function. The Public Service Staff Relations Act, which governs management-union relations and collective bargaining in the Public Service, precludes negotiations on the subject because it provides that no collective agreement can include any provision which would require the amendment of any Act of Parliament listed in an attached Schedule, a Schedule which includes the Public Service Employment Act. This does not mean that the Government is not concerned about the jobs of Public Service employees. Certainly the Government has no wish to lay off large numbers of its employees.

As Members of the House will recall, the Budget Speech of the Minister of Finance (Mr. Wilson) of May 1985 included measures intended to ensure the more effective and efficient

management of Government business as well as to reduce the deficit by reducing government spending. One of these measures was the reduction in the size of the Public Service by 15,000 person-years over the next five years, starting with some 5,000 person-years in 1986-87. Where possible, the reductions will be achieved through attrition. Through the application of the workforce adjustment policy, efforts are to be made by Public Service managers to minimize the impact of the reductions on employees whose jobs are to be eliminated.

Since the person-year reductions were announced last May, a great deal of planning has been done by Departments and by both the Treasury Board Secretariat and the Public Service Commission to minimize the impact of the reductions on Public Service employees. Based on data received from all Departments for the period through to March 31, 1987, the President of the Treasury Board announced on Friday, January 17, 1986, that of the 5,000 employees who will be directly affected by the elimination of their existing jobs, the Government is projecting that 3,200 will be redeployed to other jobs in their own Departments, 1,100 will be placed in jobs in other Departments with the assistance of the Public Service Commission, and a maximum of 700 could be faced with layoffs and be without jobs. Many of the 700 could be placed in other jobs if they were willing to move at Government expense or if they were willing to accept lower-paying jobs. Those who accept lower-paying jobs would have their salaries protected for one year under the workforce adjustment policy.

• (1810)

On the question of designations to which the Hon. Member also made a brief reference, Section 29 of the Public Service Staff Relations Act places the onus on the Treasury Board, as the employer and in the public interest, to propose for designation employees who cannot participate in a strike because their duties are necessary in the interest of the safety or security of the public. This same designation under the Act also allows the certified bargaining agent to object to the employer's proposals for designated employees and, where an objection is lodged, it is the Public Service Staff Relations Board that determines which employees are designated. Under the Public Service Staff Relations Act, a legal strike cannot occur until the matter of designated employees has been resolved.

TRADE—PROVINCIAL FRESH WATER RIGHTS. (B) GRAND CANAL COMPANY PROPOSAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise to contest the answer or non-answer of another Minister. That particular non-answer relates to a question I put in the House some months ago in respect of the water diversion project which is being contemplated by the Government.

We have the Minister of the Environment (Mr. McMillan) stating that the federal Government does not endorse a policy of diverting water from James Bay through the Great Lakes for sale to the United States. The Minister of the Environment says no. However, through my own research I was able to determine that the National Research Council, through its office in St. John's, Newfoundland, had given a $30,000 grant to the Grand Canal Company Limited to begin a feasibility study into the project the federal Government claims it opposes.

On the one hand we have the Minister of the Environment saying that he is against it. On the other hand we have proponents within the NRC who are trying to promote the project. The third and most unsettling point, the one to which the Secretary of State for External Affairs (Mr. Clark) did not respond in the House of Commons, is that our chief negotiator in the free trade agreement, Simon Reisman, has made quite clear that he feels the sale of Canadian water to the United States is the ace in the hole and could be the most important issue facing the country over the next 100 years. He has quite clearly made his position known.

It is the fear of many Canadians that the Canadian Government, under the current free trade discussions with the United States, will use water as the lever to force the U.S. Government to accept some of the Canadian propositions. This is occurring at a time when the Minister of the Environment has stated that he is opposed to the particular project. On February 13, Energy Probe contacted the Minister expressing its very grave concerns on behalf of Canadians in respect of any Government funding for water diversion projects. It appears that the Government does not know what is going on in this dossier. When I originally directed my question to the Secretary of State for External Affairs, he said that that was absolutely not happening and that there had been no funding.

I have been able to establish that there has been funding. In an attempt to take attention away from the issue in Ottawa, it was a local grant through the NRC in St. John's, Newfoundland which permitted the project to go forward. The grant structure was applied for here in Ottawa. It was turned down by the Interdepartmental Committee on Water Quality which said: "No, we do not want to fund this project. In particular, we do not want to fund the Grand Canal Company to do a study on a project which has already been endorsed for the last two decades". As indicated in one press report, it is like asking the monkey to do a test on the peanuts. That is exactly what the NRC has done with this particular grant. It has told the Grand Canal Company to go ahead and study a project which has been the lifeblood of the company since the late 1950s.

• (1815)

Quite clearly we have two messages coming from this Government. The Secretary of State (Mr. Bouchard) appeared muddled and befuddled in the House of Commons when presented with the evidence. We need a clear-cut response, not only from the Secretary of State but also from those responsible for the National Research Council, as well as the Minister of Environment, that clearly and categorically the Canadian Government will in no way support through research funding or any other measures a water diversion project which could threaten the very delicate ecological balance which is currently facing the development of the far north.

I am happy to see the Parliamentary Secretary will be responding to the questions I have raised, but it would have been nice had the Minister been here because this is a question confronting Canadians and Americans on both sides of the border of the Great Lakes. We have seven million Canadians living in the vicinity of the Great Lakes water table who will be affected by this particular measure.

Indeed, it is a matter of some gravity that our chief trade negotiator in Washington, Simon Reisman, is making public statements about a project on which he at one time held a directorship. We know his personal interests. We know his private interests in the particular company and the project in question. He has to state categorically for the record that our water is not for sale, that the diversion project will not be carried forward. Indeed, he should give some reassurance to Canadians, to those on both sides of the Great Lakes borders as well as those who are affected by any waters coming from the Arctic table, that they will not be adversely affected by this project which, at the moment, has been given the Good Housekeeping seal of approval by the Government since it decided to go through the back door and provide $30,000 seed funding through its office of the National Research Council in Newfoundland.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity to respond to the question raised by my hon. colleague from Hamilton East (Ms. Copps) concerning potential water sales to the United States. I am particularly happy to have this opportunity since I have had my answer ready since March 18 when this question should normally have been raised in the House.

Mr. Speaker, it is not a matter of the Secretary of State for External Affairs (Mr. Clark) not responding to the question. He simply has no desire to raise a point that from the outset may seem absurd.

Mr. Speaker, there are three very important aspects to this matter.

First of all, the trade negotiations will be just that. We certainly have no intention of giving up any rights to our natural resources, and I must say, I do agree with my hon. colleague when she says that water is one of our natural resources. So Canada does not intend to give up any control whatsoever over its natural resources.

Second, I would like to say that the National Research Council and the Newfoundland Regional Office have every right, within reasonable limits, to enter into agreements with other parties. Now, if it is supposed to be Government policy to maintain control over every single contract for which authority has been delegated to the regions, that is another situation altogether, but it is not our policy, Mr. Speaker.

Third, just because the National Research Council has decided to enter into an agreement does not mean that Canada's foreign policy is automatically involved. That may have been the case under the Liberal Government when contracts by the National Research Council involved a commitment and even influenced Canada's external relations or external trade, but this Government, Mr. Speaker, does not work that way.

A National Research Council contract is not going to shape our country's external policies. That is more or less the point I want to make. Now I suppose I could conclude by saying that if the Hon. Member opposite, and I agree that water is part of our natural resources, if the Hon. Member opposite doesn't want this country to sell water abroad, she can avail herself of the rights she has as a Member and have a Private Member's Bill passed in the House, prohibiting Canada from selling anything at all to the United States during the next couple of hundred years.

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

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Friday, April 11, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDIAN AFFAIRS

FUNDS FOR NORTHERN ONTARIO BANDS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this week several chiefs representing six newly recognized Indian bands of the Nishnawbe-Aski Nation in northern Ontario were here in Ottawa seeking assurances that their capital funding program would be approved. They have the support of Members of Parliament in all political Parties and from the Minister of Indian Affairs and Northern Development (Mr. Crombie) himself. Nevertheless they are apprehensive because, living in a time of Government restraint, they are aware that obstacles may arise which would prevent them from proceeding with the upgrading and improvement of their remote communities, putting in place basic services that other Canadians take for granted.

These dignified chiefs are not here for a hand-out. Their Governments are now recognized, and they are here to assert their constitutional and aboriginal rights. I say to the Government that, even in times of restraint, the constitutional and historical obligations to our aboriginal peoples must be honoured.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES AGREEMENT ON VANCOUVER ISLAND MARITIME TEST RANGE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, despite letters and telegrams to the office of the Prime Minister dating from last December, he has not responded to requests from the Nanoose Conversion Campaign about the renewal of the Canada-U.S. agreement on the Maritime Experimental and Test Range located at Nanoose, Vancouver Island. The Conversion Campaign Committee wants to know what changes and extensions the Americans are requesting in the present agreement which expires next Monday, April 14. From coast to coast thousands of Canadians have petitioned the Government to hold an open inquiry on the matter, yet it has chosen to proceed with renewal, with no public input whatsoever.

In spite of repeated requests for information regarding the advantages and disadvantages to Canada of the test range, the Canadian people have been given no information whatsoever on the changes the Americans are seeking to make.

I call upon the Government to make a full statement of intentions before signing—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENERGY

GASOLINE PRICES IN NORTHERN AREAS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in most of the major centres of the NWT the pump price of gasoline remains in the 60-cent to 70-cent per litre range, with prices which can be much higher in remote communities. There has been some amelioration in the southern areas where there is a degree of competition but, for example, in the lower Mackenzie where Esso has a virtual monopoly, prices have remained static at just less than 70 cents per litre.

Northern consumers are aware of the high taxes imposed by the Territorial Government and the high transportation and storage costs, but they still feel that crude price reductions are not being fully passed on. Northerners ought to receive the same benefits from lower crude oil prices as do southerners.

* * *

[*Translation*]

EMPLOYMENT

WOMEN—GOVERNMENT'S PERFORMANCE

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, this Government has repeatedly shown that it is committed to create equality for women in Canadian society. Action has been substituted for rhetoric.

Employment has to be the sector where the results of equal opportunity measures taken by the Government are most telling.

Statistics Canada figures released on Friday reveal that female unemployment has declined sharply. Here is supporting evidence, Mr. Speaker: there are now 293,000 more women in the labour force than there were in September 1984; unem-

S.O. 21

ployment among women has gone down 1.9 per cent since the election, from 12 to 10.1 per cent, whereas it actually went up 3.4 per cent under the previous Government, from 8.6 to 12 per cent; there are 80,000 fewer women without jobs, whereas there were 243,000 more under the Liberal

That is what we call significant progress, Mr. Speaker, and the situation will continue to improve over the years thanks to the unequalled leadership of the men and women of the PC caucus.

* * *

• (1105)

[*English*]

MULTICULTURALISM

PROPOSED POLICY CHANGE

Mr. Sergio Marchi (York West): Mr. Speaker, the Multicultural Minister has made it clear that he wishes to alter the policy of multiculturalism radically to a more pro business mode and has declared that some organizations are going to be cut out. There has been absolutely no consultation on this shift but, moreover, such a change would run counter to the spirit and development of this policy since 1971.

The Minister's slogan of "multiculturalism means business" is reflective of the Tories' perverse tendency to view everything in business dollars and cents. The promotion and retention of our Canadian culture cannot afford such regressive and narrow thinking. There are thousands of multicultural organizations which are serving the Canadian community well and honourably, and they deserve continued support and encouragement.

I urge the Minister to restore the country's confidence immediately in a true multicultural program by abandoning his ill-advised strategy. The Minister should become a genuine advocate for the constituency he is supposed to represent and defend in cabinet and in Government.

* * *

HUMAN RIGHTS

ANATOLY SHCHARANSKY—FORTHCOMING VISIT TO UNITED STATES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, Anatoly Shcharansky was released two months ago today on February 11, 1986. We learned this week that he and his wife Avital will visit the United States next month and will meet with President Reagan.

We understand that the Soviets have threatened to halt even the current mere trickle of Jewish emigration if the Shcharanskys indulge in anti-Soviet statements. Notwithstanding this threat, Anatoly has said he will not submit to this type of blackmail.

We hope and pray that Anatoly and Avital will visit Canada and meet our Prime Minister (Mr. Mulroney) and their thousands of friends across this land. Anatoly's victorious battle for the cause of Soviet Jewry, both refusniks and prisoners of conscience, helps to sustain all of us as we march toward greater victories in the war against the Soviets' violations of human rights.

* * *

ENERGY

GASOLINE EXPORTS TO UNITED STATES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I found out that we refine 550,000 barrels a day of gasoline in Canada. In February 50,000 barrels of refined gasoline was exported to the United States. In other words, we are exporting refined Canadian gasoline to the United States which is then sold cheaper in the U.S. than it is in Canada.

I found out as well that the Canadian independent retailers cannot buy this cheap gasoline in Canada so they go to the United States. In February they imported 10,000 barrels of refined gasoline a day. The independent retailers did a loop, if you like. What kind of energy policy is that, Mr. Speaker, when independents have to go to the United States to buy the cheap gasoline they cannot buy in Canada? That is a crazy energy policy.

What we are seeing is a failure. We have the worst of all possible worlds. Canadian motorists are paying more than Americans for gasoline, and Canadian producers, especially in the Province of Alberta, are getting killed by the Western Accord.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, the good news keeps coming in, for the greater benefit of Canadians.

Yesterday, the Bank of Canada rate dropped nearly one per cent. This was the biggest drop in a long time.

Mr. Speaker, let us recall that under the previous Government, the bank rate reached a record high.

Today, under the Conservative Government:

—Interest rates on five-year mortgages have gone down 3.25 points, representing a saving of $108 per month on a $50,000

loan. Current rates for five-year mortgages are at their lowest level in seven years.

—The interest rate on five-year mortgages from the Farm Credit Corporation has dropped three points.

Mr. Speaker, that is what I call leadership, a fact that is recognized by the Gaspé, Quebecers and Canadians.

* * *

• (1110)

[*English*]

AGRICULTURE

GOVERNMENT MEASURES TO ASSIST WESTERN FARMERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, falling world grain prices have impacted seriously on our farm economy. In response, the Government over the past 15 months has contributed, through the Western Grain Transportation Act, federal share of crop insurance, federal share of western grain stabilization, federal crop drought assistance, cash advances to farmers, rail branch line expenditures, livestock drought assistance, and fuel excise and sales tax rebates, some $2 billion to western agriculture.

In Saskatchewan the provincial Government has, through a number of programs such as the Farm Purchase Program, the farmers' oil royalty rebate, livestock cash advances, crop insurance adjustments, production loan guarantees, Ag credit, and others, injected more than $1.5 billion into the agricultural economy. Never in Canadian history have any two levels of Government made such a response to the needs of western agriculture.

* * *

EMPLOYMENT AND IMMIGRATION

ATTENDANCE AT COMMITTEE MEETING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, imagine my surprise this morning when I went into the committee on Employment and Immmigration and moved a motion that the salary of the Minister of Employment and Immigration (Miss MacDonald) be reduced to $1 until she revokes the cruel and unfair imposition of changes in the Unemployment Insurance Act, and the only Conservative Member who had bothered to show up, other than the chairman—

Mr. Speaker: Order, please. Order!

Ms. Copps: —fled the committee.

Mr. Speaker: Order!

Ms. Copps: Fled the committee. Where are the Conservatives?

S.O. 21

Mr. Speaker: Order, please. The Hon. Member for Timiskaming.

* * *

THE ECONOMY

REDUCTIONS IN BANK AND MORTGAGE INTEREST RATES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, anyone who has read the headlines in the morning newspapers is aware of the dramatic drop in the bank rate yesterday. In his last Budget the Hon. Minister of Finance (Mr. Wilson) said that this fall would happen, and it has. Canadians across this great land realize that the Government has taken the right course to achieve lower interest rates.

As an example, Mr. Speaker, let us look at five-year mortgage rates. Since the election five-year mortgage rates are down by 3.5 points, a savings of over $108 a month, or of $6,500 over five years on a $50,000 mortgage. What a difference that is from the 20 per cent plus levels which prevailed under the Liberal Government. Mortgages are now lower than they have been in the last seven years. Mr. Speaker, this is what a sound Government is all about.

* * *

AIRPORTS

PEARSON INTERNATIONAL AIRPORT—EMPLOYMENT FEES CHARGED TO BAGGAGE HANDLERS

Mr. Les Benjamin (Regina West): Mr. Speaker, free enterprise is alive and well at Pearson International Airport. Four enterprising skycaps or baggage handlers approached the airlines with an offer to manage the skycap services at the airport for free. The airlines, seeing an opportunity to comply with Transport Canada regulations about maintaining such services at the airport, while eliminating any expense to do so, of course leaped at the scheme.

These four entrepreneurs then put the arm on the baggage handlers and said that they must pay them $80 a week to work there or they would be out. That is $4,000 a year to work for tips, Mr. Speaker. Two skycaps complained to the media and were fired. Two more were fired this week for taking time off while sick. Under this payola scheme workers with a doctor's certificate cannot even take time off while sick. It is like organized crime, or like free enterprise.

When I first communicated this to the Minister a month ago, he expressed sympathy for the skycaps in the press. However, he has yet to reply to myself, or to make his interest known to those who have lost their jobs. Lip service in the press will not solve this problem or assist the skycaps—

Mr. Speaker: Order, please. Sixty seconds.

Oral Questions

AIR TRANSPORT

AIR CANADA—APPEAL AGAINST TRANSFER OF INTERNATIONAL FLIGHTS FROM GANDER TO ST. JOHN'S, NFLD.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have today registered an appeal against the movement of Air Canada's international flights from Gander to St. John's. The appeal is registered under Section 23(2) of the National Transportation Act under which I am charging that the act of the carrier will prejudicially affect the public interest.

The *Freedom to Move* policy of the Government in dealing with Air Canada is somewhat confusing. Today I learned that the letter to Air Canada from the Minister saying: "We do not interfere with corporate decisions based on good business practices", is in a file on the desk of the President of Air Canada attached to another response from the Minister of Transport (Mr. Mazankowski) to an identical request from Air Canada to move international flights from Mirabel to Dorval. The answer to that letter is an unqualified "no". Air Canada has freedom to move to St. John's, but no freedom to move to Dorval. The question now is whether I have the freedom to appeal and whether the Minister will recognize that freedom.

• (1115)

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

LIBYA—UNITED STATES RELATIONS—SAFETY OF CANADIAN CITIZENS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister knows that the crisis in Libya is escalating. My question relates to the security of Canadians living and working in that country. Three weeks ago I put that matter to the Secretary of State for External Affairs and he assured the House there was no danger. Will the Prime Minister tell the House how he currently views the situation and whether the risk is broadening for Canadians in Libya?

Right Hon. Brian Mulroney (Prime Minister): We view the situation with seriousness, Mr. Speaker, consistent with our statement of January 10, 1986. I would add to that that our consular officials who are there advise that there is no immediate cause for undue concern for Canadians. We have conveyed two things. To Canadians we have conveyed our view, as we expressed it in January, that their analysis of their security concerns should motivate their own behaviour in regard to remaining there. Secondly, we have advised the Americans and our allies of the location of all Canadians and have urged upon them, and all others, great prudence in regard to them.

[*Translation*]

INQUIRY IF AGREEMENT MADE BY UNITED STATES FOR EVACUATION OF CANADIAN CITIZENS FROM LIBYA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last month when the Prime Minister met President Reagan in Washington, the crisis in Libya had already started. I would like to ask the Prime Minister whether he was given the assurance that, in the event of the United States engaging in military operations, Canadians in Libya would be evacuated.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no, we did not discuss it in those terms. First of all, the Canadian Government has spoken out and taken action against terrorism in any form, and we have made clear our complete disapproval of certain actions by governments or agents acting on behalf of governments, where terrorism is concerned. Furthermore, we have taken initiatives at the government level, as announced on January 10, 1986, especially with respect to Libya.

In addition, we have urged our allies to ascertain at all times that retribution is justified and to act with great caution in this area, and especially in connection with the Canadian presence, we emphasized and re-emphasized this aspect as recently as yesterday and the day before, and of course its importance for the Government of Canada in this situation.

CURRENT SITUATION—CANADIAN POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, has the Prime Minister been in personal touch with the President in recent days urging, as he put it, all caution and prudence, and moderating the position which seems to be escalating the crisis?

Right Hon. Brian Mulroney (Prime Minister): The Government of Canada has conveyed a number of views directly to all those involved and concerned—first, our deep concern for the Canadians there; secondly, our view, which is unchanged, that terrorism is the bane of a civilized society. It cannot go unchecked or unchallenged. The response to a terrorist attack must not be a shotgun approach. It must be a very careful, considered, and thoughtful response. However, terrorism is not something we can ignore, nor do we propose to do so. We think it sows the seeds of destruction of civilized relations between civilized people. Any Government which purports to subsidize or encourage or aggrandize terrorism ought to be dealt with very severely.

Some Hon. Members: Hear, hear!

[*Translation*]

PRIVY COUNCIL

INQUIRY IF PRIVY COUNCIL OR PRIME MINISTER'S OFFICE MADE INQUIRIES INTO METHOD OF AWARDING CONSTRUCTION CONTRACTS FOR MUSEUM OF MAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns the Government's policy on awarding contracts. Without wishing to comment on any police investigations that may be going on at this time, I would like to ask the Prime Minister whether he could inform the House if the Privy Council or the Prime Minister's Office, not the RCMP, has conducted an internal investigation of the Government's contract policy, and especially the contracts involving the Museum of Man in Hull.

• (1120)

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this matter was raised earlier on in the press conference held by the Prime Minister. If the Hon. Member had taken the time to follow the answer at the press conference he would understand that we are not in a position—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, we are not commenting. The Solicitor General has dealt with this matter. It is not appropriate with respect to investigations that are being undertaken either by the RCMP or any other police force. We refuse to be drawn in by the back door with respect to commenting on this particular matter.

DEPARTMENT OF SUPPLY AND SERVICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, there is more to this Parliament than a press conference. I want to direct my question to the Prime Minister in supplementary. Concerning the awarding of contracts, are there any other similar PCO or PMO investigations going on in any other Departments or the operations of any other Departments, in particular the Department of Supply and Services; yes or no?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I respect Parliament I think far more than the Hon. Member. I do not want to take any lectures from him.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, the Government will undertake its responsibilities with respect to any investigation, but we are not going to be drawn in the back door with regard to commenting one way or the other with respect to investigations.

AGRICULTURE

REQUEST FOR MEETING OF GRAIN EXPORTING COUNTRIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister is aware of the very serious crisis in the grain industry in the world today and the effects of the U.S. Farm Bill in terms of subsidies of exports and subsidies to the American producers, as well as subsidies in the European Common Market. Will the Prime Minister now show some international leadership and convene a meeting of all grain exporting nations to try to sort out this mess and come up with some kind of international grain agreement?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a very useful suggestion. It is a suggestion that has been made many times. It is the view of this Government that we should be meeting on a regular basis at the political level. The Member will know that there are, on an ongoing basis, meetings of officials, the most recent one being held in London under the auspices of the International Wheat Council.

I have had discussions with the other major wheat exporters over the past eight months to lay out our concerns. We have seen this problem coming. Canada has taken the lead in this instance, as it has in the past, going back to the International Wheat Council agreements where there were international agreements on prices. Canada has taken the lead in the past, and we are taking the lead presently in promoting the very kind of discussions to which the Hon. Member refers.

REQUEST THAT PRIME MINISTER CONVENE INTERNATIONAL MEETING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I would like to have an answer from the Prime Minister. He did not hesitate to come to the west for votes. Why does he not answer questions from westerners in this House?

Some Hon. Members: Oh, oh!

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

Mr. Nystrom: I want to know from the Prime Minister whether or not he personally, as leader of our country, will convene a meeting of grain exporting nations to try to sort out the mess that is going to crush western farmers.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am delighted to say that I have spoken on western issues more often in the House than the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Mulroney: These western farmers from Aylmer are going to get us all in trouble. I take notice of the suggestion of my hon. friend, and pursuant to the answer given by the

Minister of State we will consult, and advise the House, if and when it is appropriate.

REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENT

Mr. Lorne Nystrom (Yorkton—Melville): But for the grace of Brian, there goes God!

Some Hon. Members: Oh, oh!

Mr. Speaker: I will not allow a response. Just a question, please.

Mr. Nystrom: The price of wheat in Canada will be about $3 a bushel and in the United States around $6 Canadian. Is the Prime Minister ready to announce a deficiency payment on our international sales so Canadian farmers will have a decent price for the work they are doing?

• (1125)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we have attempted to approach this issue as a very serious matter, which it is. The Hon. Member does not do any good to the people he represents in his riding of Yorkton—Melville by taking cheap shots at anybody.

Some Hon. Members: Oh, oh!

Mr. Mayer: We have tried very hard to co-operate.

Mr. Speaker: Order. Just the answer, please.

Mr. Mayer: We have pointed out, time and time again, this Government's commitment toward agriculture in the west and across the country, the many initiatives that have been taken by the Minister of Agriculture, and the total amount of money that has been transferred from the federal Government to the grain economy. The Prime Minister outlined it in detail this morning at his press conference. I think that tells you the strong commitment we have to western agriculture as far as this Government is concerned.

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PUBLIC WORKS

DEPARTMENT'S CONTRACT AWARDING PROCESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. When the tainted tuna scandal arose the Prime Minister said: "When it was brought to my attention, bang! Immediately the Minister's resignation was secured". Has anything been brought to his attention on which he should take action to assure the integrity of the contract awarding process in the Department of Public Works? Bang!

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the Hon. Member is a former Solicitor General of Canada. He knows very well the position that was taken by his Leader, the Right Hon. Leader of the Opposition, which was that no Solicitor General or no Member of Parliament should take action which could impede a police investigation or impede the ability of an individual to have a fair trial. Surely a responsible individual would respect that point of view, and would desist from this sort of questioning in the House of Commons.

Mr. Kaplan: I also know that it is unparliamentary to hide behind an irrelevant consideration like that.

INTEGRITY OF PROCESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am not asking about the police investigation. The Government is responsible for all of its Departments and for the contract awarding process—

Mr. Speaker: Order, please. Just a question.

Mr. Kaplan: Have any steps been taken to ensure the integrity of the contract awarding process of the Department of Public Works?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the hon. gentleman, who is an officer of the courts as a lawyer, and a former Solicitor General, may believe that the principle that individuals are entitled to a fair trial and that we should not interfere with police investigations may be irrelevant. We on this side do not.

I would expect that all Members of the House of Commons would show some sense of responsibility and not interfere with investigations which may be under way.

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AGRICULTURE

GRAIN PRICES—REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board. The low initial grain prices are forcing down the projected income of the farmers. The banks are reacting by cutting off the line of credit of many farmers and therefore making it difficult, even impossible, for them to get into seeding operations this fall. Will the Minister back the need for action indicated by the Prime Minister this morning, by attempting to upgrade the income of farmers by some kind of deficiency payment, which will allow their projected income to rise?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, Members on all sides of the House passed, in one day, amendments to the Western Grain Stabilization Act a year ago in February, which allow for

interim payments to be made. The Prime Minister said this morning that we will be making that announcement at the beginning of the week and I am sure the Hon. Member will be very pleased with that announcement. It will provide considerable support to do exactly what hesays—allow producers to put their crops in the ground, in the spring, as they usually do.

POSITION OF UNITED STATES AND EUROPEAN GRAIN PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Those payments are for last year's deficiencies. Mr. Speaker, my supplementary question is directed to the Prime Minister. Will the Government not give the Canadian grain producers the same kind of protection and support that is given to the U.S. grain producers and European grain producers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, sure, the money is there as a result of what we believe will be the final amount of the Western Grain Stabilization Act payment for the present crop year. However, the point is that it will come at the very time they need it the most—prior to spring seeding.

The Hon. Member is a farmer. In fact there are only a couple of farmers in both opposition Parties and he is one of them. He will know that the timing of the receipt of money as far as many people are concerned, especially farmers, is almost as important as the amount. That timing will be there. In all likelihood, if these markets continue, there will be another stabilization payment for the coming year as a result of the Act. So the money will be there at the beginning of this planting season.

• (1130)

Interest rates in the meantime have gone down. That is an assist as far as farmers going to their banks to get money to put their crops in the ground are concerned. I think the Hon. Member should give the Government credit for the way it has been able to manage its fiscal affairs so that those interest rates have come down as much as they have.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. Is the Prime Minister aware that the Canadian Press has just reported that Senator Robert Packwood, chairman of the U.S. Senate committee studying President Reagan's request for authority to negotiate a free trade agreement with Canada, has just said that his committee is likely to turn down the President's request, to vote against it? Is the Prime Minister aware of this and, if so, what is he going to do about this startling development?

Right Hon. Brian Mulroney (Prime Minister): Well, Mr. Speaker, I am aware of it. I was just made aware after the press conference that Senator Packwood, an Oregon Republican, has offered his prediction of what might take place with regard to a committee of the United States Senate. I suppose there are two answers. First, this should establish very clearly for some Hon. Members of the House of Commons, who appear to have felt that the United States was somehow just down there on bended knee waiting for the Canadians to come in and negotiate an arrangement, that, if we can negotiate one, it will be very much in Canada's interest to try to do so.

Ms. Copps: You were on your knees.

Mr. Mulroney: Second, I have never minimized the difficulties involved in this kind of complex process. I heard what Senator Packwood said, but I remind my hon. friend that we deal with the administration as a whole, including the Congress, and not just Senator Packwood.

CANADIAN POSITION

Hon. Herb Gray (Windsor West): Will the Prime Minister assure the House that he and his Government will not now move to make concessions to the United States on matters like exports of lumber or Canadian patent law in order to try to ensure a favourable vote in that Senate committee?

Right Hon. Brian Mulroney (Prime Minister): I suppose, Mr. Speaker, of all the silly things the Hon. Member for Windsor West has said, this one takes the cake.

What we have been doing is protecting Canada's interests with a vigilance which this country has not seen in some years, and we will continue to do precisely that, including trying to negotiate a bilateral trade enhanced agreement with the United States which will bring more jobs and more prosperity into Canada. I think that Senator Packwood's apprehensions indicate the extent to which this Government is on the right track in trying to do precisely that.

FREE TRADE TALKS—REQUEST FOR GOVERNMENT WITHDRAWAL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have the same question to direct with extreme seriousness to the Prime Minister because this chairman is clearly reflecting his committee. It is not just a chance announcement by one man in the Senate. In view of this, will the Government now withdraw the request for freer trade talks—

Some Hon. Members: Oh, oh!

Mr. Langdon: —and instead work out a more modest trade package following recommendations of the special parliamentary committee for the establishment of an IJC-like trade mediation committee and a tougher, more flexible—

Mr. Speaker: Order, please.

Mr. Langdon: —Canadian import tribunal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I find it difficult. I suppose the answer to that is no. The Hon. Member mentions that Senator Packwood is a member of the Senate. Indeed he is. He is also a representative of a state with major timber interests.

I have just gone down there and said that we will not accept their version of events and will not sacrifice Canadian lumber or timber interests in this regard. I have made that very clear to everyone from President Reagan down, which may explain some of the Senator's hesitations. But I expect that he will rise above that and will see the merit for both countries in this kind of trading arrangement. I hope he will, anyway.

GENERIC DRUG ISSUE

Mr. Steven W. Langdon (Essex-Windsor): Would the Prime Minister tell the House if the Government will also commit itself not to give in to the United States on the generic drug issue as it has given in on other issues like FIRA, which is yet one further concession, to try to get these talks back on the rails now that they look they are in such serious trouble?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know the hon. gentleman is expressing a hope rather than an opinion. He mentions the generic issue. That will be dealt with by the House at an appropriate time.

As I indicated earlier today, if the Government takes a position on a given issue which affects our bilateral relationship with the United States, it does so because it believes it is in our national interests to do so, as we did, for example, with the National Energy Program. I indicated this morning that, long before I had the privilege of being a Member of this House, I said that the National Energy Program, in my judgment, was exactly like a hold-up at a gasoline station at three o'clock in the morning and it would have to be dismantled. That is what this Government—

Mr. Langdon: Order.

Mr. Althouse: Order.

Mr. Mulroney: We acted on the National Energy Program because that was in our interests and not in the interests of the United States.

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AGRICULTURE

FARM FUEL COSTS—ABOLITION OF VOLUME DISCOUNT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for the Wheat Board. The Minister knows that his decision to lower initial grain prices is having a devastating impact on western Canada. Farm input costs are not going down in Manitoba because the big oil companies like Petro-Canada and Shell have done away with an eight cent per litre volume discount this spring. While world prices for crude oil have dropped by more than 50 per cent, the actual price per litre for farm gas is within one cent of last year.

Will the Minister go back to Cabinet and get authorization to reinstate the 1985 initial grain prices and have Petro-Canada instructed to reinstate the eight cent per litre volume discount which it had last year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises several points in his question. First, we believe that the initial prices are realistic according to world markets. It is not I who sets them, or the Government. Unfortunately influences outside our borders and outside our control set world grain prices.

With respect to the farm discount, I would tell the Hon. Member that I farm and I would very much have liked to have had an eight cent per litre discount. I am certainly not aware of anyone who had a discount nearly that large. It was more in the order of two cents or three cents. The Hon. Member is right that the discounts have all been removed. We have all made representations on those matters.

Third, the Hon. Member was not accurate when he said prices have not come down, because in Manitoba the price of diesel fuel and gasoline, I believe, has come down something like ten cents in the last two months.

Mr. Speaker: Short supplementary.

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BANK OF CANADA

REPORTED CASH ADVANCE TO CHARTERED BANK

Mr. Maurice Foster (Algoma): Mr. Speaker, there are reports around that the Bank of Canada has advanced over $2 billion to one bank during the last several weeks because of its financial difficulties. Why can the Government not provide $1 billion of assistance to over 140,000 western farmers to reinstate the 1985 initial prices for grain?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows full well that the Bank of Canada has a liquidity function to perform in the banking system, and that it is totally inappropriate to comment on what that institution is or what the rumours are. That is absolutely and totally separate from the business which is being discussed with the Minister of State for the Wheat Board.

AIR TRANSPORT

NORTHERN BRITISH COLUMBIA HELICOPTER MEDICAL EVACUATION SERVICE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Transport. It concerns night flight medical evacuations with single-engine helicopters which have been banned in British Columbia since January by the Minister and by the Premier of British Columbia, Bill Bennett. Since the Minister offered all possible assistance in February, does this include a budget for the tasking of the Prince Rupert twin-engine Transport Canada S-61 to 24-hour-a-day emergency medivacs in northern British Columbia?

Hon. Don Mazankowski (Minister of Transport): To put this issue into perspective, what the Hon. Member is proposing and is asking me to authorize is to allow passengers to fly in single-rotorcraft helicopters at night. That is totally contrary to the air navigation order. I wish the Hon. Member would make up his mind on whether he is a supporter of stringent safety standards or whether he wants me, as Minister of Transport, to violate them.

HELICOPTER STATIONED AT PRINCE RUPERT

Mr. Jim Fulton (Skeena): Mr. Speaker, I have spoken to doctors about this matter and they are concerned about the negligent inaction of the Minister. I ask the Minister whether or not he is prepared to task the S-61. It is a twin-engine helicopter which is sitting in Prince Rupert. It is under the Minister's control. Will he task it, or at least deliver the twin-engine helicopter which the transport committee promised to Prince Rupert a year ago?

• (1140)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, discussions have taken place between my departmental officials and the Emergency Health Services Commission in an attempt to resolve this matter. The fact remains that the air navigation order stands. This Minister will not compromise that air navigation order.

Furthermore, there are a number of available multi-rotorcraft helicopters which are in the business. We are trying to work the matter out. Surely in cases of emergency the Coast Guard helicopter which is available can be used, on a cost-recovery basis.

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AGRICULTURE

IMPACT OF INTEREST RATE REDUCTIONS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, yesterday the Bank of Canada rate fell another 81 points indicating growing approval of the federal Budget and, indeed, of the economic direction of the Government.

Some Hon. Members: Hear, hear!

Mr. Wilson (Swift Current—Maple Creek): My question is for the Minister of State for the Canadian Wheat Board. Has the Minister been able to measure or quantify the impact of general interest rate reductions on farm input costs?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, again the Hon. Member raises a very good point. One of the input costs which farmers face every year is interest costs. If we look at the total amount of borrowed money in agriculture against which interest has to be paid, then every percentage point drop in interest rates means a saving of $200 million to the farm community. I think that tells Hon. Members something about how important the overall economic thrust and policies of the Government are, not only to agriculture but to every other economic sector in the country. We want to work and develop jobs.

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IMMIGRATION

PROPOSED VISA REQUIREMENT FOR PORTUGUESE VISITORS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. Recent reports indicate that she is considering departmental advice to slap on a visa requirement on Portugal as a response to the number of refugee applications. She should know that the problem is not with this European country—

Some Hon. Members: Order!

Mr. Marchi: —but with the backlog which the Government has refused to address. Will the Minister eliminate the growing concern and anger which are being felt in the Portuguese-Canadian community by telling the House and that community that she will not follow departmental advice to slap on a scapegoat visa requirement for all visitors and individuals from Portugal?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be glad to take notice of the Hon. Member's question for the Minister of State for Immigration.

IMMIGRATION CONSULTANTS

Mr. Sergio Marchi (York West): Mr. Speaker, she carries the title "Minister of Employment and Immigration". Is the Minister prepared to assure the House that no visa requirement will be placed on Portugual, and rather than using that as a scapegoat, she will bring in a refugee determination process and go after the phoney consultants who are at the root of many of these problems?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I agree wholeheartedly with the need to ensure that there is no abuse of the system by anyone who is trying to provide false advice to individuals wishing to come to Canada. I also welcome the Hon. Member's sense of urgency with respect to bringing in a new refugee determination system. I am sure we will have his support, and the support of members of his Party for whom I take it he speaks, when we introduce that new refugee determination system very shortly.

Ms. Copps: I thought you were the Minister.

* * *

AGRICULTURE

GRAIN PRICES—REQUEST FOR DEFICIENCY PAYMENTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. This is the time of year when both farmers and lenders assess the future viability of farms. Given the 20 per cent drop in initial prices and the scary parts of the Nielsen task force report regarding future commitment of funding by the Government, will the Minister make a clear statement today the Government's intention with respect to deficiency payments? Will the Government make up the difference between world price and the losses with which farmers have to deal, or will it not?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member knows that the reports of the task force have all been referred to the appropriate committees for consideration. Again I say that we have shown support for agriculture, particularly western agriculture, in the past year. The Prime Minister said this morning that we plan to make an announcement on Monday with respect to the size of the interim payment under the Western Grain Stabilization Act. When the Hon. Member hears that announcement I am sure that, as a farmer, he will welcome the news.

STABILIZATION FUND

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, will the Minister assure the bankers and the farmers that when the stabilization fund is depleted on Monday the Government will continue its legislative commitment to keep that fund full when future calls come against it? Will he also assure us that cash advances will not be subject to interest, as was proposed by the Nielsen task force?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, with regard to the Western Grain Stabilization Act, and since the Hon. Member has served as agriculture critic for his Party, he should know that part of the legislation states that the federal Government is responsible for making up the deficit.

Mr. Althouse: So does it say that they should have interest-free cash advances; but you are talking about doing away with them.

Mr. Mayer: The Hon. Member should also know that there was a time, I guess about two years ago, when that fund contained $1 billion. If it is fair to run a surplus then I think it is reasonable for farmers and for Government to expect that it can run a deficit. So there is no problem with making payments under the Western Grain Stabilization Act, even if the fund goes into a deficit position, Mr. Speaker.

* * *

[*Translation*]

AIRPORTS

MIRABEL AND DORVAL—BURNS AGENCY CONTRACT—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil—Papineau): My question is directed to the Minister of Transport. Further to recent events at the airports at Mirabel and Dorval which demonstrated the ineffectiveness of the security firm responsible for screening baggage, does the Minister intend to cancel the Burns contract and ask for another public tender?

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I apologize for the Minister's absence. He had to leave to catch a flight—a public flight I might add?—to Vancouver.

I indicate to the Hon. Member that the contracts are between the carriers and the security firms. The involvement of the Government is simply in relation to standards for security. Finally, I would like to indicate that on Monday morning the Minister will be meeting with the security firms, the carriers, and the unions involved.

* * *

NATIONAL DEFENCE

MINOR WAR VESSELS PROCUREMENT PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Associate Minister of National Defence. Recently, in Halifax, he stated that the Government was considering a $100 million purchase of vessels for the Naval Reserve. In view of the fact that there is high unemployment among shipbuilders in the Atlantic area, British Columbia, and Quebec, why would the Minister want to use $100 million of Government money to purchase ships offshore for the Canadian Armed Forces?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I am glad to have this opportunity to

clear up this matter. I made no such statement. There is no intent on our part to do what the Hon. Member suggests.

The Navy is in great need of new equipment after years and years of neglect. We are doing everything we can to provide that new equipment. Part of what we are trying to do is with respect to a program for minor war vessels. The $100 million figure to which the Hon. member refers goes back to 1982 when the then Liberal Government turned down such a program. If and when we can find the money to proceed with the program, I can assure the Hon. Member that the ships will be built in Canada, by Canadians.

Some Hon. Members: Hear, hear!

CANADIAN SOURCING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I remind the Minister that it was his Party which made eight specific promises with regard to the shipbuilding industry and that it has not fulfilled one. I take it from the Minister's earlier statement that he is giving the House an undertaking that if there is to be a procurement policy by his Department with regard to the shipbuilding industry it will clearly be with respect to ships made here in Canada by Canadian labour. Will he confirm that undertaking?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I thought I just did.

Mr. Dingwall: It's in contradiction of the Minister of Transport.

* * *

EXTERNAL AFFAIRS

LIBYA-UNITED STATES RELATIONS—MILITARY RESPONSE TO TERRORISM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Prime Minister. American sabre-rattling off the coast of Libya now threatens to turn into "the real thing". Canadians want to know where their Government really stands. Does the Prime Minister think that military action is an appropriate response to terrorism? Will he agree that such action will lead to a further escalation of international tension and, in fact, to an increase in terrorism and international tension?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I responded earlier in this regard. However, I should tell my hon. friend that in a statement on January 10 I set out our position on behalf of the Government, that is to say that those who murder and maim innocent people and who bring anarchy to civilized society should have no sanctuary, no comfort, and no indulgence.

Some Hon. Members: Hear, hear!

Mr. Manly: Mr. Speaker, it is one thing to say no sanctuary, no comfort, and no indulgence; it is another to engage in a retaliatory strike.

• (1150)

SAFETY OF CANADIANS IN LIBYA

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in view of this very serious situation, what is the Government prepared to do to ensure the safety of individual Canadians, in addition to finding out where they are and asking them to reassess their personal situations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government has and will continue to develop contingency plans to be of assistance to Canadians. Their welfare and security are of the highest concern.

* * *

THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF FISHERIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, earlier today the House Leader referred to the Prime Minister's press conference, which prompts me to ask a question that was not answered at that conference. It relates to the resignation of the former Minister of Fisheries. On March 7, in an interview with *The New York Times*, the Prime Minister said: "When it was brought to my attention", that is to say the rotten tuna, "bang! Immediately the Minister's resignation was secured". How does he reconcile that statement in that interview with his "Dear John" letter of September 23, 1985, six days after the issue became public, to the then Minister saying: "I have received your letter in which you request that you be relieved of your responsibilities". In other words, the Minister and the Prime Minister recognized that the then Minister resigned. In *The New York Times* he said that he was fired immediately, but the letter of resignation came only six days after the issue became public.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, I said no such thing. The context of both incidents is clear, and there is no inconsistency in the position.

NEW YORK TIMES INTERVIEW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was directly quoted in the *The New York Times* and we have the transcript. Further, the issue was brought to the attention of the country on September 17, 1985. On September 18, in the House, the Prime Minister refused the resignation and refused the Opposition—

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

Mr. Turner (Vancouver Quadra): Is the Prime Minister saying that he retracts his statement in *The New York Times*? Which version is right—his letter and the version given to us by the former Minister of Fisheries, or what he said in *The New York Times*?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am saying that there is no inconsistency at all in what has been said. Indeed there was a grave inconsistency, a very serious inconsistency, with regard to a resignation which involved the Leader of the Opposition and then Prime Minister Trudeau, and Prime Minister Trudeau indicated that the version given by the Leader of the Opposition was incorrect.

* * *

CANADIAN BROADCASTING CORPORATION

EXPENDITURES UNDERTAKEN BY RADIO STATION

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, in the absence of the Minister of Communications my question is directed to his Parliamentary Secretary. The residents of the riding of Timiskaming were very annoyed to learn earlier this week that the CBC radio station in the North had spent an estimated $50,000 on TVs, VCRs, tape recorders and cassettes, after guidelines were indicated by the President of the Treasury Board and after the Vice-President of the CBC indicated that stations should keep within the spending guidelines. Could the Parliamentary Secretary advise my residents and many people across the country why such spending is still allowed?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as my hon. colleague well knows, the CBC is a Crown corporation at arms length. However, the suggestion is a very serious one. I will undertake to ask the Minister to convey this information to the President of the CBC on Mr. Juneau's return from the Peoples Republic of China.

* * *

INDIAN AFFAIRS

FUNDING OF NORTHERN ONTARIO BANDS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development who recently made the time to meet with seven chiefs of the Nishnawbe-Aski Nation to discuss funding for the recently created bands in northwestern Ontario. Is the Minister prepared to state before the House his full support in doing everything possible to expedite approval of funding to meet the requirements of those bands?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member may know that when I met yesterday with Grand Chief Cromarty and the other seven chiefs, I indicated that I would support their efforts. I will be engaged in discussions and consultations over the next number of weeks, and I am hopeful that we will reach a satisfactory conclusion.

MINISTERIAL ACTION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, of course the Minister is aware that if these funds are not approved in time for the very limited construction season, there may well be hundreds of people living in tents come the fall. Therefore I ask for the Minister's commitment to bring this matter before the Social Development Committee of Cabinet within the next two weeks.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I assure the Hon. Member that I am aware of the tight time frame, given the geography and the climate. As the Hon. Member may well know, we have just received the application from the region. We will have to go through the process at all possible speed, and I will do it as soon as I can.

* * *

FIREARMS

IMPORTATION TO CANADA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. Given his stated concerns this morning about increasing terrorism, and given recent moves in the United States to relax its gun control laws, could he tell us why, in his Government's Budget, he made it cheaper to import rifles and shotguns into Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this had to do with a Tariff Board ruling on sportsmen's rifles. It was a regulatory change which was made before, and this was brought into line with other regulations.

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is directed to the Prime Minister. Is he not concerned about the kind of signal which this sends out? On the one hand he is expressing concern about increasing terrorism. On the other hand his Government is making it cheaper to bring high-powered shotguns and rifles into the country. Does he not think this sends out a mixed message to Canadians?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think it is a little unfair to deal with Canadian sportsmen in the same breath as dealing with terrorism.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

NATIONAL DEFENCE

REQUEST FOR PUBLICATION OF STUDY ON IMPACT OF SHOOTING RANGE PROPOSED FOR LAC-SAINT-JEAN REGION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Prime Minister. In August 1985 in Jonquière, the Prime Minister promised to release the results of the impact study on the shooting range proposed for the Lac-Saint-Jean area. When will the Prime Minister finally keep his promise and provide the people, many of whom object to this project, with the results of this impact study?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, over the last few months the Hon. Member for Chicoutimi has been talking to the constituents in that area. I am assured by all press reports, and by all indications from the responsible individuals, that in fact most of the fears which have been fomented by others have been reduced. Indeed the level of support has increased considerably over that to which the Hon. Member has referred.

[*Translation*]

Mr. Robinson: Mr. Speaker, I have a supplementary. It is very simple: When does the Minister intend to publish the results of the impact study?

[*English*]

Mr. Andre: Mr. Speaker, as the Hon. Member knows or should know, the lands in question are Crown lands in the right of the Province of Quebec. In fact the decision rests with the Province of Quebec. Our officials are working closely with the officials of the Province of Quebec, and Members from the area are working closely with interested people. Things are proceeding along smoothly, which I know must disappoint the Hon. Member.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

INFORMATION GIVEN TO EARLY RETIREES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. She knows that officials have recognized that the notices to the corporations and unions were sent only on December 24 and that 34,000 people had accepted to take an early retirement long before that.

Since these people were misinformed, as the Hon. Member for LaSalle has said, will the Minister blame the businesses for misinforming these 34,000 workers or were these businesses misinformed by her Department before the workers involved took an early retirement?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member is somewhat confused about the processes. Anyone making a UI claim is instructed at the time on how to go about launching an appeal. That has been explained to the Hon. Member on a number of occasions. If he has a specific case about which he is concerned, I wish he would bring it to my attention.

[*Translation*]

REQUEST THAT MINISTER ATTEND MEETING

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, since the Minister is so sure that she is right, would she be willing to take part in the meetings which will be held beginning next Tuesday in Montreal, Quebec City, Sherbrooke and Trois-Rivières? Can she make sure to be there? The population will tell her about the facts. If she is sure that she is right, she can say so to the 34,000 people involved and they will applaud her. Will she be with us? As for me, I shall certainly be there.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure that if the Hon. Member had specific cases to bring before me, he would have done so before this time. He has not done so—

Ms. Copps: Thirty-two thousand of them.

Some Hon. Members: Sh-h-h!

Miss MacDonald: I wish he would get on with what I think is a very serious matter. On the other hand, I have to say that my schedule is set well in advance. I am sorry that I cannot accept all the invitations the Hon. Member has given me, but he will know that I joined him the other day in Montreal East for a very good discussion—

• (1200)

Mr. Speaker: Order, please. One question. The Hon. Member for Fundy—Royal.

* * *

NATIONAL DEFENCE

SMALL SHIPS REPLACEMENT PROGRAM—OPPORTUNITIES FOR CANADIAN SHIPYARDS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is for the Associate Minister of National Defence. The shipyard workers of Canada must have been delighted to

find that the Government considered it a ludicrous notion that replacement vessels for the Naval Reserve be built offshore. Can the Minister assure shipyards in Canada, particularly those in Atlantic Canada, that if funds become available for the Small Ships Replacement Program they will have every opportunity to compete in the process?

Hon. Harvie Andre (Associate Minister of National Defence): Absolutely, Mr. Speaker. I am doing everything I can within the confines imposed on us by budgetary considerations to accelerate this program. I think the Navy and the Naval Reserves have a vital role to play. They need the best equipment. I want to see that equipment designed, built, and constructed in Canada.

* * *

POINT OF ORDER

DISABLED VISITORS TO PARLIAMENT HILL

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, you may be aware that on Monday a large number of people who are handicapped will be coming to the Hill and to the House of Commons in order to express their concerns about the Bill before the House. Those with wheelchairs would find the facilities very constraining. I believe there are places for only four or so. Whatever the case is, there will be a large number of people who will seek access.

Could the Speaker indicate whether or not there is any plan or provision, as we do when we have a joint session of the House and Senate, to provide access for the handicapped to use perhaps some of the floor space in the House where they can sit down? Or is there some other way to provide access for the handicapped so that we do not just pay lip service to their needs but effectuate it.

Mr. Speaker: This is the first time the matter has been brought to my attention. I will be happy to look into it. I have to say to the Hon. Member that I know of no provision that would allow the floor of the House of Commons to be used, but I will be happy to investigate the matter.

Mr. de Corneille: Thank you, Mr. Speaker.

Mr. Speaker: You are welcome.

Mr. Penner: This goodwill has got to end, Mr. Speaker.

Mr. Speaker: I hope not.

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government response to petitions nos. 331-9, 331-14, 331-51457-331-60 inclusive; 331-62 to 331-76 inclusive; 331-81 to 331-86 inclusive; 331-89 to 331-92 inclusive; 331-97 to 331-114 inclusive; 331-120, 331-121, 331-122 and 331-124.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

MULTICULTURALISM—SECOND REPORT OF STANDING COMMITTEE

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Multiculturalism. If the House gives it consent, I intend to move concurrence in this report later this day.

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

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CANADIAN ARSENALS LIMITED

PRESENTATION OF LEGISLATIVE COMMITTEE

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, as chairman of the legislative committee, I have the honour to present the report of the legislative committee on Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, without amendment, in both official languages.

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

* * *

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the honour to submit petitions bearing some 700 signatures from Thunder Bay, Saskatoon and Windsor protesting the Government's cancellation of Katimavik as a symbol of its concern for youth and asking for reconsideration.

PRICE OF GASOLINE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, pursuant to Standing Order 106, I am pleased to present a duly authorized petition from 100 constituents residing in the northern communities of Manitouwadge and Kapuskasing. These petitioners ask that this Parliament assembled take action regarding the unnecessarily high gasoline prices being paid by consumers in northern Ontario.

EQUALITY RIGHTS—DISCRIMINATORY POLICIES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by several hundred Canadians resident in Saskatoon West, St. John's West, Kingston and The Islands and a number of other constituencies throughout Canada calling upon the Parliament of Canada to implement Recommendations 10, 11, 12, 13 and 14 of the report of the parliamentary committee on equality rights, which would ensure that discrimination based upon sexual orientation is no longer permitted within federal jurisdiction.

FULL INDEXATION OF FAMILY ALLOWANCES AND REPORT OF TAX

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition on behalf of a number of my constituents in Burnaby calling upon the Government to reinstate full indexation of universal family allowances and to rescind the unfair tax increases which are contained in the most recent budgetary proposals.

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present on behalf of many constituents in Burnaby a petition calling upon the Government to insist that the CRTC not allow the proposals for local measured service whereby each individual call would be charged for. As the petitioners point out, Mr. Speaker, the telephone is essential for communication and it is essential particularly for the elderly, for those on fixed incomes and for volunteer associations. Local measured service would have a devastating impact on those individuals.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a petition from a number of constituents from the community of Blaine Lake, Saskatchewan. They express the desire that the Government of Canada take cognizance of the reduction they have had in support of youth, and reinstate the Katimavik for the young people of Canada.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is my duty and pleasure to present a petition on behalf of a couple of hundred of my constituents who state that in their opinion the federal Government's decision to cancel the youth program Katimavik was a short-sighted budgetary measure at the expense of Canadian youth. They point out that the 1985 study found 60 per cent of Katimavik participants over a four year period were employed, and of 27 per cent in school or university only 6.7 per cent unemployed while the youth unemployment rate was running far higher—

Mr. Hnatyshyn: Order.

Mr. Epp (Thunder Bay—Nipigon): They call upon the House of Commons to reinstate with full funding the Katimavik program for the young people of Canada.

* * *

CANADIAN LAW OFFSHORE APPLICATION ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-104, an Act to apply federal laws and provincial laws to offshore areas and to amend certain Acts in consequence thereof.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

MULTICULTURALISM

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Gus Mitges (Grey—Simcoe): I should like at this time to move concurrence in the second report of the Standing Committee on Multiculturalism presented earlier this day.

Motion agreed to.

* * *

• (1210)

MOTION TO ADJOURN UNDER S.O. 29

LOWER GRAIN PRICES

Mr. Speaker: I am in receipt of an application under Standing Order 29 from the Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I wish to place before the House today a request for an emergency debate concerning the grave economic situation which faces grain farmers as a result of the Government's

decision to lower the initial price of grain for this crop year by some 20 per cent; that is, 19 per cent for wheat, 28 per cent for oats, and 25 per cent for barley.

Since credit decisions are being made now, lending institutions and farmers must be aware of what the Government proposes to do to provide some income guarantees in order that loans taken out now will have some chance of being repaid. The House should be aware that a 20 per cent reduction in gross incomes means that the vast majority of Canada's grain farmers are being sentenced to one more year without any pay for their labour. Payments were received from the Western Grain Stabilization Fund in the last two crop years. This year's pay-out will be similar to the one made last year, therefore, no funds to compensate for the price reduction can be expected by farmers or their lending institutions.

Mr. Hnatyshyn: Order! Just the facts.

Mr. Althouse: These are the facts.

Mr. Hnatyshyn: These are not the facts.

Mr. Althouse: In order to generate the funds necessary to repay money borrowed for crop expenses this year, banks will need some guarantees that the loans will be repaid. Since this year's stabilization pay-out will virtually empty the Western Grain Stabilization Fund, lenders and farmers need to know if the Government intends to keep the fund viable to respond to the price drop.

Mr. Hnatyshyn: Order! You're bootlegging in the wrong information.

Mr. Althouse: Since lenders are being extremely cautious about the future viability of many of their customers, I urge that you permit an emergency debate under Standing Order 29 to permit these issues to be presented for response by the Government. The future of Canada's farmers is at stake and communities will suffer. We need to know the answers now.

Mr. Speaker: The House will know that I have given earlier consideration to two of these matters. I propose to reserve on this application.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 105 and 535.

[*Text*]

MINISTER'S STAFF

Question No. 105—**Mr. Kaplan:**

As of the date this question is answered and by Cabinet Minister, how many officials seconded from the Public Service, Crown corporations, agencies or other federal bodies are employed on the Minister's staff and, in each case, what is the salary range?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed as follows:

Minister	Number	Salary Range
Prime Minister's Office	1	$24,999 to $27,172
Employment and Immigration	2	$35,498 to $51,320
	1	$45,702 to $51,591
Deputy Prime Minister's Office	1	$24,271 to $26,563
Transport	1	$21,533 to $23,552
	1	$23,019 to $25,175
Finance	1	$41,663 to $52,099
Consumer and Corporate Affairs	1	$32,588 to $36,734
State – Mines	1	$43,793 to $50,106
	1	$45,702 to $51,591
Other Ministers:	None	

DEFICIT

Question No. 535—**Mr. Althouse:**

1. What is the amount of the current accumulated federal deficit?

2. What is the average level of interest being paid on the deficit?

3. Was money borrowed to cover the deficit and, if so, what amount is outstanding in increments of interest at (a) 20% or more (b) 19% to 20% (c) 18% to 19% (d) 17% to 18% (e) 16% to 17% (f) 15% to 16% (g) 14% to 15% (h) 13% to 14% (i) 12% to 13% (j) 11% to 12% (k) 10% to 11% (l) 9% to 10% (m) 8% to 9% (n) 7% to 8% (o) 6% to 7% (p) 5% to 6% (q) 4% to 5% (r) 3% to 4%?

Hon. Barbara McDougall (Minister of State (Finance)): (1) The accumulated federal deficit or net public debt as of March 31, 1985, amounted to $191.4 billion. Financial assets amounted to $41.1 billion and gross liabilities to $232.6 billion, of which $172.4 billion was in the form of unmatured public debt. The figures are as reported in the 1984/85 Public Accounts and do not reflect the accounting changes shown in the February, 1986 budget documents.

(2) The average interest rate on unmatured debt as of March 31, 1985 amounted to 11.31 per cent.

(3) The accumulated deficit together with financial assets acquired, less funds acquired through specified purpose accounts and other miscellaneous liabilities, have been fianaced by the issue of public debt.

Interest rates on the Canadian dollar components of public debt as of March 31, 1985 were as follows. The amount of outstanding domestic marketable bonds (in billions of dollars) classified by interest rate payable was: (a) above 20%—nil; (b) 19-20%—nil; (c) 18-19%—$0.1; (d) 17-18%—$0.3; (e) 16-17%—nil; (f) 15-16%—$4.9; (g) 14-15%—$3.1; (h) 13-14%—$12.9; (i) 12-13%—$11.5; (j) 11-12%—$14.8; (k) 10-11%—$13.6; (l) 9-10%–$6.1; (m) 8.9%—$1.4; (n) 7-8%—nil; (o) 6-7%—$0.3; (p) 5-6%—$0.8; (q) 4-5%—nil; (r) 3-4%—$0.2. The average interest rate on Treasury bills ($52.3 billion) was 10.89 per

cent. The interest rate peyable on Canada Savings Bonds ($42.0 billion) was 11.25 per cent.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-99, an Act to provide borrowing authority, as reported (without amendment) from a legislative committee, be concurred in.

Motion agreed to.

Hon. Barbara McDougall (Minister of State (Finance)) moved that the Bill be read the third time and passed.

She said: Mr. Speaker, as Hon. Members are aware, Bill C-99, which seeks borrowing authority for the 1986-87 fiscal year, has been returned to the House for report stage and third reading by the special committee of the House which has concluded its examination of the Bill. Today I rise briefly to remind Hon. Members of the contents of this Bill and to inform them of the current situation with respect to borrowing authority.

As Hon. Members are aware, Clause 2 of Bill C-99 requests $22.6 billion of borrowing authority for the 1986-87 fiscal year. This amount matches exactly the financial requirements for this fiscal year as set out in the Budget of my colleague, the Hon. Minister of Finance (Mr. Wilson). The Government is not requesting any additional amount of borrowing authority for fiscal 1986-87 since it has access to $2 billion of nonlapsing authority provided by the Borrowing Authority Act 1984-85 (No. 2).

Clause 3 of Bill C-99 states that any unused borrowing authority of the Borrowing Authority Act 1984-85 (No. 2) will be cancelled on March 31, 1987, to the extent that the unused authority exceeds $2 billion.

[*Translation*]

Perhaps Hon. Members would like to know how the Government used the borrowing authority granted by Parliament for the fiscal year ending in 1986. The over-all amount authorized was $32.2 billion, as follows: $12 billion under last year's Borrowing Authority Act; $18.2 billion under last year's Borrowing Authority Act (No. 2); and $2 billion of nonlapsing reserve authority provided by Borrowing Authority Act, 1984-85 (No. 2).

For the fiscal year 1985-86, domestic borrowing operations so far have used roughly $24.3 billion of borrowing authority: $9.9 billion through Treasury bond issues; $11.5 billion through sales of negotiable securities; and $2.9 billion through net sales of Canada Savings Bonds.

[*English*]

In addition, foreign borrowing added $5.8 billion to the use of borrowing authority. Consequently, a total of about $30.2 billion of borrowing authority was used during the 1985-86 fiscal year, and $2 billion was carried forward into the 1986-87 fiscal year. The $2 billion of reserve authority is currently being used. Financial requirements are always seasonally heavy at the beginning of the fiscal year and, given the limited amount of borrowing authority provided by the reserve, the Government will quickly have to resort to running down its cash balances.

Without having new borrowing authority in place for the 1986-87 fiscal year, the Government will soon have to resort to the use of Section 39 of the Financial Administration Act in order to avoid totally depleting its cash balances. As Hon. Members are aware, this is a temporary measure only and is designed to provide short-term funds to the Government if it appears that the Consolidated Revenue Fund will be insufficient to meet the dibursements lawfully authorized to be made from it. Thus, I hope that the House will be able to deal with this matter in its usual expeditious manner.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Official Opposition certainly appreciates that this Bill must be passed fairly promptly in order for the Government to conduct its business, and we do not intend to delay it unduly. Bond issues have to be planned and announced to the market weeks in advance of the sales date. New funds raised at Treasury Bill auctions are announced a week in advance. Therefore, it is not our intention to delay the passage of this Bill. However, the reservations which we expressed at the time of the second reading debate, and in the legislative committee, remain. I think it is important that they should be put on the record once again.

The Bill before us requests $22.6 billion worth of borrowing authority for 1986-87. The Government also has access to $2 billion of unused, nonlapsing borrowing authority as provided by an earlier Borrowing Authority Act. We certainly hope the Government will be able to manage its affairs in acccordance with its forecast needs and that the Members of this House will not be asked later in the year to approve a request for supplementary borrowing authority.

• (1220)

Our concerns arise from the assumptions and projections by which the kGovernment arrived at the $22.6 billion figure. As I and a number of my colleagues here have said before, we

have our doubts about the soundness of those assumptions. If the economic picture as drawn by the Government in the budget documents does not come together as anticipated, then obviously the consequences are different. The Government is having some good fortune now with respect to interest rates which, in the Budget, are forecast at 9.5 per cent for this fiscal year. However, we are less than two weeks into the fiscal year and it remains to be seen whether today's encouraging trend will stabilize. Each percentage point over the Government's forecast adds another $1 billion to the deficit, according to the Government's own figures. The Conference Board of Canada, as one reputable forecasting agency, is predicting interest rates of 10.4 per cent in 1986.

Another of the Government's assumptions which has drawn skepticism is its projected oil price of $22.50 a barrel. Since the Budget was brought down on February 26 we have seen a steady decline in oil prices which, to begin with, were less than the Government's projected price. How credible then is the 22.50 a barrel figure when, for example, the Economic Council of Canada assumed a price of $19 in its forecasts, and the Conference Board of Canada based its forecasts on $18 a barrel in the second trimester of this year? As a rough rule of thumb, for every one dollar a barrel fall in the price of oil, the Government's revenues from the PGRT drop by $110 million. If the Government is indeed losing that much tax revenue for every dollar drop in the price of a barrel of oil, it would seem likely that it stands to lose $1 billion in tax revenues this year based on current prices.

In the legislative committee I asked the Minister for her forecast and indeed she confirmed that if oil prices averaged $10 a barrel less than forecast, that is $12.50 a barrel, the Government would lose $1 billion in oil and gas tax revenues. That is only in direct revenue from the PGRT. The fall-out as a result of regional problems in the oil-producing provinces could have other effects. In committee the Minister suggested that lower oil and gas prices would have a beneficial effect on the economy this year. There will be beneficial effects on the economy from lower oil prices, but I think it would be more realistic to say that those are long term rather than short-term benefits.

Today we are discussing borrowing authority for the present fiscal year, a term in which we cannot expect to see much of the advantage of lower world oil prices. The Economic Council of Canada, in their appearance before the Standing Committee on Finance and Economic Affairs, and also in documents they subsequently released on the economic impact of falling oil prices, said that the loss of revenue from the energy sector would raise the deficit for the first two years and not until three years thereafter would the loss of revenue be offset by the higher taxes generated by a stronger economy. So at present it looks as though Canadians will have to pay the consequences of the Government's unrealistic oil price assumption this year and that the advantages of the situation are further down the road than the Government would have us believe.

The Budget also predicted growth in investment of approximately 7 per cent in 1986. However, StatsCan figures on business investment intentions this year are very much lower, showing around 2.5 per cent growth this year over last. That is a very large discrepancy. A shortfall here also has serious consequences for the deficit, because if economic growth does not match the Government's expectations the deficit will be another $1 billion higher for each percentage point in growth under the projected figure.

[*Translation*]

Consideration must be given as well to the structure of the Canadian debt which is made up of a large number of instruments whose terms and other characteristics are quite varied. For example, 5.2 per cent of the Government of Canada debt on December 31, 1985 was in foreign currency. It can be reasonably argued that this percentage will increase during 1986 since the Government had to contract huge loans on foreign markets to shore up the value of the Canadian dollar.

When the Government borrows on foreign markets, interest must be paid to foreigners and these funds are therefore no longer available to keep the Canadian economy rolling.

Although foreign market interest rates are now lower than on domestic markets, the Government has to keep in mind that the situation can change. The Government must repay these loans over the next five or ten years and, since the Canadian dollar value against foreign currencies may very well decline, real interest rates might be higher than those on domestic borrowings.

[*English*]

In other words, since not all the Government's borrowing is done in domestic markets, domestic interest rates are not the only interest rates that could throw off the Government's calculations. Money borrowed on foreign markets has interest payments at prevailing rates. What our Government pays also depends on the value of our dollar in international markets.

Economic projections in any case are something of a guessing game, no matter what the information available and no matter how sophisticated the model. I acknowledge this and I am not faulting the Government's projections as such, but what concerns me and a number of my colleagues is the credibility of these projections when compared to past performance and the projections of other agencies. The issue of credibility is directly related to this Bill requesting borrowing authority and to the Government's entire budget strategy.

• (1230)

The Government's approach to the Budget was obviously to gain the confidence of the international community in order to stabilize interest rates, and the dollar, and bring the deficit down. How impressed was the international community by the Budget whose tax increases this year far outweigh the expenditure cuts? How impressed were outside observers by

the $29.5 billion deficit figure so transparently arrived at by manipulating numbers on paper?

It is clear the Government relied too heavily on tax increases instead of expenditure reductions for the international communities' liking, as well as for the liking of the Canadian taxpayer. However, this Budget, which is a poor quality product, received a selling job on a scale that was unprecedented, with special seminars and meetings in various centres in the United States, senior departmental officials and Cabinet Ministers fanning out to pitch this Budget. The Government even went so far as to use taxpayers' money to produce a special budget document to be distributed from Canadian posts overseas. It is called the "Canadian Budget In Perspective". It certainly does provide a different perspective on our country and our economy from that given to Canadians by the Finance Minister in his budget speech.

In fact, this document was not included in the package of budget documents made available to Canadians on budget night. So what are we to conclude about the credibility of a Government that tells its own citizens the glass is half empty, and then turns around and with great flourish tells the international community that no, the glass is half full.

I spoke about this during an Adjournment Debate last week and gave a number of examples of how the Government gave Canadians a very grim perspective in the budget speech, but then there is a very optimistic perspective in this special budget document. Production of a document of this kind would cast doubt on the quality of the Budget even if it were a good Budget, one that took a coherent approach to consolidating economic recovery, one with realistic economic projections. One would assume that a good budget could speak for itself. As it is, we have this slick attempt to substitute style for substance to mask a poor quality product. The existence of this document is an indication of that poor quality, and an additional reason to question the assumptions on which the Budget is based and on which the government arrived at the borrowing requirements we are debating here today.

Mr. Steven W. Langdon (Essex—Windsor): Thank you, Mr. Speaker. The Government comes to us for borrowing authority asking, in a sense, for a vote of confidence from the House in the economic management of the country's affairs. For us it is simply not possible to provide such a vote of confidence for this administration and its economic leadership, or lack of leadership, over the last 15 months.

The surprise announcement this morning from Washington that suggests the free trade talks with the United States are scuttled is a clear indication, first, of the problem of a Government putting its faith in one solution and, second, a reflection of the incompetence with which the Government has followed that particular policy choice which they made to try to implement it.

I weep some tears for the Government. I do not weep such tears for this country if this trade agreement is, in fact, rejected. It is this trade agreement which I want to talk about most this afternoon in discussing the borrowing authority.

This freer trade move toward the United States has been the centre piece of Government economic thinking for the rest of its period in power. The Government has hung its hopes on an exceedingly slender reed, which looks like it is being broken in the U.S. Senate. In addition, it is putting its aspirations in a continentalist context, which ultimately will have serious damages to inflict on this country.

I want to start off in my review of this particular part of Government economic policy by simply talking about the question of the utter and total confusion which has marked activity in this issue here in this country itself, leaving aside the United States. We have had confusion over who negotiates; is it the provinces, is it the federal Government, or is it Simon Reisman? Are there to be groups of people in the bargaining room? Are there to be buttons to be pressed, as the trade negotiater makes certain statements that indicate that he is opposed, by provinces who sit in an outer room? So confusion has existed very much over who negotiates.

Equal and more dangerous confusion has existed over what is to be negotiated. We have had slated here in the House of Commons comments from the Secretary of State for External Affairs (Mr. Clark) suggesting that vast areas are, in fact, off the negotiating table. At the same time we have had our people in Washington sayng, "No, virtually everything is negotiable". That kind of contradiction is not what a good Government should be giving the Canadian people.

We have had contradictions over marketing boards and whether they are part of the negotiation process, over agriculture and the auto pact and whether it is to be part of the negotiation process. Throughout the whole sorry tale of incompetent confusion we have had a veil of secrecy, which is a shame for this country to experience.

It has been six months now since 42 studies were listed to the House of Commons which had been completed by the federal Government. They include studies that look at different sectors, different regions and different issues—studies very, very important to Canadians to be able to make some logical realistic choice about what faces us in these negotiations, if they take place. Yet not a single solitary study of these 42 has been released, despite appeals through freedom to information , despite appeals to the commissioner of that system. It makes the notion of running in the dark, which has so characterized this Government in practice, show up in this specific example. As a consequence rather than deal with the questions and the concerns that Canadians have we have had a Government which has resorted to insult. Most sadly, it has resorted to insult in the case of the Prime Minister (Mr. Mulroney) who should be above that. Yet, in March in Penticton, British Columbia, during one of a series of speeches on free trade, the Prime Minister talked about the timorous, insecure and fretful opponents of free trade. He has talked about those who want to build a Great Wall of China around this country. He has talked about the neo-reactionaries, the

prophets of protectionism and the apostles of the *status quo*. The illustrious Minister of International Trade (Mr. Kelleher) has added to that kind of insult by saying that we are gutless.

• (1240)

Let me say that there is nothing in those insults except a recognition that the Government is not prepared to debate substance, but only to take recourse to empty rhetoric. Why is that happening? It is happening very clearly because opposition to free trade with the United States has been growing by leaps and bounds in this country.

The most recent polls show that 40 per cent of Canadians believe that there will be greater unemployment after a free trade agreement, compared to only 38 per cent who think there will be more employment. Despite the Government's propaganda efforts, despite the Government's speeches and insults, Canadians are recognizing the fallacies in its argument and their support for this crazy thrust is falling. This opposition is not only shown in the polls but in forums, such as public forums across Ontario where people have pointedly attacked the very suppositions of the Government's free trade move.

An Hon. Member: Tell us about Lethbridge.

Mr. Langdon: Tell you about Lethbridge? I just came back from Lethbridge where most young people at that university were starting to express very serious scepticism. I can also tell you about the sugar-beet farmers in Lethbridge who felt and still believe very strongly that their interests are not being protected and that a free trade agreement will prevent the implementation of policy measures which will make it possible for their concerns to be met.

We can talk about British Columbia from which I recently returned after another speech. Again, opinion is growing that free trade will result in the sacrifice of the interest of resource producers to the United States. That is the opinion we are hearing more often from people on Vancouver Island and people in the interior.

Not only have we heard this opposition expressed at public meetings and public forums, we have seen the formation of a national network for trade fairness, which includes organizations and groups representing over 8 million Canadians. They met in Ottawa in February and expressed serious questions about the secrecy, lack of consultation and lack of openness with respect to the job disruption that may take place.

Opposition to free trade is also being expressed by other groups across the country, such as the boat manufacturers who met in Ottawa last week, and book publishers and magazine publishers who have strongly expressed their scepticism about what is taking place. There are groups like the National Farmers' Union and the National Action Committee on the Status of Women which recognizes that the major disruption and cost will be borne by women in traditional industries as those industries are disrupted.

Besides this sense of growing opposition, there is also a feeling that the Government has sabotaged each of the key arguments it has made to support its position. This includes such simple examples as the Government saying it is not talking about free trade but trade enhancement. I could quote from the U.S. Trade Commissioner who spoke to the House of Representatives just a few weeks ago. He made it very clear that what was at issue was: "A free trade arrangement with Canada just like the free trade arrangement with Israel." We are talking about free trade, so let us not have any more nonsense about trying to camouflage that.

The Conservatives also argue that we will somehow magically escape the protectionism of the United States by signing a free trade arrangement with them, creeping in under the continentalism umbrella and thereby achieve freedom from such major American instruments of protectionism as the International Trade Commission. The American official who is in charge of the negotiations with Canada says that there is almost no chance that Congress will approve a trade treaty that eliminates the U.S. process of applying countervailing duties on imported Canadian products when it appears to regulators in the United States that the Canadian goods are somehow subsidized.

The very real problems we face now with respect to our lumber producers, fish producers, hog producers and strawberry producers we will face after any trade agreement is signed because the countervail provisions will definitely remain and continue to be a barrier that United States producers will use to counter Canadian products.

When we talk about lumber in particular, we not only have the recent words of Senator Packwood, who has shown his power this morning, but Senators from a wide variety of other states who have put it to us very bluntly that if Canada wants a free trade agreement it will have to sign an agreement on lumber imports that in fact reduces the lumber exports that we make to the United States. The irony is that free trade with the United States actually concerns cutting back our ability to export despite the investments and improvements we have made to our lumber industry in western Canada.

Even the National Association of Manufacturers in the United States is saying there is only one condition under which a free trade agreement with Canada would be acceptable. That is, a fixed exchange rate which would give our manufacturers a very difficult problem to face. In fact, it would actually force many of those manufacturers into opposition to free trade.

• (1250)

Beyond the demolition of the Conservative arguments on the issue, what else has taken place? I think Canadians have learned that there are some tremendous costs we would face from free trade. First, there would be job disruption. It has been estimated by the Government itself that close to 800,000 jobs would be disrupted. The Minister of Employment and Immigration (Miss MacDonald) who sits opposite knows that we do not yet have the kinds of instruments which could cope

with a disruption on that scale, which would help to transfer people from one job to another to make up for that disruption.

We have also learned that free trade means a tremendous loss of policy freedom for us as a country, not just to do something for sugar-beet producers in Lethbridge but to do something for our fishermen on the East Coast. From that lack of freedom, lack of political freedom will follow and I think we will see a slide away from the independence of this country which young people and ordinary Canadians are simply not prepared to countenance.

There is an alternative to this free trade cop-out. It is an alternative which puts the stress on community development, which talks about cutting taxes instead of raising them, as this Government has done, in order to get the dynamism working in Canada and our economy going. It is an alternative which finds an industrial strategy, which builds on our resources in order to give us jobs for the future. But that kind of imaginative alternative will only follow if we abandon this foolish, dangerous, potentially destructive and certainly incompetently organized thrust toward free trade with the United States.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity to join in debate on third reading of Bill C-99, an Act to provide borrowing authority. More specifically, it is an Act to provide the authority to the Minister of Finance (Mr. Wilson) and the Government to borrow moneys not exceeding $22.6 billion, as may be required for public works and general purposes. We have here a proposal to borrow a substantial amount of money in order to ensure that the federal Government will have the funds required to cover the shortfall in revenues which the Government clearly expects will occur during the 1986-87 year.

The points I would like to explore in my comments this afternoon are threefold. I would like to consider why there will be this shortfall, because the question of what attitude we have toward the need to borrow is certainly coloured by the reasons for a shortfall in revenue which forces the Government to this particular expendient. I want to consider, out of my explanation for this shortfall what some of the consequences are for the Canadian people because the Government is forced to continue the borrowing patterns which Governments have followed for some time. Third, I would like to offer some observations on what Government should be doing, following on the changes which are needed to deal with the consequences, with the moneys it wants us to give it authority to borrow.

I may say that I am pleased to see this number of Hon. Members in the House this afternoon. It is a Friday afternoon and we sometimes worry about the number in attendance. I am really pleased to see the number of Hon. Members here today because we have had some abominable attendance here this week. I called for a quorum count during the debate on Bill C-91, following a period during which I was counting nine and ten Hon. Members on the Government benches. While we were debating another measure yesterday something of that sort began to appear as well, but then the number of Hon. Members picked up.

Mr. MacDougall: Mr. Speaker, I rise on a point of order. I do not believe the Hon. Member should refer to debates from previous days and the numbers of Hon. Members in the House. I think that should be withdrawn.

Mr. Deputy Speaker: The Hon. Member is not referring specifically to the absence or presence of specific Hon. Members. However, I would ask the Hon. Member to be relevant to the Bill, please.

Mr. Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker. I am pleased to see we are all here this afternoon in good number to consider this important measure to which I would like to address some observations.

The first question is why the Government expects to experience this shortfall in revenue which forces it to borrow more than $20 billion for various purposes. The shortfall is surely not the result of individual lower and middle-income Canadians not paying enough in taxes. I do not believe anyone on the Government benches would argue that individual lower and middle-income Canadians are not already paying enough in taxes. In fact, there have been such large increases in taxation in these areas that one would think the need to borrow would be quite removed, given what the Government has done. There have been increases in sales tax. First, we had the approval in the fall of 1984 for the proposed increase which the Liberals had in mind during the last Government. Then we had an additional percentage point of tax put on, and still one more increase. We have had increases in excise taxes in various areas and extensions of sales taxes in areas which were not previously touched by tax. There was then the decision to end the indexation which applied to income taxes, which had the effect of increasing taxes. Now we have a 3 per cent surtax on incomes of individual Canadians. I am sure that my Conservative colleagues opposite, who regard themselves as such defenders of individual Canadians, would concede that this Government has socked taxation to individuals in a very serious way.

The measure of that burden, which the Minister of Finance (Mr. Wilson) has not seriously disputed, although he has quibbled about other things, is that the Government has increased the taxation on the average family by something over $1,300 a year. This is a heavy and shameful burden to put on individual Canadians at a time when slower economic activity, which is basic to the shortfall, should have called for tax reduction rather than tax increase in order that there could be more business done in our communities.

Obviously, if it is not reduced taxation on individuals which is the cause, there must be some other reason why this shortfall occurred. It surely must have a great deal to do with the fact that the Government has found ways of providing breaks in other areas. I think the most outrageous taxbreak coming from

the Minister of Finance is the proposal for a $500,000 capital gains tax holiday. If that proposal had related to investments in this country there could conceivably have been some argument made for it. However, to have it represent investments which could be made anywhere in the world makes it an invalid action.

I see it is one o'clock, Mr. Speaker, and I give up my position.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at 1 p.m. the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) had the floor. Since the Hon. Member is not here, debate will be resumed with the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I can see that my fellow Members are anxious to vote. They are restless. I know it is Friday afternoon, but I have a few comments to make on this very important Bill which, after all, involves a very substantial sum of money and is aimed at giving the Governmentt the authority to borrow up to $22.6 billion, as may be required for public works and general purposes.

Mr. Speaker, we on this side of the House are of course prepared to comment on those "general purposes", which can mean just about any thing, and you will understand that I want to take this opportunity to address a matter that is very important to me, and I am referring to the way this Government has been treating federal public servants in particular, and the way it is proceeding with budgetary cutbacks and cuts in personnel, and the lack of sensitivity this Government has shown vis-à-vis its public servants, and I may add, Mr. Speaker, that the situation is pretty disastrous in the riding I represent, the riding of Ottawa-Vanier, because in Ottawa-Vanier, the Government is the main employer, which means that we have what is referred to as a company-town economy.

The federal public servants who have jobs are of course important to the secondary economy, the services sector, and these are the people I would like to consider this afternoon during the few moments I have at my disposal. I want to say how worried they are and how, lately, their morale has been a major cause for concern.

Mr. Speaker, before addressing this very important subject, namely the future of our public servants, budgetary cutbacks and cutbacks in personnel, I may remind the House that this Bill proposes to borrow $22.6 billion, on assumptions that are somewhat shaky if not totally unsound. We know that the Government is forecasting a rate of interest of 9.5 per cent for 1986 and that it stood at about 11 per cent until yesterday. Admittedly it had gone down. The Bank of Canada rate for 90-day commercial papers dropped sharply by 0.8 per cent yesterday, which is an encouraging trend. But in light of the Government's own forecasts or theories, interest rates will have to fall much more if they are to average 9.5 per cent over the coming year. Therefore I suggest we cannot hope the rate to remain stable at 9.5 per cent, although I wish we could. We know that every plus or minus percentage point fluctuation would signal a $1 billion-odd change in the deficit. A 1 per cent change, Mr. Speaker, and we are looking at one thousand million dollars, and that is a lot of money.

Incidentally, earlier today during lunch hour I went to the University of Ottawa to address political science students, and some of them asked me: Just what do $22 billion represent? If we put $100 bills one on top of another we will end up with a spectacular high-rise structure. If we line them up one after another we will have miles and miles of $100 bills. I tried to imagine what $22 billion represent in terms of quantity. Mr. Speaker, it is the kind of money which you and I could not spend, not even the daily interest. Although we may have discriminating taste and know how to live, you and I would find it difficult to spend that money in our cities, on our respective families.

Mr. Speaker, the Government assumes also that the prices for U.S. oil will average $22.50 a barrel by the end of 1986. Again, its estimates are faulty, because everybody knows that the price of oil today is closer to $12 than $22 a barrel. If the Government, therefore, assumes that the price of oil will average $22.50 a barrel in 1986, when we know that it will be almost impossible to reach, maintain and keep this average, the Government will have to suffer the consequence of this faulty assumption, for it will have to raise taxes to cover the $110 million difference that has to be accounted for with every dollar of error in the projections.

In his Budget, the Minister of Finance (Mr. Wilson) had foreseen a 7 per cent business investment growth in 1986. Well, according to the most recent survey carried out by Statistics Canada concerning their investment programs this year, Canadian Corporations are planning to invest only 2.5 per cent more than last year. Moreover, the Minister of Finance had foreseen an increase of 6 per cent in new housing start investments, while Statistics Canada is contemplating a 1.9 per cent decrease in real terms.

Mr. Speaker, the three major assumptions to consider when the time comes to borrow money on a budgetary basis, as I said, are the interest rates, the price of oil and the level of investments. For the Government to have any credibility, it will have to reconsider these assumptions, because as far as we can judge, the three of them are faulty, if not outright wrong.

I come now to my main topic, Mr. Speaker, and again I suggest that I could not be accused of making irrelevant

comments, because they deal with this Bill to borrow $22.6 billion for general purposes. We all know that the Government is spending money to pay its civil servants. Therefore, it has to borrow money and use part of it to pay the hard-earned salaries of our Federal civil servants.

• (1410)

[*English*]

I should like to address this question by referring to a recent study which took place in my riding of Ottawa—Vanier. Basically, the workers of my riding are employed by the Public Service and service industries. It does not have a very high family income group; in fact, it has the lowest in the Ottawa area. However, we are very proud of the fact that we represent one of the oldest areas of Ottawa. Its housing stock is of good quality. Over the years the previous Government showed its interest in that, and we have improved the housing stock over the last 12 years or 13 years. There is still a lot of work to be done. The study was of the impact on the Ottawa area of budget cuts, especially personnel cuts or cuts in the Public Service. I should like to refer to that study because it is a disturbing indication of trouble ahead for the Ottawa community.

I know it is not very popular outside this community to speak about Public Servants and how important they are. However, in this area there are 90,000 public servants who serve the country to the best of their ability. Presently they are being whipped around by certain groups, certain people and sometimes by the Government. They are being used as a whipping boy for the deficit of the Government, and I think unjustly so. No argument has convinced me as yet that cutting into the administrative costs of the Public Service will have much of an impact on a deficit of some $25 billion to $30 billion. A third of Canada's public servants work in the national capital region or, as I said, almost 90,000 of them. Of course I include in this number those who fall under the Public Service Employment Act and those who work for Canada Post, the RCMP, National Defence—and I see the Associate Minister of National Defence (Mr. Andre) here this afternoon—and Crown corporations in the Ottawa area. Therefore they constitute an important section of the labour force.

Further, a great many Ottawa—Hull residents are engaged by the federal Government on a contract basis and draw incomes from those services. There are approximately 85,000 public servants *per se*, if we exclude all the others I have just mentioned. In any event they represent 20 per cent of the Ottawa—Hull workforce. If major cuts are made in the Government, employment in the Ottawa—Hull area is seriously affected. It results in a difficult situation.

For the residents of my riding the prospects are especially cloudy. I will show in my remarks that a significant number of people are facing lay-off at this time, basically because they are middle management, support staff or in administrative services. Furthermore, I will attempt to show, if I have the time, how difficult it is to be a young Canadian living in my riding today, expecting to follow a possible career in the Public Service of Canada and realizing that the chances of obtaining a job in the Public Service, directly or indirectly, in the Ottawa area are very meagre. I accept the one-company town approach in the Ottawa-Vanier community, but when a major employer cuts 5,000 jobs, when there is a paring back of personnel, the effect is felt by those in the modest income group.

Approximately 20 per cent of my families are single-parent families, mostly women who are earning their keep, trying to make a living and in many cases sustaining families. They are faced with a difficult situation. The Conservative Government announcement of a reduction in the Public Service did not come as a surprise to me or to them. As a matter of fact, I cannot be blamed for voting Conservative. In my riding they did not vote that way either. They knew better because in 1979 we were threatened with 60,000 cuts. If I had the time this afternoon, I would prove that again we are facing a Government which has not forgotten the 60,000 cuts. There were 15,000 cuts in the May 1984 Budget. There were 15,000 cuts affecting those who are not under the control of the Treasury Board. There was another reduction in the growth of 1 per cent per year which we in the Ottawa community had experienced over the years. It is logical that because we had a growing population in Canada we took it that the Government would be responsive to that growth with increased services, but that has not been the case. A further cut was also announced in the Nielsen task force.

Mr. Daubney: Nonsense.

Mr. Gauthier: I hear the Hon. Member for Ottawa West (Mr. Daubney) saying "nonsense". Mr. Aspinall was quoted in *The Citizen*. I do not have the article here, but I could send it to the Hon. Member. If he reads the newspaper he will find that Mr. Aspinall said that those 15,000 cuts were not necessarily the bottom line, meaning that there could be similar cuts, which possibly means another 15,000. I understood it that way. The press understood it that way. If the Hon. Member for Ottawa West did not understand it that way, I wish he would rise to explain what Mr. Aspinall meant.

Mr. Weiner: Which riding does he represent?

Mr. Gauthier: That question comes from the Parliamentary Secretary. Mr. Aspinall was on the Nielsen task force which looked into all these problems, and I thought that he had knowledge of the subject and some understanding of the issue.

Let us return to the main subject at hand, what these cuts mean and why they are aimed at public servants. The cuts are aimed squarely at those public servants hired under the Public Service Employment Act, those directly under the control of the Treasury Board. That groups represented 40 per cent of all federal Government employees in 1981. Also the Government announced, on top of those cuts that "similar reductions will be made to the salary budgets of those departments and agencies whose person-years are not controlled by Treasury Board".

In addition to this are the employees on short-term contracts. Their contracts are not likely to be renewed. We knew that. That was the first thing done. Contracts were not supposed to be renewed. Term employees were supposed to be let go, and we were supposed to have a freeze in the Public Service. I should like to illustrate the potential for further cutbacks. The number of term employees in 1984 ranged from 10,130 to 19,975. The cuts in the public service employment will be much greater than the 15,000. I wonder what the Member for Ottawa West (Mr. Daubney) is going to tell his term employees. I am sure he has some sympathy for those people who have been on term employment with the Government. There are 10,000 to 19,000 people on term employment who are going to be told: "Sorry, we have no more work for you. Too bad. We don't need your services". It is a catastrophic situation. It is a key issue in this area. It is an issue which, if this Government does not address it seriously within a few months, will become a difficult economic situation for all of us in Ottawa-Hull and the national capital region.

• (1420)

Our housing starts are down. The hotels are complaining that their rates of occupancy are way down to 30 per cent from the 70 per cent they used to enjoy. The restaurant trade is going out of business. Why, Mr. Speaker? Because the Government has made Ottawa-Hull the target for the cuts and has made it so that the confidence of people living in this area has now been lowered to pretty well despair. They do not know how they will be able to buy a home, take their families out to a restaurant or make purchases in the stores. The department stores sales are also going down. The economy of the Ottawa area is pretty well near a critical stage in their history.

I see that you are indicating I have one minute left, Mr. Speaker. I regret that, but I will have other occasions to refer to this matter. Let me say that I cannot possibly stop the Government from borrowing $22.6 billion. I do not think I would want to anyway, because if it wants to borrow that is up to the Government. I do not think we would quarrel with that. It is the way the Government is going to spend the money that we are going to look at very carefully. The way the Government is managing the economy right now, as far as public servants are concerned, is a disaster, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Regina West (Mr. Benjamin).

Miss Nicholson: I have a question, Mr. Speaker.

Mr. Benjamin: Mr. Speaker, when I spoke on this Bill at second reading—

Mr. Deputy Speaker: Order, please. I regret that I forgot we have a question and comment period. The Hon. Member for Trinity (Miss Nicholson).

Miss Nicholson: Mr. Speaker, the Hon. Member, my colleague, who has just spoken, referred to the hopes and the prospects of young people. Would the Member care to comment on the Government's plan to reduce transfers for post-secondary education and how he sees this affecting equality of opportunity for young people?

Although there is no mention in the last budget speech of these planned reductions, they were dealt with in previous statements of the Government. In a different budget paper, the one prepared for overseas consumption, we find this statement: "The rate of increase of federal transfers to provincial governments for health care and post-secondary education has been reduced". In relation to the Hon. Member's previous comments about youth, would he care to expand on this?

Mr. Gauthier: Mr. Speaker, I thank the Hon. Member for Trinity (Miss Nicholson) for her question. It gives me the opportunity to tell her, as I said at the beginning of my remarks, that I spent my lunch hour at the University of Ottawa meeting with some of my constituents, and also talking to some second year students of political science. That question is uppermost in their minds and it impacts directly on the costs of their education. It is a difficult matter to try to explain in terms of what the federal Government's role is in education, because of the constitutional jurisdiction with which we are faced.

It is a fact that we, the federal Government, pay 50 per cent of post-secondary education. At least that is the principle. The provinces pick up the rest of the tab with the parents or the students. I find it completely unacceptable that the Government, in times when our youth is experiencing difficulty, is cutting funding to the provinces. We are told we could have up to 600,000, possibly 700,000 youth unemployed.

I am not quoting figures that are foreign to this House. It has been said before in this House that there are a lot of others who are not counted because they are discouraged. I happen to have a university, a post-secondary institution and seven high schools in my riding. Many students are very worried about the future, very much concerned with this policy of the Government not giving to the provinces the required funds to support education.

Mr. Daubney: Mr. Speaker, I did not hear the entire speech of my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) but I did hear the last five minutes. I must say I was disappointed at some of the remarks he made. I have always had a very high regard for the Member. I think his remarks lacked perspective and balance. He made a couple of references to 60,000 public servants losing their jobs, going back to the 1979 scare tactics of the Liberal Party. It is the same kind of scare mongering he is entering into now, and that is very unfortunate.

Mr. Isabelle: What about R.B. Bennett? Go back to R.B. Bennett.

Mr. Daubney: If we look at the history of the Liberal Party in power there have been significant lay-offs year after year after year of indeterminate employees in the public service.

The President of the Treasury Board (Mr. de Cotret) has stated in this House and outside that 15,000 person years, not individuals, but person years is the sum total of the reductions over the five fiscal years involved in this program, despite the recommendations—whether they are accepted or not and obviously not all of them will be—of the Nielsen task force. I think it is highly irresponsible of the Member to say otherwise.

We have a serious situation in the City of Ottawa. As a local Member of Parliament on the Government side, I am doing my best, as are my colleagues on the Government side on both sides of the river, to deal with the particular situations of hardship of those employees who have received lay-off notices. The President of the Treasury Board has introduced a very attractive Workplace Adjustment Program, much more attractive than that under the previous Government. A longer period of notice will be given, training services and counselling services are provided. People are being placed in other jobs in the Government. We hope to reduce the 15,000 person years by attrition. Attrition is the key word, Mr. Speaker, and that process is working.

In terms of natural attrition in the Public Service, some years it has been as high as 10,000, certainly well in excess of 5,000, the highest in the five year program, in this fiscal year. In subsequent years it will be 2,000. That is right across Canada, not just in the nation's capital. I think it highly inaccurate and irresponsible for the Member from Ottawa—Vanier to imply otherwise.

May I say in closing that some of us want to do something about diversifying the local economy here. That is why I and other members of the Conservative Party are encouraging high technology development. That is why we are encouraging small business so we will not be as reliant as we have been in the past; and be a industry town.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Mr. Speaker, there is enough comment from the Hon. Member for Ottawa West (Mr. Daubney) for me to make a speech on. That comes from a Member who spoke about diversification to this Member, who over the years in the high-tech industry is well known to have done his utmost to try to create whatever could be created and supported high-tech in the Ottawa area. Let me say that I do not have to take any lessons from him.

On the question—

[*Translation*]

Mr. Speaker, as concerns the issue of reassignments and growth in the Public Service, I can give you the data since 1980—

[*English*]

I have it here. Agencies under Treasury Board control experienced annual employment growth rates of 1 per cent from 1976 to 1981 and 1.5 per cent from 1981 to 1983. That is not cut-back, as the Member said. That is growth. He is cutting them back. Agencies not under Treasury Board control experience annual growth employment rates of 6 per cent, Mr. Speaker. I want to talk about—

[*Translation*]

—the matter of the reassignment of surplus employees.

Mr. Speaker, recently, 265 maintenance workers at the Department of Public Works were designated as surplus to requirements, but only 15 of them were reassigned to other positions. Yes, only 15 people! This clearly shows that the policy of this Government is completely bankrupt, unreasonable and ineffective. Reassignment of surplus workers does not work, Mr. Speaker, it is—

Mr. Isabelle: It is worthy of R.B. Bennett.

Mr. Gauthier: Yes, as the Hon. Member for Hull—Aylmer (Mr. Isabelle) points out, it is worthy of R.B. Bennett

I see the Hon. Member for Gatineau (Mrs. Mailly) who is smiling and making gestures to say: Again, for heaven's sake! Would you like to rise and to make a nice little speech? Perhaps we would learn something about Gatineau if you spoke more often, Madam.

Mr. Speaker, I would simply like to remind the House that the Public Service Alliance, and I shall close with these comments ... Jean-Robert Gauthier, Member for Ottawa—Vanier, and many people in the National Capital region do not believe this Government. It has lost all credibility. The figure of 60,000 which I have mentioned and which we are anticipating will be the result of this bankrupt policy, and it is based on an announcement of 15,000 jobs lost and a similar announcement of another 15,000 jobs lost, which makes 30,000, and the 1 to 1.5 per cent normal increase over the next five years, which makes a total of 60,000 jobs which will disappear in addition to the casual workers and term employees.

• (1430)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I find it amusing to see Liberals and Conservatives taking turns doing the same things, and then taking turns criticizing one another for what the other did. There is nothing new about that. It goes back to before 1867. I find it amusing to hear the kettles calling the pots black about the economic situation which the country is in.

When I spoke on the second reading debate I urged the Government to borrow an extra $1 billion to $3 billion through this Bill as a constructive, self-liquidating part of the deficit rather than the dead-weight deficit which we have. The Conservatives and Liberals conveniently forget that 80 per cent of the deficit is comprised of interest being paid on interest to pay off old borrowings. Eighty per cent of that is money which was lent by individual Canadians, pension funds, brokerage firms, and banks. They buy Canada Savings Bonds

and Treasury Bills. Every year a large portion of the funds which the Government seeks to borrow is to be used to obtain funds by way of Treasury Bills, Canada Savings Bonds, and so on, to pay off previous Treasury Bills, Guaranteed Investment Certificates, and Canada Savings Bonds. We keep going in the same circle.

I am all in favour of paying our bills. The most conservative economists in the country tell us that if we reduce unemployment to 6 or 6.5 per cent and get companies producing, the present deficit would be paid off in three years. That can be done through leadership by Government. An additional $1 billion should be put into housing. There are waiting lists as long as your arm in every city in the country for chronic care beds, senior citizen housing, and hospital beds.

Increased expenditures in the housing industry would impact the forest industry, the people who manufacture drapes, carpets, plumbing fixtures, wiring, and the construction industry. It would impact upon the entire economy. That gives a lead for the private and co-operative sector to do likewise. Without that lead they will not do it. They never have, and they never will.

The deficit of the Government of Canada in today's dollars in 1933 was twice as high as it is now. The deficit at the end of World War II in today's dollars was three times as high as it is now. We had to rebuild a civilian economy following a war time economy. We put people to work and the deficit was paid off by the late 1950s.

At second reading I urged the Government to borrow an extra $1 billion for housing for senior citizens and low-income families, for public, co-operative, and private housing, and for hospitals and chronic care beds. I urge the Government to borrow at least $200 million or $300 million this year, to put up to one-quarter of a million young people to work over the next five years cleaning up our air and water. We have no right, as a nation, to leave the mess which we are leaving for succeeding generations. Who do we think we are? We hold our air, waters, and environment in trust for our children and grandchildren.

I call those kinds of borrowings a constructive deficit, a self-liquidating debt, rather than the dead-weight debt with which we are continually afflicted. We can borrow money for fighter planes, but we seem to have difficulty borrowing it for food. I am not suggesting that we should be defenceless, but we borrow money for fighter planes which are of no use to us. We should be buying planes for their transport capability in our Armed Forces, rather than for fighter planes. However, that is another argument.

The point is that it is a matter of priority. Surely the production of food should have an equal, if not greater, priority than borrowing for fighter planes. Fighter planes came to my mind because the Minister of State for Defence (Mr. Andre) is here. If another Minister had been here, something else may have come to my mind. It is a question of priority when a Government at any level borrows.

That brings me to the subject of food. During the last number of days we have heard much about what is occurring in the international grain market. The Prime Minister (Mr. Mulroney), the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer), and the Minister of Agriculture (Mr. Wise) have, in effect, told Canadian grain producers in all provinces that they not only have to compete in the so-called free and open domestic market for lower prices, but that they also have to compete by themselves against the treasury of the United States and the treasury of the European Economic Community.

I listened to the responses of the Minister of State responsible for the Canadian Wheat Board in which he said that $1.47 billion has been spent directly and indirectly to benefit agriculture. That is true, but all of those payments are for things which happened in past years. Payments to the railroads under the Western Grain Transportation Act are not just for the benefit of grain producers. Those payments benefit every producer and manufacturer who ships anything by rail from Winnipeg to the West Coast. It is unfair to prairie farmers to call that a payment to western grain producers when the improvement of the infrastructure of our railway system in western Canada benefits all shippers and receivers.

• (1440)

Yet the finger is continually pointed at the grain producer. This is a $650 million subsidy and the Government has the unmitgrated gall to add that to the amount it says is being paid out as a benefit to farmers. If we did not produce a single bushel of grain starting tomorrow, those railway lines would still have to be fixed up to haul all the other commodities. Grain occupies only 14 per cent of the capacity of those main lines into Vancouver through Calgary and Winnipeg. Yet the finger is always pointed at the farmer. Look at him, they say he is getting $650 million to haul grain. The name of the Western Grain Transportation Act is a misnomer. It should be the Western Transportation Act because it is not just for grain, it is for all other commodities. It was and is recognized that the two railways, one public and one privately-owned, cannot separately or together generate enough capital to upgrade and modernize their plant on their own. They require public financing. There are no ifs, ands or buts about it. It would not matter what party is in power, that is what would have to be done. I find it extremely unfair that the Government would count that as some kind of subsidy to grain producers when it is meant to upgrade our railway transportation system in western Canada for all shippers, receivers and producers.

Another $1 billion in the form of a self-liquidating debt should be added to this Bill by way of a deficiency payment for grain producers in western Canada. I described earlier how this and previous Governments, Liberal or Tory, going back long before the Canadian Wheat Board existed, expected individual farmers to compete with the treasuries of nations which were much larger than Canada. I find it strange that the U.S., the European Economic Community, Australia and the

Argentine go to extraordinary lengths to make sure their grain producers can compete on a reasonable and equitable basis in world markets, but we do not.

Surely it is long past time that this nation as a whole share in the cost of making our agricultural producers able to compete with those other nations. If the U.S. support prices are somewhere in the order of $5.50 or $6 a bushel, and they and the EEC are selling wheat in the international market at from $2.50 to $3.50 a bushel, while Canadian producers, given the announcement on initial prices, will get about $3 a bushel. While their competitors are getting an additional two or three dollars a bushel from their respective Governments or economic organization, every single one of our farmers is expected to compete with that and lose money while raising grain. Everyone recognizes that the cost of production of a bushel of grain at the moment exceeds its selling price. I am sure my hon. friend from Red Deer could give us chapter and verse of individual and classic instances of that.

The Government says that payments under the Western Grain Stabilization Act will be announced on Monday. Unless I miss my guess, that will likely put the fund in a deficit position. Fair enough. It makes no difference under the legislation whether the fund is in surplus or deficit. The Government can and will at its whim make payments out of the fund. It is the farmers' money, including the two-thirds portion which the Government put in. I suppose in some respects it is something like a pension fund, only this is an income stabilization fund. However, it is their money. Yet the Government suggests that this is some kind of free gift or hand-out when the law of the land requires that the fund make payments whenever prices fall below a certain amount. It is the farmers' money. They kicked in hundreds of millions of dollars. It has nothing to do with what is happening today or for the rest of this crop year or the next crop year. It is because of their experience over the past year. That is why a deficiency payment is required at a minimum of $2 a bushel for all export grain. We need a two-price system. The presumed domestic grain should be at parity prices. It was Mr. Diefenbaker in the 1940s and 1950s, along with the CCF, who said: "We need parity, not charity".

The other bad thing about the Western Grain Transportation Act is the way it is set up. My friends from the Conservative Party were with me when we fought Otto Lang to a dead stop on his first grain stabilization Bill. We went to court, myself and four farmers, and won $100 million for western grain producers. We forced him to withdraw his first Bill. He then brought in a second one, the one we have now. Well, Sir, the trouble with it is that the farmer who sells the most grain gets the highest payment.

We could not figure that out in the early and middle 1970s either. We said to the Government that if it ran the national hospital and medicare Acts on the same basis, once illness passed a certain level it would trigger a payment from a national health fund, and the person who was not sick a day in their lives would get the highest payment. If you were to set up the Unemployment Insurance Act on the same principle and unemployment passed a certain level, which would trigger a payment from the UIC fund, the fellow who worked full-time would get the highest payment. That has been on the statute books of this country for these past 10 years or so on grain stabilization. Aside from that, it is still the farmers' money and it is designed for income stabilization over the previous year.

What is needed is a deficiency payment which provides a minimum of $2 or $2.50 a bushel for export grain. That means grain producers get the same price as their counterparts in the U.S. or the EEC. Now what could be fairer than that? That places our farmers on what Tories like to call a level playing field. Surely that is the least we can do as a nation. If you pay a parity price for domestically consumed grains it may well mean a three, four, five-cent increase in the price of a loaf of bread. Grain prices have been falling every damn year for the last five years and bread prices did not go down, they went up.

• (1450)

Even if there are legitimate increases in the price of a loaf of bread that is not the time to talk about subsidies to farmers, that is the time to talk about a subsidy to consumers, for the poor and the sick. That is the time you pay a consumer subsidy, whether it is by way of food stamps or through the income tax system or whatever.

Surely to goodness if we are going to keep western grain producers, those in central and eastern Canada, the Peace River country of British Columbia as well, if we are going to prevent any more of them from going out of business, a deficiency payment is the only way, and the only way to answer what the United States Farm Bill and what the European Economic Community is doing to us.

Even the Government of Argentina for the last several years has not charged their farmers anything by way of freight charges to ship grain to export position. Admittedly they do not have to ship it more than a couple of hundred miles at the most and we have to move ours, on the average, a thousand miles. Australia produces its grain, 90 per cent of it, within 200 miles of salt water. We are in the middle of the northern part of the North American continent. To expect our agricultural producers, not only of grain but livestock and other products, with that kind of geographical disadvantage to compete on an even basis with the United States or the other exporting countries is not only obscene and harmful to the national interests, it is totally unfair to our agricultural producers.

Therefore, if the Government can get up now and say that it will increase that borrowing bill from $22.6 billion to $24.6 billion, and a billion of it goes into housing and cleaning up our environment and a billion of it goes into agriculture, they will have the support of everybody in the House and the nation as a whole. I believe Canadians know that all of us together—it is called co-operative federalism—have to share in the cost of being a nation in which all of us are treated fairly and equitably.

Mr. Speaker: Are there any questions or comments? The Hon. Member for Trinity (Miss Nicholson).

Miss Aideen Nicholson (Trinity): Mr. Speaker, as one who represents an urban riding it is always of particular interest to hear the problems of the wheat producing area described by a veteran Member who knows that area, has represented it very well and understands the issues. I would like to ask the Hon. Member who has, in fact, suggested some additional expenditures for the Government at this time, whether he is in favour of some kind of bond issue for farmers who are in particular difficulties at this time, e.g. the agri-bond that was part of the Conservative political platform in the last election?

Mr. Benjamin: Mr. Speaker, I thank the lady for her kind and complimentary remarks. I have one problem with it though; whenever a Conservative or Liberal does that I wonder what it was that I said that was wrong. It is like getting a favourable editorial in the *Leader Post*; I must have done something wrong. I do thank the lady for her remarks. Not knowing too much if anything, about it, I think the idea of agri-bonds is sort of a desperation gasp, a last gasp effort put forward as some way or mechanism of helping the agricultural community. That does nothing more than increase debt cost on the Government which in turn will pass those costs on to taxpayers without having really solved the problem, not only of income equity, but income stability of the agricultural community. I am not suggesting I am opposed to them. If they are put forward in some concrete legislation my colleagues and I—my colleague from Humboldt-Lake Centre (Mr. Althouse) is much more expert on that than I am—would be prepared to look at them with some consideration, sympathy and objectivity. I cannot say that we might end up agreeing. If it were to help the agricultural community in a positive manner then okay. It is like a rabbit track that runs off on a side direction, and really still does not deal with the point I just made about the stability of income, and being in a position to compete with grain producers in other countries, what is the point?

Miss Nicholson (Trinity): Mr. Speaker, it seems clear in the House those of us who represent central Canada really have to be very much more concerned with the difficulties of grain producers than at any other time, because quite clearly the international pressures are worse than they have been in many years. Recognizing that, has the Hon. Member any suggestions on how to make Canadians in general more aware of the need for greater sharing, and possibly for remedial programs for western Canadians?

Mr. Benjamin: Mr. Speaker, I thank the Hon. Member. That is a good question. I thought we had made some headway in that regard. I remind the Hon. Member, and the Government House Leader will recognize too, that during the debate on the abolition of the Crow's Nest Pass rate I was very pleased and proud of the fact that members from my Party, from British Columbia and Ontario got up and spoke two, three, four times to fight to preserve the Crow rate for western grain producers, as did members of the Conservative Party from eastern and western Canada. I know there was some sympathy from Members of the Government side at that time for that same thing. I do not think for one moment that the people in downtown Toronto, or Montreal, or Vancouver would oppose for one moment any kind of a measure that would provide equitable treatment for their fellow citizens in other parts of the country. We never have. If there is any one thing that has made this country work as well as it has, it is the fact that we have, in many instances, by way of various kinds of programs and legislation brought in regimes that took into account our geography and our climate, where our people are located and where they produce and manufacture their goods. Whether it involved transportation subsidies or programs of other kinds in other parts of the economy, they were designed to hold this nation together, but also to keep us in the marketplace internationally. That is why I submit there is a need for a deficiency payment on grain, and from time to time it may be necessary on corn, beans, fish, barley, livestock, chicken, or for any product in respect of which our international competitors treat us unfairly. It is totally unfair to ask our agricultural producers to compete with those countries' treasuries. They are more than willing to compete with the farmers of other countries. We have tens of thousands of farmers in this country who have been more than efficient. They know how to produce efficiently. They are the best farmers in the world. However, when they are victimized by the treasuries and consortia of other nations, it is up to this country to pick up the difference so that they can compete on what the Tories like to call a level playing field.

• (1500)

Mr. Speaker: Questions or comments?

* * *

MOTION TO ADJOURN UNDER S.O. 29

LOWER GRAIN PRICES—SPEAKER'S RULING

Mr. Speaker: Before resuming debate, earlier today the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) requested an emergency debate under Standing Order 29. I deferred my decision at that time. I am now ready to rule on the matter.

Members will be aware that the House adopted an order on March 26, 1986, by unanimous consent, setting up a Special Committee on the Pricing of Domestic Wheat and its Products, with wide ranging powers, to report to the House not later than Friday, May 9, 1986. Members will also be aware that the membership for this Special Committee was struck yesterday and that the committee is organizing today.

Standing Order 29(5) states that the Chair must consider: "The probability of the matter being brought before the House within reasonable time by other means". I must therefore reject the application.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1986-87

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. Barbara McDougall: That Bill C-99, an Act to provide borrowing authority, be read the third time and passed.

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to take this opportunity to speak in the debate on Bill C-99, an Act to provide borrowing authority.

After he brought down his Budget on February 26 of this year, the Minister of Finance (Mr. Wilson) tabled a Bill asking the House for a borrowing authority of up to $22.6 billion for the financial year 1986-87. According to the Minister, that amount corresponds to the net financial requirements of the Government as estimated in its financial plan for 1986-87.

However, my conclusion is that this Bill demonstrates the Government's failure to provide leadership in conducting the economic affairs of this country. We all know how, during the election campaign, this Government accused the previous Government of putting an undue debt burden on Canadians and how the Conservatives criticized that Government's deficit. However, the present Government's request for a borrowing authority of another $22.6 billion to add to our national debt and to the Canadian Government's deficit, now means—and it is important to mention this, and one wonders whether the Conservatives were really serious when they said that the previous administration had mortgaged the future of our people, of our children, by the debts it had incurred—that at this very moment, 25 per cent of our national debt has been directly incurred by the Conservatives since they came to power, if we consider this request by the Minister of Finance and his colleague, the Minister of State for Finance (Mrs. McDougall), who are seeking the permission of the House to borrow another $22.6 billion.

We already knew how inexperienced the Minister of Finance and his colleague, the Minister of State for Finance could be, and I would even say incompetent, when we saw how they reacted to the bank crisis in this country. I have no hesitation in saying that the Minister of Finance and his colleague, the Minister of State for Finance are to blame for the way western banks have been disappearing. It is because this Government reacted the way it did and took the wrong kind of action for the wrong reasons and at the wrong time, that we had this bank crisis which, unfortunately, is continuing to have an impact week, after week, after week. We realize not only that two western banks had to file for bankruptcy but that other Canadian banking institutions are in trouble owing to the incompetence of the Government, the Minister of Finance (Mr. Wilson) and his colleague the Minister of State for Finance (Mrs. McDougall).

When I was young my parents taught me that Conservative Governments invariably meant bad news for Canadians.

[*English*]

"Tory times are always tough times".

Some Hon. Members: Oh, oh!

Mr. Ouellet: I think it is clear that those Tory back-benchers feel the pinch when I say that Tory times are tough times because their reaction is very eloquent.

Let me bring to their attention an article published by Don McGillivray in *The Citizen* which clearly indicates what I am saying. The article states:

> Richard Bedford Bennett would feel right at home in today's House of Commons. So would William Lyon Mackenzie King and James Shaver Woodsworth.
>
> Bennett was the Brian Mulroney of his time, the Tory prime minister from 1930 to 1935.
>
> King was then in the role now played by John Turner, a former Liberal prime minister reduced to leading the opposition.
>
> And Woodsworth was the 1930s' version of Ed Broadbent.
>
> All three would feel at home because the 1986 Commons is starting to sound very much like the parliaments of the Great Depression.

[*Translation*]

It seems obvious to me that we are in a bind, given all the difficulties our country is experiencing. Never in the past did Canada's banking institutions walk a tightrope, but our banking system was shaken down to its foundations with the advent of a Progressive Conservative administration. Not since the days of the Great Depression did the agricultural community have to cope with the kind of problems it faces now. Interestingly enough, in his column, Mr. McGillivray points out that we must now strike a committee to study domestic wheat prices—and the Chair has just ruled on that question.

As we know, and I quote Mr. McGillivray:

[*English*]

> And Opposition Leader John Turner opened the question period by telling Prime Minister Mulroney that the Western provinces, "already reeling from lower oil and gas prices find themselves in a wholesale crisis" because of a 19-per-cent drop in the initial grain price to be paid by the Wheat Board.
>
> When the 1930s Commons talked about inflation, it wasn't trying to find ways to fight it. It was trying to get it started, to get prices rising.

[*Translation*]

Unmistakably we are again beginning to see the signs of a great depression in Canada, very difficult times ahead for consumers, farmers, workers and retired people.

Again I emphasize that the current situation coincides with the advent of the Progressive Conservative Party in office. The similarity is too striking not to mention it. It seems clear to me that the Government has already shown its true face to the people.

Mrs. Mailly: That is why Canadians support us.

Mr. Ouellet: It has demonstrated beyond the shadow of a doubt that it has no social conscience with respect to destitute Canadians, the underprivileged in our society.

As evidence, there is a reply given by the Minister of Employment and Immigration (Miss MacDonald) yesterday to the Leader of the Opposition. The Leader of the Opposition rose in the House to ask that the Minister make the necessary adjustments to her employment program so that an organization which has been distributing food to the people most in need in Vancouver can continue to receive assistance from her department under a program aimed at creating a number of jobs in Vancouver and which, most importantly, can be useful during a period of special economic difficulty for hundreds and even thousands of poor Canadians. What did the Minister answer?

• (1510)

The Minister simply said no, that the poor in Vancouver, who were at least able to feed themselves thanks to this organization, would now have to find employment and food elsewhere because the Canadian Government has no money to help them. This shows a heartless attitude, but I am not surprised at the answer of the Minister because, a few weeks ago, I asked her department to re-establish an assistance program which used to exist in my constituency of Papineau to help senior citizens and the most destitute families. The idea was to create a number of jobs under a make-work program so that people would, once a week, bring hot meals to senior citizens living alone in Montreal apartments, or else, during the summer, to allow young people to do cleaning jobs in the homes of the poorest people, who are often very old and who do not have the health or the ability to clean their apartment properly. These programs to help the oldest and neediest among us in their own homes had existed for a number of years and they provided hundreds of jobs in the Montreal region to people who would not have found any work otherwise and also provided a very important social service to the most disadvantaged in our society. Once more, the Department of Employment and Immigration refused to maintain this program and said no to the destitute in our society.

Mr. Speaker, when we relate this to the absolutely horrendous amounts this Tory Government is handing out to the multinational oil corporations, those big corporations which were provided with information or with an interpretation of the Income Tax Act such as to avoid billions of dollars in tax payments—we are not talking about a few hundred or a few thousand dollars but about billions of dollars that were given to those big multinationals and those rich Canadian families—it is beyond me how this Tory Government can go on ignoring the weak, the underprivileged, the poor in our society.

This is a major discrepancy in the basic interpretation, the basic philosophy that we should be expecting from a Government. The Tory Government is there only to help its friends, to help the strong, the rich in our society. It does not care about the others. This is done on an on-going basis: this week, the Minister of Consumer and Corporate Affairs (Mr. Côté) tabled a competition Bill in which he completely abdicates his responsibilities for the benefit of the larger Canadian corporations, and at the expense of Canadian consumers. I am also told that very soon, according to the media and their speculations, he will be tabling in this House a Bill that will favour the multinational pharmaceutical corporations at the expense of Canadian consumers, at the expense of the aged who have to purchase drugs.

Where is the decency, where is the very basic concept of good administration? We do not want to prejudge that legislation, but certainly if the Minister has failed to secure from the multinational pharmaceutical corporations guarantees on employment, investment and price control, we will have no other choice but to oppose a bill that would be detrimental to the interests of Canadian consumers.

What I find most unfortunate in the Bill is that this Government's economic strategy does not work. The Bill now before us is the most striking evidence. Indeed, the Government wanted to regain the confidence of the financial world, of both the Canadian and the international financial communities. And one way of measuring the confidence shown by the international financial community is to look at the rate of exchange of our dollar, and also whether Canadian interest rates are stabilizing or going down. Well, the first reaction of the international financial community was not a positive one, as must be recognized. In order to regain ground, the dollar had to be supported by an absolutely unbelievable effort, a massive intervention by the Bank of Canada. And had it not been for that massive intervention, involving additional Government expenditures, our dollar would have sunk below 70 cents, which I understand has never happened in the past, in all of Canada's history. At one point, its value even fell to $0.69 U.S., a damning record for this Conservative Government which claims to be the most capable to deal with economic issues in Canada.

Although this Conservative Government can brag that interest rates went down recently in Canada, we find that interest rates on international markets are still much lower than in Canada. We need only have a look at what happened recently in Germany and what is happening now in the United States to realize that interest rates in Canada are still much too high and demonstrate the lack of credibility which the Minister of Finance (Mr. Wilson) has on international markets. The real interest rates in Canada are excessively high. Although they never exceeded 4 per cent between 1960 and 1979, they now fluctuate around 8 per cent in real terms, namely, interest rates less inflation.

This situation is suddenly very embarrassing for the Government when compared with that in the United States, where rates are 3, 4 or even 5 percentage points lower than ours, while the inflation rate is about the same.

For that matter, the gap between the interest rates in Canada and the United States is also excessive. While the difference between the lending rate of the Bank of Canada and

that of the Federal Reserve Bank of New York has traditionally been between 1 and 3 per cent in favour of the United States; as recently as in mid-March, the rate was nearly 5 per cent lower in the United States. More specifically, on March 6, 1986, the lending rate of the Bank of Canada was 11.74 per cent, while that of the Federal Reserve Bank of New York was only 7 per cent.

Clearly, this situation which cannot be explained is unacceptable. It is clear that the Conservative Government which had told business people: "Once elected, we are going to reduce the national debt and make a major effort to help the economy recover", has failed miserably. The Government is now not only responsible for 25 per cent of the whole national debt, but because of a series of incredible blunders which have cost billions of dollars, it has not delivered the goods, so that business people have now lost all confidence in the Government's ability to deal efficiently with economic issues in Canada.

• (1520)

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, the Hon. member for Papineau (Mr. Ouellet) knows perfectly well that what he just said is utter nonsense. For instance, he knows very well that the Progressive Conservative Government was not to blame for the bank failures. We had to pick up the pieces of an energy policy in the West that had been created by the Liberal Government and supported by the New Democratic Party. We picked up those pieces, and we did the best we could to protect, not the big banks and not the multinationals but the depositors, who had placed their trust in these institutions when they believed the economy was really going to take off in the West, once the Liberal Party's energy program, which had been so detrimental to the West, had been amended as it indeed was.

The Hon. Member for Papineau likes to quote a columnist whose philosophy resembles his, so I would like to draw his attention to what Jeffrey Simpson, a columnist, said in today's *Globe and Mail*, and I quote:

[*English*]

The double whammy of falling oil and grain prices could not have come at a worse time for the three Prairie provinces.

Just when oilmen had escaped from the National Energy Program—

[*Translation*]

The Liberal Party's energy program, which was supported by the Hon. Member—

[*English*]

—the international oil price tumbled. Gone were the Government's fond hopes of making energy the "engine of economic growth"—

[*Translation*]

He doesn't say it was the Conservative Party that caused the crisis. It was the circumstances that created the crisis. He goes on to say:

[*English*]

Canada's 140,000 grain farmers are also suffering. International grain prices are falling fast, and the Chicago Futures Market predicts they will go lower—perhaps much lower—

[*Translation*]

He goes on to say:

[*English*]

Ottawa, too, should continue to show the faith it exhibited in assisting the ongoing work for the heavy oil upgrader.

[*Translation*]

In other words, we have already taken steps to help the West with its problems by proceeding with the development project.

So when the Hon. Member says that the Progressive Conservative Government is the cause, in fact he knows perfectly that it is the effect, and that this Government is trying to provide ways to cope with the situation.

Furthermore, he also knows that today the bank rate is 9.33 per cent, the lowest level we have had in a long time. He also compared our situation with that of other countries.

Mr. Speaker, as you know, traditionally, the spread between interest rates in Canada and the United States has been about 2 per cent. However, during the 4-year term of the previous Liberal administration, there was a 4 per cent margin. We were 4 per cent behind the United States. We are now .33 per cent behind them. This indicates that we have taken the necessary steps.

Therefore, I say that the allegations made by the Member for Papineau really fall short of his experience in Government.

And before I conclude, I should like to make a last comment. The Member referred to a program meant to help older people at home. He knows quite well that there are provincial programs which can provide similar services and this is why as a result of an agreement between Quebec and Ottawa, the duplication of services has been reduced more specifically because we do not have enough funds to waste them as the Liberal Party has done in the past.

In conclusion, I should like to ask him a question. He says that Tory times are tough times. How is it that the Quebec Liberal Government has just adopted precisely the same guideline in the statement made by the Minister, Mr. Gobeil, in which he took exactly the same steps in the same economic areas? He has cut housing programs which he thought ineffective as we have done. He has also dealt with the deficit. Taxes will probably be increased. This is exactly the same guideline.

In short, Mr. Speaker, we have set an exemple for Quebec's Liberal Government which is intelligent enough to realize it and act accordingly.

Now could the federal Liberal Member say something in reply to that question?

Mr. Ouellet: Mr. Speaker, I will be very pleased to answer, because what that very long statement finally boils down to is two small items. The first is that the Hon. Member is trying to give herself some credit for what the Quebec Liberals are

doing, the premise being that Mr. Bourassa's Government somehow would be aping the Mulroney Government. I must point out to her that she is badly mistaken—the moves made in Quebec are quite different from those that are being forced upon all of us Canadians by this Tory Government.

Mrs. Mailly: That is absolutely not true.

Mr. Ouellet: There is a big difference looking especially at this Tory Government's prejudice in favour of the big multinational corporations—

Mrs. Mailly: Please, let us have an example.

Mr. Ouellet: —as opposed to the favourable attitude of Quebec's Liberal Government towards the most in need. The difference is so striking that one must be blind not to see it.

Secondly—

Mrs. Mailly: By cutting de-indexation.

Mr. Ouellet: I listened politely to the Hon. Member, I gave her a chance to make her long statement. I would hope that she would extend the same courtesy so I can answer without her interjecting and blowing her top.

Mrs. Mailly: Give me an answer, not a speech.

Mr. Ouellet: I am telling her that her statement showed . . . and indeed she quoted a *Globe and Mail* report that clearly illustrates my point, namely that "Tory times are always tough times". It is an obvious truth which the Hon. Member finds embarrassing, but it is true nonethless and everyone should recognize it: Since the Conservatives have been in power, things have been bad. They are bad for people in the oil industry, for the farmers, for the over 1 million workers who cannot find a job and for all the young people who still expect to find the jobs they were promised during the last electoral campaign.

Finally, I can tell her that I shall take great care to quote the sentence she used in her short intervention when she spoke about the money wasted by the Liberals for programs to help people bring food to the neediest in our society, and—

Mrs. Mailly: It was a duplication.

Mr. Ouellet: —and to have young people do cleaning jobs for the poorest families. If the Hon. Member thinks that this is a waste of money—

Mrs. Mailly: A duplication, a duplication!

Mr. Ouellet: —I am convinced that the public will judge her as she deserves.

Mrs. Mailly: Mr. Speaker, the Hon. Member for Papineau knows very well that I spoke about the duplication of programs and not about a waste of money on social programs. He also knows very well that I quoted from the article of Jeffrey Simpson who said, and rightly so, that the international situation is at the root of the problems in the oil industry and of the price of wheat. He also knows very well that, as you announced earlier, Mr. Speaker, a special committee of the House on which one of his colleagues sits will examine the domestic price of wheat, precisely because the international situation is creating problems in Canada and not the opposite.

As you can see, Mr. Speaker, even though the Hon. Member sits with the Official Opposition, he has not learned virtue. He still has a tendency to make very dramatic and political comments which are very far from the truth when all is said and done.

Mr. Ouellet: Mr. Speaker, I accept the retraction of the Hon. Member. I am aware that she realizes that she made a mistake in calling these very important social programs a waste of money. She now wants to call them a duplication.

Mrs. Mailly: Just read the blues.

Mr. Ouellet: This is quite typical of the Conservative Party, Mr. Speaker. Each time that a program is cancelled, the Conservatives say: "There is no need to do this because others will do it for us."

We have here a Government which was elected to solve problems, but its way of solving them is to pass the buck.

This program was working well, but the Government no longer wants any part of it. The provinces are expected to take over and assume all responsibilities. These were job creation programs, but the Progressive Conservative Government does not want to create jobs. It hands them over to private sector interests and tells them: You do our work, you create the jobs. This Government is shirking its responsibilities and does not deserve the confidence of Canadians.

• (1530)

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have this opportunity to speak against the Bill that would have us borrow $22.5 billion for the general expenses of this Government. I speak against it because this summarizes, or it is an opportunity to summarize, what I think is most deeply wrong with the policy of this Government.

Most people in the country, including me, do not have experience with billions of dollars, but most of us have had experience with being in debt. We know that it is really often easier to get into debt than to get out of debt. We have had a series of the old line politicians saying, "Vote for me and I will get the country out of debt". We vote for them, and they get the country further into debt. I think it is time that the matter was examined more deeply.

Three years ago we had a statement from a commission of the bishops of the Roman Catholic Church in Canada, a statement about unemployment which went beyond statements that are sometimes made by public spokesmen, including leaders of the churches. It went beyond simply saying that unemployment is unfortunate, that unemployment hurts

people. It said further that the unemployment we have is not necessary, that we have the unemployment because we have a bad way of arranging our public affairs. Of course, some people got upset and said that the bishops should not talk about public affairs; they should just talk about heaven or hell or some place that does not matter to politicians. In fact, the bishops won a great deal of attention in this country for their statement. They won a great deal of attention for declaring a principle which has been part of the teaching of their church in recent years called the preferential option for the poor. The general principle is that when you have a choice between helping the rich and the poor, you help the poor.

An Hon. Member: The rich get richer.

Mr. Heap: Somebody beside me here, on my nominal left but obviously much to the right in terms of politics, advocates the rich getting richer. What the bishops advocated was to make the poor a little richer, even if it means that the rich become a little poorer or, as is more likely, they do not become any richer quite so fast. This is a principle that was made more famous in other countries than Canada, and I will come to that. In general they argued that it is not only better on moral grounds—that is because the poor need the money or need the food or need the housing more than the rich do; that is obvious—but they also argued that it is better on practical grounds because what the poor would have to get would be, for the most part, necessities rather than luxuries. This even applies more deeply in a country that is developing its savings, its capital resources. It develops it for providing the necessities for a broad market, it is more stable and can more reliably provide and pay for employment than a country that focuses narrowly on the needs of the rich, whether it is their consumer needs for the price of a second yacht or another trip around the world, or whether it is their capital preference which is to invest in the highest rate of interest, even if it means shipping the money out of the country so that it is no longer of benefit to the people who did the work that made that money possible. They defend the preferential option for the poor both because the poor need it immediately—there are people dying now in Canada who should not be dying and they are dying because they are poor and they should not be poor—and because, for the general health of our country including our economy, looking after the bottom end means that everybody in the long run benefits more than if we look after only the top end.

This Government's policy has been the opposite as its predecessor's policy was the opposite. Money is found to bail out a bank. We heard a sob story a few minutes ago from a Member opposite about the poor depositors of a bank. Those depositors, for the great part, were people who knew well that they were investing in a risky operation at high interest rates. They were doing it because they were greedy. They knew that the law, as it was, did not protect them over a certain level. When their greed led them into trouble, they asked this Government, which talks about private enterprise and not intervening in the economy, to bail them out and pay the debt which they incurred with their eyes wide open, and this Government agreed to do it.

It is the same in another way with the oil companies. When they want to be paid to explore for oil and then claim ownership of the oil that the public paid them to find, this Government wishes to give them even more of that free gift that the previous Government did, and it is doing that. The same thing applies generally to the large corporations in this country, whether they are in transportation or communications or extraction of raw materials or manufacturing. The Government argues that it will give the most to those who have the most in a rather perverse twist of an earlier teaching which said that of those who have much, much will be expected. I refer to the result of this policy, not just in this Government's time, but during its predecessor's time, and during a predecessor Government led by this same Party 20 years ago or 25 years ago. For the whole period since World War II and increasingly as people get farther away from the "dirty thirties" or the Great Depression, the whole principle has been what some people call "trickle down"—give it to the rich, they will spend it; it will come to the affluent, they will spend it; it will come to the lower middle class, they will spend it; and it will come to the poor. This is supposed to benefit everybody, but it does not because those who say "pour it in at the top and it will trickle down to everybody" are careful not to say where they got that stuff they poured in at the top. They do not take that money from the rich to pour it to the rich. They take that money from the working people, even from people on unemployment insurance. Those are the people who have to pay the great bulk and personally pay the great share of the taxes that are now used and are poured in at the top. The Government tells people: "Hold on, tighten your belt. If you live long enough, some of this that we took from you will come back to you, and we will ask you to thank us for giving back to you a few years later a little bit of what we are taking from you now". That is the very opposite of what the Roman Catholic Church and other churches have been teaching in this country which calls itself Christian.

I said that the principle of the preferential option for the poor has become more prominently taught in other countries. I am thinking particularly of Central and South America where the question of rich and poor is much sharper than it is in Canada, not because they are worse than we are but because a general trend in the world has progressed farther there than it has yet in Canada. We would do well to look at those countries to see whether that is the road we are heading down, whether that is the road we want to head down.

When I was in Chile last summer, our then Ambassador told me that the Government of Chile was right to lower the incomes of the people of Chile so that they could compete better in the international market, and he said that Canada must do the same thing. In other words, it is a deliberate policy of reducing the incomes of the people of Canada, so that Chile can sell its copper cheaper and Canada can sell its copper cheaper. Chile must now produce three tons of copper to get

the dollars that it got six years ago for one ton of copper. Is that supposed to make Canadians or Chileans better off? It is nonsense, except for a very small privileged minority.

• (1540)

What we have, Mr. Speaker, is very clearly shown in Guatemala. Three Members of this Parliament visited that country last week as an all-Party observer delegation to the Latin American Parliament that met in Guatemala City on Thursday, Friday and Saturday. I was privileged to be the representative of our Party. I was there also on work for the Labour, Employment and Immigration Committee. I learned a little bit more about what has happened in Guatemela.

Ninety per cent of the farms are less than one hectare of land, less than is necessary to support a family. Eighty per cent of the children are malnourished. I have seen farms before at a 45 degree angle, up on hillsides in Honduras. I wondered how the farmers could do it. In Guatemala I saw farms, I swear I didn't have a protractor with me, but some of them were at a 60 degree angle. A journalist told me that the farmer sometimes falls off his field or ties himself to a tree so he can work in his field. Those are the farmers who have been driven into the hills by the large landowners who have taken over by force—not only in Spanish times but in modern times—the fertile flat plains. They have driven the *campecinos* and the Indians up into the hills where they cannot make a living.

Those landowners are backed by their brothers, cousins and nephews who are the army's generals who cause people to disappear if they disagree. This is an infamous fact about Guatemala that may or may not be coming to an end. When I was told that the freely elected President of Guatemala sleeps in a different house every night with 20 bodyguards, I wondered how deep democracy goes in Guatemala.

Behind and alongside the landowners and the military are the foreign banks which have now brought Guatemala into debt bondage, to external debt, and the U.S. arms industry and the U.S. aid to the Guatemalan army, which army is not being used and for 32 years has not been used to defend Guatemala from outside intervention but only to suppress the hungry *campecinos* and Indians.

Mrs. Mailly: This has nothing to do with the Bill.

Mr. Heap: I have been there, Mr. Speaker. I have seen the fields. I have read the reports by our Department of External Affairs and from many other sources. The Hon. Member across the way can giggle and chirp, but what I am saying is true. I challenge her to investigate and show otherwise. The result of all that is death squads, disappearances and a growing danger of international war in Central America. An international war if it starts will not stop with Central America.

Against that, what I am asking for is that we look and see what the options are when it can happen that the rich can take a country to destruction so that we stop in Canada before we go any farther down that road.

What I am asking is that we respect this principle which is being taught by more and more of the leaders of the Christian church and of other religions in the world, but in our country particularly the Christian church, that we respect the principle of the preferential option for the poor. Instead of focusing on making corporations richer and instead of finding ways to give tax breaks to lure foreign capital into Canada while Canadian produced capital is shipped out by the billions to New York, or God knows where else, instead of kowtowing always to the people with the most money, we should be directing our programs immediately toward feeding the hungry, clothing the people who haven't got clothes, housing the people who are not decently housed according to our minimal standards, improving the education system instead of starving it as at present it is being done, and improving medical and health care instead of creating a crisis as has been done in the health care system in Ontario at this time.

We should also be giving working people a voice in their own decisions. By working people I mean anybody who makes his living by his work rather than getting his livelihood exclusively from somebody else's work. That includes most Canadians who are now mostly excluded. It would mean workers in a factory would have something to say about that factory and whether the factory will shut down next year, as did the factory where I worked for 18 years. A few years after I left it was bought by another company, it was shuffled around and men and women 50 and 60 sixty years old were thrown out on the street because they were redundant.

That sort of decision would not be made if workers had some voice in how this country's work is done. I believe the decisions would be made in a way that could produce efficiently but without destroying human lives. We would have better morale in the workforce, better public co-operation, less crime.

If you want to see what unbridled competition produces, look at a country that has more armoured cars per capita than any other country in the world. I am speaking of Guatemala where the streets are not safe at night. If you visit there, the Canadian Embassy will tell you so. You can look at how the Canadian Ambassador and his staff drive about. They drive in an armoured car with a guard carrying a machine gun. There is free enterprise. There is the option for the rich. You cannot move around the city without a gun. That is where they are heading. Do we want to go there?

If we concentrated on producing for people's needs instead of producing for the profit of a very few, we would also be able to open up our trade relations with many more countries than just the United States where we have our problems. We would find also that we are in a much better position to work with other countries for world peace. There are a great many benefits for all the people, even the rich, who do not like to be killed in war and who do not like crime on the streets. All the people in this country could benefit if the Government and this Parliament and the other Governments of this country would begin to choose the preferential option for the poor. In other words, we should think of the use of the world's natural

resources and the use of human labour to produce the things people need to use rather than producing only what will produce a profit for a few.

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: When I listen to the Hon. Member for Spadina (Mr. Heap), Mr. Speaker, I can easily understand why the December 30, 1985 *Globe and Mail*'s headline read: Bob White Asked to Lead New Democratic Party. It would appear that current Members do not qualify, so they have to look outside Party ranks. I find it hard to understand why the Hon. Member should speak against this Bill, considering that the socialist Party likes to spend money freely. He ought to be in favour of still more borrowing because their policy has always been to spend more in order to get less. I wonder just how their comments can possibly reflect the philosophy of the socialist Party.

Today, they object to the House granting us money to finance our programs; "yesterday or tomorrow" they will ask the Government, instead of allowing the private sector to create 560,000 new jobs, to increase the number of civil servants on its paylists; yet, they do not want to grant the Government the sums of money required to create these jobs. "Tomorrow or yesterday", they will ask the Government for more programs for needy people, more pensions, more social assistance. Yet, they will not let the Government borrow. We can't afford it. Tomorrow, they will ask the Government to keep a great many civil servants. When it wants to retrain employees and streamline the Public Service, they will object, saying that it would result in 5,000 or 15,000 jobs being lost. Yet today, they do not want the Government to have the money to finance its programs. Where is their philosophy then? Have they anything consistant to say? They will turn their attention to corporations, when the time comes to adopt new legislation. They will ask the Government to impose more constraints on corporations, to increase their costs and reduce their benefits, resulting in a loss of income tax. And they do not want the Government to borrow, while at the same time they want to reduce the income tax. Where is their consistency, Mr. Speaker?

They are going to ask us to expand the Government apparatus. It will be great. Everybody will work for the Government. But where is the money going to come from? And they will still object to the Government's borrowing. What kind of logic is that?

Mr. Speaker, as soon as we have programs to deal with specific problems in business and industry, they will get up and tell the Government: Subsidize the automobile industry, the shipyards, the textile industry and the agricultural industry. They are going to say: Let's pay even more. Where do these socialists think the money is coming from? They don't want us to borrow, and the way they are going, business won't be paying taxes at all. Mr. Speaker, they want business to pay more. When it comes to legislation, they will want business to pay their employees even more. But that means business will not be as motivated, will make less profit and thus pay less income tax. Where is the money going to come from?

What kind of logic is that, my socialist friends? You are in favour of uncontrolled expansion of programs, and you want our businesses to die. Have you ever considered that we need money to finance Government programs? I wish you would explain once and for all what your philosophy is, if you have one. If you do not, I think you should try and disappear from the political map. I hope you succeed.

Mr. Heap: Mr. Speaker, I want to thank the Hon. Member for Lévis (Mr. Fontaine) for his question.

• (1550)

[*English*]

I wish the Member had been here at the beginning of my remarks. Perhaps he was, but was busy doing something else. He apparently missed my opening point, that being that I oppose this Bill because of the spending policy of the Government, that of its predecessor, the predecessor of that Government being the Government of the late John Diefenbaker, and that of its predecessors. I oppose the policy of spending primarily to satisfy the whim and greed of the rich rather than to meet the needs of the people.

I am in favour of spending for the needs of the people. I am clear on that. I would be happy to sit down with the Member and talk about what the people need. Hundreds of thousands or millions of Canadians lack basics such as food, clothing, and a place to live where they won't freeze in the winter. We need a program in Canada to find out what people in Canada need, how to meet those needs, and how to divide the work up among ourselves. I would be happy to discuss that with the Hon. Member for Lévis (Mr. Fontaine) at any time.

I have spoken against a policy which ignores human need. Instead, we say that if we give money to the rich, some day the rich, including the blabbermouth who is standing in the aisle and interrupting me, will let some of that money come down to the poor. I wish the Hon. Member had not totally missed the point of what I was saying.

Mr. Hnatyshyn: It's "Mr. Blabbermouth" to you.

Mr. MacDougall: Mr. Speaker, could the Member inform the House whether the policy of the New Democratic Party in the next election campaign will be to cut wages of workers all across the country? Does the Member think that rather than an increase in wages, Canadian workers should experience a decrease in wages? Is that the new policy of the NDP?

Mr. Heap: Mr. Speaker, the New Democratic Party will not be asking for a wage cut. We will be asking, as we have in the past, for a selective degree of control on prices. The power of a few companies to raise prices without any competition or negotiation, as Bell Telephone is doing, is almost unlimited.

Bell Telephone may be slowed down for a year in its efforts to raise the price of telephone services but, by hook or by crook, it will get what it wants. Before there is any talk of wage limitations, we would want to see the promises, made in the past by certain Governments with regard to price limitations, become a reality.

Although the Hon. Member did not say so, possibly what he has in mind is the difference in wage levels in Canada and Guatemala. If we had a program in Canada which was addressed to meeting the needs of Canadian people, I would certainly favour using a much larger share of our Gross National Product to help countries such as Guatemala to recover from the economic ruin into which European conquerors have led them for the last four centuries. If the Hon. Member is suggesting that we should use more than the one-half of 1 per cent which we presently do to help those countries which we have wronged in the past, I fully agree with him.

Mr. Edwards: Mr. Speaker, does the Hon. Member endorse the call of the Leader of the New Democratic Party in the Province of Alberta for a reduction in the proposed deficit of that province?

Mr. Heap: Mr. Speaker, I cannot comment on the Hon. Member's statement because I have not read the statement of the New Democratic Leader in Alberta and do not know the context in which he made it. I do not believe that either increasing or decreasing the deficit has any universal or absolute meaning. I find that Hon. Members opposite and Hon. Members in the Liberal Party are quite happy to increase the deficit to benefit their friends and quite happy to invoke deficit reductions with regard to unemployment insurance payments for working people. I would like to know the context in which the Leader of the New Democratic Party in Alberta made his statement regarding the deficit.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I will address my remarks in debate today to Bill C-99. Clause 2 of the Bill brings to our attention the fact that the purpose of the Bill is to authorize the borrowing of $22.6 billion. Through the three short paragraphs in the Bill we are being asked to give the Government the authority to borrow that amount of money. Clause 2 says in part:

— as may be required for Public Works and general purposes.

I would like to address my first remarks to the amount of money which the Government is asking to be allowed to borrow. One must ask whether these figures are well calculated. The Government projections, as given by the Minister of Finance (Mr. Wilson) in the Budget and elsewhere, suggest that the price of oil is calculated at $22.50 per barrel. For every $1 drop in the price of oil it is estimated that the Government loses $110 million in revenues. Of course, that is not an exact figure, but an approximation which gives us a mark by which to assess the impact of the declining value of oil in the international market. If this is the case, and we can see that presently the spot market for oil has been ranging over the last week or so somewhere between $8 and $13 a barrel, then we can see that this assessment of $22.50 a barrel is not realistic. That suggests that the revenue estimates are also not realistic. In short, with present prices, the deficit would be $1 billion higher than anticipated. That suggests the Government will be coming back asking for more money to borrow against the future.

• (1600)

The second point I would like to talk about concerns investment intentions in this country. The Minister of Finance in his *Budget Papers* foresees a 7 per cent increase over last year. suggests it will be a 2.5 per cent increase. The difference is some 4.5 per cent. If the difference is only, say, 2.5 per cent, that will have a considerable impact on the growth of the economy. We are told that a decrease of 1 per cent in economic growth will result in a deficit increase of $1 billion. It is not hard to project that if investment intentions are somewhere between those figures and not nearly as optimistic as those of the Minister of Finance, it could add still another $1 billion to our deficit which the Minister of Finance has not anticipated.

While I will not go beyond a third factor, there are certainly many other factors which financial analysts and specialists have brought to our attention. However, the third factor is that of interest rate projections. The Minister of Finance projects interest rates of 9.5 per cent in the Budget. Apparently the Conference Board does not quite go along with that. They believe it is going to be higher and suggest there is, again, another $1 billion to be added to the deficit. While the public has been lulled to sleep or brought to a state of euphoria in thinking that the deficit will be brought down, perhaps the Government should re-examine its figures on the basis of those three factors alone, if not the others, be honest with us and tell us it is going to be back for more money later. That is just the light commentary. I am sure this has been explored in committee very thoroughly and repeatedly. This matter has been looked at in the media as well as in the studies I have referred to.

I would now like to turn to the second part of this phrase in Clause 2 of Bill C-99. It asks for $22.6 billion as may be required for public works and general purposes. It is that part dealing with public works and general purposes that concerns me greatly. What is this money being used for? How is it being spent? What is the vision of the role the Government of Canada is to play on behalf of the people of Canada?

One thing we can say without contradiction is that the spirit of the Tory Conservative Government is certainly not that of the Statue of Liberty. Enshrined on the statue's base is the call to send the weak, the sick, the needy from around the world. People from all over the world were called upon to come to the U.S. and populate it, to make it a great nation. It would be a nation made up of the poor, the weak and the ragtags, those who were rejected by the rest of the world, those who escaped fighting wars as cannon-fodder for princes, those who fled from oppression in the Old World. That was the idealism of the pioneers who established this part of the world. That

certainly is not the philosophy of the Tory Government. As it goes about establishing its policies on immigration, for example, it emphasizes that the welcome mat is out for those who have money to invest. Let the rich come. Our doors are thrown open. Let those who can invest mightily in our nation come here. That is the kind of person the Tory Government has in mind to populate and enrich this land. There is nothing wrong with inviting the rich, but there is not a comparable call to the poor, to the refugee. In fact, the policy of bringing to this country those related to those already here, the policy of reuniting families, is not part of the philosophy of the Tory immigration policy.

When I think of how the Tories are going to spend this money they want to borrow, I know they will certainly want to spend it to publish advertisements throughout the world to entice the rich to come here and invest. Perhaps Mr. Marcos might be a good candidate. He would have lots of money to invest. People of that type, after all, have money and would fulfil the qualifications. However, I think there are other things which indicate how hungry the Tories are for money. They have also increased citizenship charges. If you want to become a citizen it is going to cost you more. Of course, under Tory philosophy that is good because it means those who are successful become Canadians. Those who are not will have to wait a little longer. After all, financial success is how you judge people according to Tory philosophy. Of course, if you want to come over or have your friends and relatives come over, visas cost money, a great deal more money. Tories make sure there are user-fees. They want to make sure those who can afford it come over, and those who do not have a lot of money to spend will be discouraged. We really want to reach out for the wealthy. We certainly do not have a Statue of Liberty philosophy on the subject of immigration.

I cite that as just one example of the kind of philosophy which underlines the Tories' approach to spending this money. Let us go to another example, that of multiculturalism. You only have to look at an article in one of today's newspapers written by Margaret Polanyi entitled "Multicultural Groups Feel Threatened". They feel threatened by the policies of this Tory Government towards multiculturalism. Right at the present time there is, as is described in this article—I am not using some kind of pejorative term. He quotes:

—a slick conference on multiculturalism and business opening today in Toronto—

So nearly everything the Tories are doing is related to business. Talk about immigration, it is whether or not you are going to get businessmen over here. Talk about multiculturalism, it is whether or not it is business in multiculturalism. Everything ends up with the dollar figure. It certainly is not a nation that is throwing open its doors to the needs of humanity. It is a nation that is throwing open its doors for its bank vaults. That is the philosophy upon which this nation is now being reorganized.

• (1610)

What does this article say? Well, it says:

A group of community organizations, representing 208 groups in Canada, is banding together today to voice its opposition to announcements of possible policy changes on multiculturalism.

It is based on this conference. It goes on to point out as follows:

Most of the organizations that came together are under funded, so that when an additional freeze or reduction is added to this existing under-funding problem, then it leads to quite a precarious situation.

The following is in quotation marks and it says:

"Brian Conway of the Ontario Council of Agencies Serving Immigrants in an interview.

Now, that gives us an idea of what the inclination of the Government is as perceived by the multicultural groups. The article goes on to say that the new direction will hurt many at the expense of a few ethnic entrepreneurs who have already established themselves. Again it is the entrepreneurs who will get the assistance and the attention. It is the multicultural entrepreneurs, the guys with the money who are going to be our new multicultural direction. We are expanding to reach out for them with our hands of love.

So this leads me to Daiva Stasiulis, Professor of Race and Ethnic Relations at Carleton University in Ottawa, who said:

To have this emergent theme, which tries to confirm this connection between ethnicity and profit—

And that is spelled p-r-o-f-i-t, Mr. Speaker.

—sits uneasily beside current efforts to reduce ethnic inequality and racism.

The professor continues:

I think it's going to hurt the least advantaged segments of the community. I think it's probably going to be done at the expense of crucial concerns like fighting racism.

Yes, Mr. Speaker, we are going to borrow money for the Government of Canada to carry out more of these unenlightened policies which give encouragement to the entrepreneurs and the rich, and which discriminate against the weak and the poor. It is going to cost more money to come to this country. Only the rich really have the welcome mat laid out for them. It costs more money to get a visa, and it costs more money to become a citizen of Canada. That is a tragic retrogressive direction this country is taking under the Tory Government. If we see these policies now in immigration and we see these policies now reflected also in the multicultural policies of this Government, we have to say that we find them, in fact, in almost every area of concern.

The third area where there is one of the most tragic repercussions of this unenlightened policy of the Government is what this policy is doing to the young people. It is the priority of this Government to see that banks can be bailed out, that capital gains of $500,000 can be given to those who have that kind of money to invest for themselves, that there is more money for armaments and the armament makers, and there is plenty of incentive to bring over the Thiessen Company to Cape Breton Island to manufacture armaments which

the German Government will not let it manufacture, but there is no money for the young people. You take the money away from the young people in order to feed those needs. That is the policy of the Tory Government, and that is what it is trying to borrow money for, to help the rich so that the rich get richer and the poor get poorer. The number of people who are going to places where food is handed out to the poor, to soup kitchens in Toronto, where no soup kitchens existed years ago, are back now in business and there are not one or two, not ten or 20, but dozens and dozens and dozens of places where the poor now have to go to find food and shelter in order to exist. That is how the rich are getting richer. In a city like mine, in Toronto, the poor are getting poorer subject to the policies of a Government that is insensitive to those that are weak and in need.

It does not have to be against the rich, but it does not have to be at the expense of the poor. When we look at what has happened to the young people and how the money has been spent, we see that this Government has, first of all, cut off $2 billion in post-secondary educational grants as projected by the formula. We see that this Government has cut funding for research councils, and yet it says it is concerned about research. It is incredibly hypocritical. The money it is giving to the research councils will amount to little more than inflation. It is so kind as to offer incentives to businesses to come in and involve themselves in financing research. Imagine any business financing research in the social sciences, or in pure sciences for that matter. Business has to go where there is a profit. It is inevitably a death sentence for research in any other field except in the short-term profitability range of science and technology.

The Government has cut 40 per cent of the seats in the community colleges that were being used for training and retraining of young people. That is 40 per cent gone from those community colleges and the ability of the provinces to provide education in its totality for their students.

The provinces are the ones that are suffering the war against the deficit because the federal Government cuts away the money and loads the responsibilities on the provinces' backs. It is not eliminating any deficit, it is just passing the deficit on to the provinces, in the junior colleges, in the community colleges, in the universities. It is shoving off its responsibilities onto the provinces and onto the backs of the poor. That is the charge I am making.

A further concern about what it is doing to students is the fact that this Government has cut student loan levels, held them frozen while, as we know, inflation continues. It has cut out the Katimavik Program, a $20-million program which has proven its merit and is of international reputation. People are sending letters constantly, even to this day, to me in my riding, to the Members of this whole House, pleading that that program be continued. It is of value to young people and cannot be replaced by job-training programs, which have their value. Yes, they should be done too, not instead of. The Government has cut the First Chance Program for the young people. It has cut the budget of the Youth Minister as well as cut the help for foreign students. We stand condemned as a nation for having a Government that is shortsighted and does not call out to the world, as our forefathers did of old, to send us their people who are in need, and from them we will forge a mighty nation, the kind of nation that is made now of their descendants, the scientists, the entrepreneurs and the humanitarians that inhabit our land.

• (1620)

Mr. Weiner: Mr. Speaker, I am forced to rise because I can hardly believe that the Hon. Member represents the same Party that was in power in 1982 when unemployment went up 3.5 points and that Government put 400,000 people on the bread lines. It is that same Party that was in power through those many years with Prime Minister Mackenzie King and Prime Minister St. Laurent when we saw the heart they showed for the refugees of Europe in those dark days of post-war years.

Those of us who have spent our lives building a caring community are particularly sensitive to accusations that we do not have a heart and do not have a conscience because we will win the next election on social justice. That will be the direction of our Party.

The Hon. Member's speech contained a number of inaccuracies. An immigration policy that has increased the immigration level to 115,000 this year—up by some 25,000 or 30,000—is showing much more heart and openness in all areas. Almost 50 per cent of that immigration will be family reunification. Refugees are our highest priority, and the Hon. Member knows that.

We have spent considerable time in the last year exploring ways to try to do something about deplorable human rights in all parts of the world, whether it is in Central America, South Africa, the Soviet Union or elsewhere. We are sensitive to that need and we are a model for the United Nations High Commissioner for Refugees, who looks to us for policies that are fair, open and available to all who need them.

With respect to the comments made about the Canadian Jobs Strategy, as Parliamentary Secretary I am willing to make myself available to those Members who would like to have a special briefing. We have put in place a program that gives training and real work experience. We want young people and others to have that practical experience which can be put on a curriculum vitae. We do not want the make work projects of the past or some short term effort that will ultimately put people back on unemployment insurance. The name of the game is to put people back to work, and that is what we are doing.

The Hon. Member talked about multiculturalism. We are cognizant of the need that people must have support for their culture, heritage and traditions, but we are even more cognizant of the fact that they need real jobs. The Hon. Member

was here when his colleague told us about 70 per cent unemployment among Jamaican youth of our community between the ages of 15 and 24 and 40 per cent unemployment for those between the ages of 25 and 35. That is intolerable. Those people and all other target groups must have an equal opportunity in this country because only then will we become more productive.

That is the message we will send. It is a message of hope, confidence and inspiration.

One only needs to read the newspaper to see what is happening in this country. Housing starts have risen dramatically and there are more building permits. Retail sales have greatly increased. Unemployment has risen with 574,000 new jobs being created in the last 19 months. Five year mortgage rates have gone down 2.75 points. That is a savings of $92 a month on a $50,000 mortgage. These are the steps we are taking to instil confidence in the people of our country. They will be there in 1988 or 1989 when the cornerstone of what we have accomplished will not only be national reconciliation and economic renewal, but social justice as well.

Mr. de Corneille: Mr. Speaker, I am absolutely delighted to have the opportunity to deal with some of the points which have just been put forward by the Hon. Parliamentary Secretary.

First, one of the tragic things we see taking place in the House of Commons day after day during Question Period, when members of the opposition Parties express their concern about an unacceptable level of unemployment among young people, is that we are simply given comparisons to what the unemployment figures were during a world-wide recession.

Some Hon. Members: Oh, oh!

Mr. de Corneille: We are not told about the unemployment figures before the world-wide recession. The Government continually tells us what the unemployment figures were in 1982 and what they are now. The fact is that the Government has not returned us to the level of unemployment that existed before the recession. The Government should be absolutely ashamed that this country still has not got off its knees when the rest of the world is in incredible prosperity. That is no record to be proud of.

According to the Senate report on youth, there are 750,000 young people still out of work, but the Government does not lift a finger to provide more money for programs. It wants to cure the deficit on the backs of young people while claiming it is trying to help them by eliminating the deficit. Such hypocrisy is unequalled and unmatched anywhere.

Second, I agree with the Hon. Parliamentary Secretary when he said that the record of Mackenzie King—

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order. The Hon. Member accused us of hypocrisy. I believe that is unparliamentary language, if I am not mistaken.

[*English*]

Mr. Deputy Speaker: I believe the Hon. Member used the word in general terms.

Mr. de Corneille: Quite correct, Mr. Speaker. I was not accusing any individual in the House. I hope the Member will soon become a more accomplished parliamentarian and more familiar with the rules of the House instead of interrupting and taking the time of another Member with such nonsense.

I was saying that the policies of Mackenzie King—a Liberal Prime Minister—toward the refugees from Germany who wanted to come here was unacceptable and an appalling policy. He was acting on the bad advice of his advisers, but he should have known better, whatever their advice was. I personally have no pride and in no way defend his position or policy.

However, because he was wrong in that case does not make the present policy of the Government right.

The Hon. Member said that his Government has a heart in social policy. I wish the Government would begin to show more heart in this area. I am not saying that it is not continuing some of the programs that were in place, but it is placing emphasis in the wrong area. Its concern is not where it should be in terms of social policy. This does not mean that it is not showing any concern but, as I pointed out in the examples of young people, immigration and multiculturalism, the Government's emphasis is on the rich. As 208 multicultural organizations have pointed out, when the Government spends money on multicultural entrepreneurs, it is taking money away from those weaker, less well off organizations and giving it to those who have money. It is another typical Tory policy.

In conclusion, I want to make it very clear that I certainly do not identify myself with the policies of Mackenzie King on refugees.

Mr. Gervais: Mr. Speaker, I am pleased to have the opportunity to direct a question to the Hon. Member who just spoke. He stated that the number of jobs being created in Canada today is a result of our coming out of a recession, and that the reason his Government did not create many jobs a few years ago is that there was a deep world-wide recession. I must concede that we were in a world-wide recession and Canada naturally suffered, but prior to the recession the unemployment rates in Canada and the United States were about equal. During the recession, the unemployment rate in Canada shot up to being about 3 per cent or 4 per cent higher than in the United States.

The Hon. Member states that we are creating jobs because the recession is over. Will he explain why we are outstripping the U.S. economy and creating employment at a higher rate by 2 per cent or 3 per cent than in the United States?

• (1630)

Mr. de Corneille: Mr. Speaker, I believe our unemployment rates for young people are far in excess of what they are for

young people in the United States. But I do not want to totally take away credit from the Government totally because I am so happy to see any recovery happening at all. I would also like to point out that it is a false approach, a sham, for the Prime Minister (Mr. Mulroney) to throw figures at us when we bring our concerns about the existing unemployment rate for young peple to him.

That is what I am talking about. It is not fair to throw figures at us about what happened during the recession to show how things are now. It is not a decent answer in the House of Commons to a question as to what the policy of the Government is going to be in dealing with present day unemployment for youth. We cannot accept the present levels of unemployment. Something must be done or we will lose a generation of young people.

Mr. Deputy Speaker: Resuming debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, when I decided to speak during report stage of this Bill, the one thing I did not want to do is to get caught in the middle of a spitting match between the Bobsy Twins from Bay Street. That little exercise is in fact a portrayal of two sides of the same coin. We do not have to go back to Mackenzie King. We had the Right Hon. Pierre Elliott Trudeau, who came in with a lot of good will, charisma and intelligence in 1968. He had written books, taught at a university and had a radical background of fighting for justice for workers in Quebec. But after a very short time in office, we in the Sudbury Basin as well as my colleagues in British Columbia, had the spectacle of the then Prime Minister of this country giving the finger to unemployed workers at Salmon Arm and Sudbury and, indeed, right across the country. He is a man whose respect for his colleagues in the House of Commons led him to state that Members of Parliament were nobodies once they were 200 yards away from Parliament Hill. In his book entitled *Up the Hill*, a former Cabinet Minister of the defeated Liberal Government tells us that the former Leader of the Liberal Party really was a one-man show in making decisions.

Mr. Heap: How about "fuddle-duddle"?

Mr. Rodriguez: He was the same person who said "If you think 6 per cent unemployment is high, you just watch me". We saw that former Prime Minister fight inflation on the backs of the unemployed. He was the man who said at Banff that it was still possible to scare the hell out of Canadians with high unemployment. That is just in the recent past. We are not going back to Mackenzie King. We are just going back to the Liberals' former Leader.

On the Conservative side, we have a man who ran in an election campaign in 1984 promising that he would not reduce the deficit on the backs of poor people. He made all sorts of promises about things he said were sacred trusts. Everything was a sacred trust. He is now the Prime Minister. I recall that when interest rates were rising during the initial time of the Conservative administration we were being told: "Well, there is really nothing that we in Canada can do because our economy is so closely tied to the American economy. Naturally, if its interest rates are going up, ours have to go up". How is it that members of the Government can rise and take credit when rates are falling? Of course, they cannot. Our interest rates are falling because American interest rates are falling. If American interest rates start rising, Canadian interest rates will rise. That indicates to me that there is still no difference in the economic policy of either the Liberals or the Conservatives, the "Lib-Cons". There is no difference between the "Lib-Cons". We still do not have a "made in Canada" interest rate. We still do not make economic decisions based on the needs, hopes and aspirations of Canadians.

It does not matter whether it is the Right Hon. Pierre Trudeau or his clone, the present Prime Minister, they both have brought the same basic ideological mentality to the job of leading the country. I heard the Hon. Member for Dollard (Mr. Weiner) say: "We created 500,000 jobs". I was reading the other day in one of the journals that in fact what has happened is that the bulk of the jobs the Government is calling new jobs are really part-time jobs. I hear groans. Well, I want to put on the record a specific example from my riding. We have a Sears Company in my riding. Sears had full-time workers. What it did was simply to take five full-time workers and cut their hours down to less than 15 hours a week. It then went out and hired five more part-time people. So on paper 10 jobs were created, but there are really no 10 jobs. I have known of miracles, and being of that tradition I know that two loaves and five fish could be made to feed 5,000 people, but for the Government to take five full-time jobs, create 10 part-time jobs and call it creating "a lot of jobs", I find hard to believe. They are not the kinds of jobs which existed before because they are part-time. Of course, the reason that was done is that once these people are on that minimum number of hours a week, the company does not have to pay unemployment insurance premiums and a lot of other benefits. Statistics Canada has reported an increase in so-called jobs, but most of these new jobs are part-time jobs.

Mr. Weiner: Eighty-three per cent are full-time.

Mr. Rodriguez: And they are low-paying part-time jobs.

We are faced with three serious problems. Unemployment is one problem. We still have over one million people unemployed. We have to face the whole question of the base of one of our western provinces, namely, the energy sector, the oil industry in Alberta. That is a very serious problem. This Government went to sign the Western Accord saying: "The private sector is the engine of growth. We have to go to the market-place". But we have heard all of that before. It is like phoning the Bell Telephone Company, finding the line busy and a recording saying: "This is a recording". We have heard that recording before.

Look at what has happened in Alberta, Mr. Speaker. We have the reality of an economy which could very well be devastated. But what does the Government announce? It is

going to study upgrading the heavy oil upgrader again. What is the direct action the Government intends to take? We have lost 6,000 jobs in the oil industry in Alberta already. We in the riding I come from want to know what the Government intends to do with respect to resolving that very serious problem for the people of Alberta. There is no selfishness in this part of the country which says that just because eastern Canada can obtain cheap oil it is all right to destroy the Albertan economy. I do not think there is a Canadian in central Canada who would ever accept such a proposition. I think it is the responsibility of the federal Government to show some leadership. The Government of Alberta is faced with a very serious problem in that the underpinning of its economy is being completely destroyed. Perhaps that is what the Government wants to see happen.

• (1640)

In my hand I have a copy of an article from the *Report on Business* from today's *The Globe and Mail*. It is written by George Linton who points out the danger of what could happen to the small oil producers in Alberta. He says that they will be forced to sell out to the large operators or be forced to fold up. What will really happen is a reassembling and the establishment of new oil monopolies in the Province of Alberta and in the country. Mr. Linton describes Canada's oil industry. He says that it is in a state of shock. The world price for oil is at less than $15 U.S. per barrel. We must ask the Government what it is going to do about this situation. To judge by its actions to date it will do nothing at all.

The PGRT has to be looked at in terms of its removal. The Government is locked into the view that it has to reduce the deficit. It is taking a blinkered approach to bringing down the deficit. In fact, the Government is forced to do nothing about one of the more serious problems facing western Canada, particularly Alberta, in terms of its oil industry.

Anyone who watches the proceedings of the House of Commons knows that Government Members ask set-up questions of Ministers from time to time. Why do they not ask tough questions of Ministers? Why do they not ask what the Government plans to do in terms of eliminating the PGRT immediately? If the question were to be answered honestly, we know that the Minister of Finance (Mr. Wilson) would have to forgo $1 billion in revenue. Of course that is what he would have to do. However, that is the commitment the rest of the country has to make through the Government to the people of Alberta in order to protect the economy of that province.

I know I speak for many people in central Canada when I say the following. I do not want to drive a car on 15-cent-a-gallon gasoline in the tank when brothers and sisters in Alberta are going down the tubes. The situation is ludicrous. If we bring the deficit down, then the whole economy of a province will be wiped out. I think members of the Government once said that they would bring a different view to the federation of Canada. They said that they would bring about a sense of cohesiveness, co-operation and collegiality, not only between the federal Government and the provincial leaders but between the people of the country and their Government. If ever there was a Government which had the opportunity to do such a thing it is this Government.

We are no longer talking about the bulwarked Trudeau years when all Government support came from one part of the country. In the years when the previous Prime Minister and the Liberals ruled Canada they had very little representation from the West. In fact, it was a Government which was central and eastern-based. Today, the Government has a golden opportunity since it represents people right across the country. Why is it giving up this opportunity? Why is it missing such an opportunity?

We are now faced with another problem. It is to do with the wheat farmers in western Canada. The price for their product is dropping through the floor. I am told that they are now faced with the lowest wheat prices in 25 years. In fact, they are faced with the lowest prices since the "dirty thirties"—since the Bennett buggies. It seems that we have gone from "Tory times are tough times" to "Liberal high unemployment". We are caught in a spitting match in which I said I did not want to become involved. Yet here it is, another problem facing the Government. The farmers have to have some assurances in order to make their plans. Yet what has the Government responded in answer to our questions? "Wait and see". I think that the Government has again locked itself into the view that it has to reduce the deficit. Again, it is reacting to all these problems with its blinkers on.

However, when it came to the situation involving the CCB and the Northland Bank, somehow or other that blinkered philosophy was shelved. "Squander Woman" came up with a billion bucks for the banks. There was no problem at all in doing that. No one said that paying out that sum of money would raise the deficit. We were told that it was essential to secure a western bank. We were told that we have to develop western banking interests. Do Hon. Members remember that argument? An Hon. Member opposite gets out his violin. He will have to play it low and soft. Is it important that our wheat farmers continue to exist? Is it important to our economy? The President of the Privy Council (Mr. Hnatyshyn) nods his head and says, in effect, of course it is important. The Minister is dressed in red today. What he says is right. Is it important to the country that the oil industry continue to exist and prosper? Everyone would say that of course it is. It should not exist in the hands of just a few large oil companies. According to the philosophy of the Government it is important that the small producers also have an opportunity to exist since, after all, what has happened is beyond their control.

What is happening to the farmers is as a result of a spitting match between the European Common Market and the United States. The western farmers are caught in the middle. Thus we cannot hold to the principle that we have to reduce the deficit come hell or high water. It seems to me that when members of the Government lock themselves into that type of philosophy they cause great harm to the people of the country. In effect,

they have tied their hands with respect to dealing with their problems in a realistic fashion.

Yesterday evening I was out in New Brunswick. My trip had to do with another aspect of deficit-cutting. I was out at a place called Oromocto. I met with about 200 people, men and women, who have been affected by the recent change to the Unemployment Insurance Program. All of these people were very upset and angry. Their own Members of Parliament did not attend the meeting. Their own Tory Members were nowhere to be seen.

Mr. Manly: They were out talking to the people of Alberta.

Mr. Rodriguez: I told them that in order to see one Member they would have to go to South Korea to do it.

Mr. Corbett: Mr. Speaker, I rise on a point of order. I know that the Hon. Member does not want to mislead the House intentionally. I think that for his benefit alone it is important to point out that the Tory Members to whom he alludes were both in Ottawa because they had not received an invitation to attend the meeting. However, they attended a meeting some two weeks ago at which the Hon. Member was not in attendance. I wonder why.

• (1650)

Mr. Rodriguez: Mr. Speaker, I know that one of the Members who was supposed to be in Ottawa was at the opening of the New Brunswick Legislature two days ago in Fredericton.

Those people were very upset because in fact it was the same principle of cutting the deficit. The Minister of Employment and Immgiration (Miss MacDonald) has written to them indicating that the Government had to reduce the deficit and therefore had to cut the deficit in the Unemployment Insurance Program. This is why $100 million will be taken out as a result of the pension change. Those people found that to be unfair and unjust. They think that the Government has picked on them. In the same breath, the Government gave a $500,000 capital gains tax break to the wealthy people of Canada, a break which will cost taxpayers $1.5 billion by 1990-91. Those people found that very difficult to comprehend, and I do not blame them. The Liberals used to display the same reaction when they were in Government. Their friends always had their ear, their friends from Bay Street got all the breaks, and ordinary working men and women were shafted every time. I can assure Hon. Members opposite that just as the people across the country brought them in on a wave, they will put them out in the next election.

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: Mr. Speaker, after listening to the Hon. Member for Nickel Belt (Mr. Rodriguez), I think I have to give him some credit for saying that for the first time in several decades, we now have a truly national Government.

As for the rest of his speech, it is not terribly significant. The Hon. Member compared the Conservative Party and the Liberal Party. He said their positions are similar. I can inform him that the Conservative Party consists of administrators whose objective is to legislate a balanced use of our resources. It is an objective people have forgotten. The Liberals were socialists. Their philosophy was to pay people's grocery bills and spend more by borrowing more and making this country carry a debt load of $240 billion.

Your job is to criticize. You always criticize but never suggest anything constructive. It is about time you did, which would be something new.

When we want to spend more you say no. When we want to save more you say no. When we want to raise taxes you say no. When we want to reduce taxes you say no. When we want to borrow more you say no. When we want to borrow less you say no. The pattern is becoming quite clear.

You quoted *The Globe and Mail* because you feel it has some credibility, so I will quote it too. Your leader is looking for a replacement. He is tired of playing an actor's role, but he does not think that any of the 30 others sitting there can pass muster. There lies your problem. You are unable to raise important issues. Think about it. You are unable to raise important issues and marshal a consistent and enduring defence of your own theories. That should be your role as legislators, but you are still asleep and never did anything constructive.

This is just a reminder. Do explain your theories if you can.

[*English*]

Mr. Rodriguez: Mr. Speaker, the Hon. Member said that the Conservative Government is made up of administrators, bankers, accountants and tax lawyers.

Mr. Hnatyshyn: Ordinary people.

Mr. Rodriguez: Yes, the Government is made up of ordinary rich Canadians. I do not know how consistent the Conservatives are. I am not impressed with their ability to administer. For example, a Budget came down in May, 1985 which was to deindex pensions. They were all over the ballpark on that one. They were telling us that the National Energy Program was a bad thing. They brought in the Western Accord. They could not even project what oil experts were saying six months down the road. They could not project what the experts were saying, telling or writing about the oil industry. They exposed the whole Alberta economy to the whims of the Sheikhs of Araby. Now they have a new sheikh—Sheikh Getty of Alberty. He is attempting to climb in the tent, and they are all sitting around. However, they recognize that he is not a true sheikh because his eyes are blue. They knew that he did not really belong there. They told him to go out and cut his production and then come back to join them. I do not know where they are in that ballpark now, but they are dealing with wheat prices. I want to

know how they are administering it. What are their views? What do they intend to do? What are their projections?

We in the New Democratic Party have done constructive things.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I remind the Hon. Member for Lévis (Mr. Fontaine) that since the fall of 1984 we produced a document called *Canada Unlimited*. That document is composed of opinion and thoughful analyses of the economic situation. It contains very concrete and specific proposals in respect of dealing with Canada's most serious problem—unemployment. Then we put a youth task force on the road and produced a positive document which makes recommendations to the Government. There was *Tax Probe 86* in which we made some concrete proposals to the Government about a more fair, just and distributive income tax system. They sit on their fins and what do they say? They say that they believe in the private sector. I think they have all gone to kindergarten and have repeated that the private sector is the engine of the economy. I think they have been programmed to spit that out. The people of the country will remember in the next election, and they will be spat right out.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-99, an Act to provide borrowing authority, be read the third time and passed. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Benjamin: On division.

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

Some Hon. Members: Five o'clock.

Mr. Deputy Speaker: It being five o'clock, the House stands adjourned until Monday, April 14, at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 4.59 p.m.

HOUSE OF COMMONS

Monday, April 14, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions numbers 331-20 and 331-23.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 493 and 506.

[*Text*]

BELL HELICOPTER/TEXTRON LTD.

Question No. 493—**Mr. Dingwall:**

1. Did the Government announce on October 7, 1983, that it would be assisting Bell Helicopter/Textron Ltd. in establishing, at Mirabel Airport, a light twin helicopter manufacturing facility and that Pratt and Whitney would also be asked to produce the engines for the new model of helicopter and, if so (a) what was the total cash value of assistance offered by the Government (b) what amount has been spent to date by the Government?

2. What is the estimate of additional assistance that will be provided to this project and what is the schedule for these payments?

3. Is the Government to be repaid in the form of royalties on all sales of helicopters, Step engines, spares and accessories made by the companies during the life of this project and, if so, what is the expected time frame for repayment?

4. (a) What is the current number of employees at Bell Helicopter Canada's Mirabel operation (b) what are the plans for the recruitment of additional workers to bring the workforce up to the original estimate of 2,700?

5. To date, how many Model 400 helicopters have been ordered?

Hon. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): 1. Yes. (a) $126 million 1982 U.S. (b) $64.0 million 1982 U.S. as of October 31, 1985.

2. $62.0 million 1982 U.S. over the period of fiscal year 1985-86 through to 1991-92.

3. The Government will be repaid in the form of a royalty of 2 per cent of total net sales over a 25-year period of the Model 400, 400A and 440 helicopters including derivatives, accessory kits and spare parts (payments commence in 1990).

4. (a) As of December, 1985, 239 employees, which include 80 engineers receiving training and participating in the development phase of the Model 400 helicopter in Fort Worth, Texas.

(b) The company plans to commence hiring production workers in early 1986. The long-term build-up employment will depend on future production levels based on international market requirements.

5. As of December 3, 1985, Bell Helicopter have obtained approximately 200 options for Model 400 helicopters but none of these have yet been converted to a firm order.

NORTHERN ALLOWANCES

Question No. 506—**Mr. Rodriguez:**

In the Budget of May 23, 1985, under the heading "Other Tax and Tariff Changes" the Government outlines changes to northern allowances and severance pay in isolated communities (a) to date, how many communities and/or employers have applied for relief under this budgetary provision (b) if communities and/or employers have applied for relief, list them (c) it is obvious that this provision conflicts with the earlier change by the Government with respect to severance payments and the UI Act. How is this obvious contradiction being applied in remote communities where the principal industry closes?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Revenue and Employment and Immigration as follows:

(a) and (b) The issue relates to the statements made by the Minister of Finance in his Economic Statement of November 8, 1984 (p. 10) and Budget Papers of May 23, 1985 (p. 81). The matter is primarily the concern of the Department of Finance. Review mechanisms have been set up by the Department of Finance to deal with applications for relief under the statements of the Minister and to date seven applications have been received from employers in northern Quebec, northern Ontario, northern British Columbia, northern Manitoba, Cape Breton and the Yukon. One application from Sidbec Normines involving Gagnon, Quebec has been approved and relief granted under Remission Order 1985-1359 of April 19, 1985.

The remaining applications consist of one which is under review and five preliminary requests. Since no decision has been reached on the application under review or the preliminary requests the rules regarding confidentiality of taxpayer information prevent us from releasing the names of the applicants at this time.

(c) The changes referred to in the Budget of May 23, 1985 with respect to northern allowances and severance pay in isolated communities refer to tax changes and would have no effect on the application of the UI legislation. The UI legislation has set up a social insurance scheme which by its very nature must be applied uniformly across the insured population. There is no provision in the UI legislation which grants

the Minister of Employment and Immigration the discretionary authority to consider special circumstances and allow benefits in situations where it is expressly denied by legislation.

Since the amendment of the UI regulations pertaining to income and earnings which became effective March 31, 1985, severance pay which is paid or payable after March 31, 1985 is considered to be earnings for benefit purposes. Transitional exemption from this regulation can be found provided these moneys are paid as part of a separation package paid pursuant to an employer's written policy, a formal labour-management workforce reduction agreement or collective agreement that was in force before December 31, 1984 and had not expired before the payment of the money.

"Northern allowances" have been determined to be earnings arising out of employment and are allocated as same. It is considered that this is a benefit which is regularly and customarily paid by employers in the North to compensate for the higher cost of living and thus, the payment cannot be considered anything other than earnings arising from employment. It is clear that this payment does not continue beyond the complete termination of employment, but may continue during a period of sickness or maternity leave in which case it is definitely earnings without the performance of services. The northern allowance is a benefit of a kind received by a claimant from or on behalf of the employer in respect of the employment and falls squarely within the definition of moneys to be considered earnings for benefit purposes. All northern allowances are allocated accordingly.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

DISABLED VISITORS TO PARLIAMENT HILL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. On Friday last you will recall that my colleague, the Hon. Member for Beaches (Mr. Young) wrote to you, and the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) also raised with you the difficulty that those with wheelchairs have in entering the House of Commons for the purpose of viewing the proceedings. You indicated, Sir, that you would give the matter some consideration and report back. Do you have any report on that question, Mr. Speaker?

Mr. Speaker: Yes, I do. The Sergeant-at-Arms advises me that he can handle, on a rotating basis, up to 10 wheelchairs at a time today and will organize his affairs that way.

The original request I had, of course, was to allow the use of the Chamber. I cannot do that, as the Hon. Member knows. I may say to the House that I have also asked the Sergeant-at-Arms to look at this problem. Anytime these things occur, we discover our limitations. We are looking at different ramps that are possible for future use to allow the entire galleries to be used better in future.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Thursday, April 10, consideration of Bill C-62, an Act respecting Employment Equity, as reported (with amendments) from a Legislative Committee, and Motion No. 1 (Mr. Nystrom).

Mr. Lewis: Mr. Speaker, I rise on a point of order. There are certain procedural arguments with respect to Bill C-62 which we wish to make. I want to indicate to my colleagues opposite that we are prepared to make them at whatever time you should decide, or when they are prepared to go ahead.

Mr. Speaker: May I say to the House that I had indicated that I wanted to hear those arguments now. Is there some suggestion that they be delayed? The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I am rising to speak on Motion No. 1. If you are ready to pronounce on these—

Mr. Speaker: I was interrupted by a point of order from the Member for Hamilton Mountain (Mr. Deans).

The House will remember that when I first gave a ruling on the amendments I indicated that in respect of procedural arguments about the motions on which I had made procedural comments, as opposed to the issue of being in committee, I was prepared to hear them at this point, if anybody wished to do so prior to resuming debate. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) and then the Hon. Parliamentary Secretary on procedural debate.

Mr. Allmand: Mr. Speaker, I looked for your guidance on this the other day; maybe it was not the right time. I made some representations and I would make the same arguments at this time. They are on the record, so I do not think it is necessary for me to repeat them. I hope that they are taken into consideration.

Mr. Lewis: Mr. Speaker, if it is in order I would proceed with points of order with respect to two of the motions.

We have had an opportunity to look at Bill C-62, and there are two procedural arguments. First, with respect to Motions Nos. 13A and 15. In our opinion, these motions appear to be trying to introduce irrelevant matters into the Bill and are essentially redundant to it. In our view these motions are partly dependent upon the acceptance of Motion No. 10, about which the Chair has expressed some reservations in its preliminary ruling. In other words, it seeks to import the principle of equal pay for work of equal value into a Bill which concerns itself with the participation of certain groups in the workforce. For that reason, Mr. Speaker, we feel it is irrelevant to the Bill.

In addition, you have indicated that it was because it was attempting to introduce a substantive amendment by means of an amendment to the interpretation clause of the Bill that Motion No. 10 is out of order.

Inasmuch as Motion Nos. 13A and 15 are at least partly dependant upon the adoption of Motion 10, because the definition contained therein gives meaning to the phrase "equal pay for work of equal value", and without that definition neither of these motions is intelligible with respect to that principle, we would argue that they ought not to be put to the House, since to do so would not be consistent with Beauchesne's Fifth Edition, Citation 773(4)(a):

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

While this citation would argue the inadmissibility of that provision referring to equal pay for work of equal value, I believe that Citation 428(2) would also apply in this case. In Beauchesne's Fifth Edition that citation states as follows:

When an amendment is irregular in one particular, the whole of it is not admissible and must be ruled out of order.

Since these motions are dependant on a motion which is out of order, it follows that they too ought not to be put to the House.

The second motion I wish to discuss is Motion No. 21A. Motion No. 21A seeks to provide for enforcement of the Act by extending the powers of the Canadian Human Rights Commission. I feel that you will agree, Mr. Speaker, that by putting this motion to the House we would violate our usual custom, since we would be, in effect, amending the powers of the Commission which should properly be included in the Canadian Human Rights Act which deals with those powers.

In addition, these motions would appear to be incomplete inasmuch as they refer to the "Human Rights Commission", and nowhere is it made clear that this refers to the Canadian Human Rights Commission. This may seem to be a small technical point, but as there are provincial human rights commissions, there may be confusion as to what is meant by this amendment. If the motion were to be adopted, the clause would be rendered partly incomprehensible and, therefore, it would be contrary to our practice outlined in *Beauchesne's* Fifth Edition, citation 773(4)(b):

An amendment may not make the clause which it is proposed to amend unintelligible or ungrammatical.

On these two grounds, Mr. Speaker, I would submit that the motion ought not to be put to the House.

Mr. Allmand: Mr. Speaker, the Parliamentary Secretary argues that two of my amendments should be ruled out of order. Amendment 13(A) attempts to spell out what employment practices are. The purpose of this Bill is to prevent employment practices which act as barriers to employment equity. We must define what those employment practices are. There is no definition of "employment practices" in the definition section of the Bill. Consequently, if the Bill is to have any meaning whatsoever, a definition should be spelled out to some extent in Clause 4 of the Bill. The clause now reads:

An employer shall implement employment equity by (a) identifying and eliminating each of the employer's employment practices . . .

It does not say what "employment practices" are, and my amendment attempts to list the employment practices which should be subject to the Bill. I do not see how that contradicts any rule of the House of Commons or any interpretation of those rules.

With regard to Section 21(a), the Minister and the Government have brought the Canadian Human Rights Commission into the act through an amendment they made in committee. If that is the case, we must ensure that the Canadian Human Rights Commission is in a position to enforce this Act. I agree with my hon. friend that the human rights commission should have been defined as the Canadian Human Rights Commission. If he believes that this is a required amendment, he should be willing to amend that through agreement of all Members in the House, and I would move that. However, he seems opposed to any kind of amendment, which I find unfortunate. Nevertheless, I argue for the principle of that—

Mr. Speaker: Order. Order. These are arguments about procedural admissibility rather than arguments one way or another about the points and substance of the matter.

Mr. Nystrom: Mr. Speaker, I want to make only a very brief argument. In your ruling the other day you reserved judgment on certain motions and quoted a new part of our rules as follows:

. . . a motion, previously defeated in committee, will only be selected if the Speaker judges it to be of such exceptional significance as to warrant a further consideration at the report stage.

I argue that Motion 15 is such a motion. It is the motion with regard to equal pay for work of equal value. This is a very significant motion because it is a concept of importance to all groups. This breaks new ground in the House and the House itself should make a judgment on this very important issue. The committee has already made a decision on that particular issue. I think it is a motion of exceptional significance which would warrant a decision by the House itself. I think it is a very good example of "exceptional significance". The same argument could be made for some of the other motions, but I feel that the motion with regard to equal pay for work of equal value is the most exceptional of them all.

Mr. Lewis: Mr. Speaker, in summary I would ask my colleague to strike the word "any" from his remarks about what motions we are prepared to consider. No one doubts the importance of the issue of equal pay for work of equal value. However, the Bill, as passed at second reading, did not encompass that concept. That is the reason we are arguing it is inadmissible at report stage.

Mr. Speaker: The Chair will reserve, consider all of these arguments, and come back to the House.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to speak to the amendment proposed by the Hon. Member for Yorkton-Melville (Mr. Nystrom), namely that Bill C-62, be amended in Clause 1 by striking out line 6 at page 1 and substituting the following therefor:

"2. The purpose of this Act is to promote and encourage".

employment equity, and we know what that means as far as the wording is concerned. The Hon. Member wants to amend this Bill because according to him, and we agree, the Bill does not go far enough, does not have enough teeth to provide any assurance or guarantee that employment equity will be achieved, and I quote the present wording of the Bill in Clause 2, which describes the purpose of the Act:

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or . . .

. . . benefits.

Mr. Speaker, I listened carefully to the debate last Thursday, and I thought the comments made by Members supporting this amendment were rather important, and I would like to recall some of them, since we are starting a new week and in a debate like this it is good to put things into perspective.

The House will recall that the Government was not very receptive in committee to the amendments presented by the Opposition. At the report stage, parliamentary procedure allows certain amendments to be laid on the Table of the House for consideration.

To the Members on the Government benches I would like to say that a refusal to amend Bill C-62 and give it teeth and real power will look like they are not taking this Bill seriously. In fact we do not think Bill C-62 will help to achieve employment equity but, and this is something on which everyone will agree, that it will help further employment equity, but it inch by inch is a typically conservative approach, inch by inch and step by step. We say that a Bill as important as this one which affects the four target groups we want to help in their search for employment, and I may recall that these four target groups are women, the disabled, native people and what are referred to as visible minorities, these four target groups have asked and are continuing to ask the Government to amend the Bill and give it teeth so it will not be a paper tiger.

Unfortunately, until now, the Government has been saying: We refuse. So let us be honest and change the purpose of this Bill. Let's not say it will achieve employment equity but that it will gradually encourage employment equity, someday or other.

Mr. Speaker, that is why some of us are going to wait until the end of this debate to see whether this Government has the good will to amend this Bill and whether they can show they are taking this debate seriously and demonstrate their good will by amending the Bill to give it teeth and give us something we can take seriously.

Last week I listened very carefully to the comments made by some of our colleagues. I remember one in particular, and I forget who made it, which referred to Judge Abella, who chaired the Royal Commission on Equality and Employment in 1984, at the request of the Liberal Government at the time. After it was tabled, her report became the subject of public debate. I remember that in her report, Judge Abella said, substantially, that rights that are not respected are no better than rights that are not granted. These may not be exactly the words she used, but it means that existing rights that are not respected are no better than rights that do not exist at all.

And I think this certainly applies to Bill C-62, which they would have us believe will truly encourage and in fact give us employment equity.

Mr. Speaker, in her report Judge Abella said four things: She wanted federally regulated employers to be obliged by law to adopt employment equity programs. If I have time later on, Mr. Speaker, I will tell you what happens to our employees in the federal Government. I think that there we have a very striking and very clear example of what can be done with the requisite good will.

Second, she said: Persuade the provinces to adopt similar legislation in areas under provincial jurisdiction. That is an important point.

Third, that respect for the contractual obligation be legally mandatory for all federally covered employers.

And fourth, the establishment of an organization whose mandate would be to enforce employment equity.

Those are the guidelines, Mr. Speaker, but what do we have here? What we have is Bill C-62 which attempts to make employment equity a reality, a principle which we all endorse. But we all agree that it is nothing more than an expression of goodwill, in our opinion a toothless measure which does not give us the necessary power and authority to make sure that employers will indeed abide by employment equity standards concerning groups which we know have long since been discriminated against, be they women, aboriginal peoples, visible minorities, or disabled Canadians.

Mr. Speaker, I want to focus on what the federal Government is doing these days, if only because Members opposite keep saying that nothing was done for 16 years under the Liberal administration, which is utterly false, and they know it. Perhaps they should read the remarks of the Hon. Member for Hamilton East (Ms. Copps), as reported on page 12113 of Hansard where she relates the events of 1971 and the achievements of the Liberal Government, particularly with respect to women's rights. As for me, all I want to do is talk about what the Public Service Commission of Canada has done about employment equity.

In 1971, Mr. Speaker, 15 years ago, the Public Service Commission set up a service to protect women's rights.

In 1975, according to Cabinet decision 564-75 which I will read, the federal Government came up with a policy to offer employment opportunities to men and women alike, and to ensure that within a reasonable period of time the representation of men and women within the public service would be roughly proportional to the number of interested and qualified applicants of both sexes. Proportional is the key word, Mr. Speaker.

The goal then was quite clear, but now Bill C-62 falls far short.

In 1977, pursuant to Cabinet decision 144-77, the federal Government adopted a policy to increase Indian, Metis, non-status Indian and Inuit participation and representation in all occupational groups and at all public service levels. I urge Hon. Members to see for themselves that it has been done, Mr. Speaker. All those groups are now represented within the public service.

In 1977, the Liberal Government adopted the Canadian Human Rights Act to ban discrimination based on sex, another fair and constructive achievement.

Under Treasury Board decision 775694 of 1981, Mr. Speaker, we implemented a policy to ensure that more physically and mentally handicapped Canadians would be able to join the public service at all levels. This was done because the political will was there, because we wanted to see results, and we did that with our own employees. I fail to see why Bill C-62 should be so weak and not reflect the same political will to make sure that all Canadians feel at home throughout this country and all employees are given fair treatment.

• (1120)

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks at report stage of Bill C-62 with respect to Motion No. 1 affecting the purpose clause. This motion attempts to bring the purpose clause in line with the reality of the Bill. Like so many other Conservative measures, this Bill uses the right rhetoric but does very little to achieve the stated goals. For example, we hear a great deal of talk from the Conservatives about fair taxes. They discovered that concept in the middle of the leader's debate in the last election. They talk about tax reform but we have seen nothing which will lead to tax reform. In fact, we have seen quite the reverse. More taxes are being loaded on low and middle-income people while upper-income people are getting more of a break. We have had a legislation which is supposed to introduce more competition in the market-place and result in the protection of the consumer, but when you look at the legislation closely it just does not materialize in the way the rhetoric says it will. In other words, we have Bills with a lot of talk but very little action.

In Bill C-62 the talk is about employment equity. Judge Rosalie Abella, in her Royal Commission report *Equality in Employment*, defined the larger context in which employment has to be seen with regard to each of the four target groups, women, visible minorities, native people and the disabled. Concerning native people she said on page 4:

> For native people, equality in employment means effective and relevant education and training, accommodation to cultural and geographic realities, a primary voice in the design of the education, training, and funding programs established for their benefit, meaningful support systems, and the delivery of services through native-run institutions.

When we look at specific measures for employment equity she emphasizes that they all require enforcement. On page 10 she says:

> Equality demands enforcement. It is not enough to be able to claim equal rights unless those rights are somehow enforceable. Unenforceable rights are no more satisfactory than unavailable ones.

In spite of good intentions, Bill C-62 lacks the concrete steps necessary to achieve its goals. It has absolutely no enforcement mechanism.

There is an interesting passage in the letter of James in the New Testament where James asks if someone sees a brother or sister who is hungry and lacks clothing and shelter and tells them to go in peace, be warm, be clothed, God bless them, more or less, but does nothing to actually put clothes on that person or food in their belly. What good is that? What we have here are good intentions, but there is nothing to put clothes on the backs of people, nothing to put food in their belly, nothing to give them any real chance for employment equity. Obviously the Conservatives believe that the road to re-election is paved with good intentions.

This House is a place where we should speak the truth, a place where we should call a spade a spade. Motion No. 1 calls a toy shovel a toy shovel. Instead of pretending, as does the present wording of the Bill, that the purpose of the Act is to achieve equality in the work-place, the amendment says that the purpose of the act is to promote and encourage equality in the work-place. I am sure the Government would like to promote equality in the work-place. That is not enough given the reality of today's situation for women, native people, visible minorities, and for the disabled. It is not enough to encourage employment equity. It is not enough to encourage employers to do away with discrimination. There has to be some measure of enforcement.

• (1130)

What the Bill does is call on employers to identify and eliminate those practices which create employment barriers. It calls on employers to put in place positive policies to give designated groups at least proportional representation in their firms at different levels. It calls on employers to draft a plan outlining the goals and timetables by which they seek to do this. There is no enforcement mechanism for any of these practices. The only part of the Act with any sanctions at all calls for employers to file annual reports with statistics indicating what they have been doing. The first of those reports is not even due for another two years, June 1, 1988.

If the Bill passes in its present form we can be sure of one thing and one thing only, and that is, employers who have federal contracts and have more than 100 employees will be filing annual reports. That is the one thing we can be sure of as a result of this Bill, and that there will be more help for the pulp and paper industry because more paper will be needed for these reports. There is not going to be the kind of help that is needed for women, for native people, for visible minorities or the disabled.

I would like to contrast what we have in this Bill with what Judge Abella said in her recommendations. Recommendation number two spells it out very clearly. She says the following:

> Employment equity legislation should have three major components: (a) a requirement that employers implement employment equity; (b) a requirement that employers collect and annually file data, by designated group, on the participation rates, occupational distribution, and income levels of employees in their work-forces; and (c) an enforcement mechanism.

Without that enforcement mechanism this Bill is really of very little assitance to the target groups.

When the Assembly of First Nations came before the committee that was studying this Bill they talked about some of the problems they are having right now. In native communities across Canada there is an average of 35 per cent unemployment. In many native communities unemployment is as high as 80 and 90 per cent. is expected that up to 20 per cent of the growth in the labour force in the next few years is going to be amongst native people. The lack of adequate statistics for the participation of native people in the labour force is something that makes it very difficult for us to get a real handle on this. This is an area where the Government has to take action to give an adequate statistical base so we know from what base we are trying to operate.

I am reminded, in conclusion, of the story of the old man who went to hear an evangalist, and the evangalist was waxing very eloquently about the day of judgment. He said, "there will be weeping and wailing and gnashing of teeth". The old man thought a while and said, "I'm afraid that I'm going to have to gum it". He did not have any teeth. This Bill is going to have to gum it, it lacks teeth, it is not able to do the job at hand. Thank you very much.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I hesitate to rise following that conclusion of my colleague. I have, however, managed to secure my teeth for the balance of this intervention.

I am compelled to rise because I can recall during the second reading debate on the Bill making the point that had been made on a number of occasions prior, and has been made on a number of occasions subsequent to that intervention about the toothless, to use my colleague's phrase, nature of this legislation. I want anyone who happens to read, or listen to, or watch this debate, to understand what this Bill is intended to do. And why we have moved the amendment that we are now debating.

It says in Clause 2 of the Bill under "purpose" the following:

> The purpose of this Act is to achieve equality in the work-place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfillment of that goal, to emeliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

I do not think there is anyone in the country who would disagree with that objective. I think it is fair to say that every single member of this Party, in reading that particular purpose, could come to no other conclusion that was a worthy goal to set. The problem with it is that having said that it stops, it goes no further.

What is going to happen is that over the course of five years there may or there may not be changes in the work-place, depending on the whim of the many employers in Canada. Clause 13 states:

> Five years after the coming into force of this Act, and at the end of every three year period thereafter, a comprehensive review of the provisions and operation of this Act including the effect of such provisions, shall be undertaken by such committee of the House of Commons as may be designated or established by the House for that purpose.

That is the extent of the requirement that is conveyed by this piece of legislation. It says at the beginning that it is our desire to have employment equity. It says at the end that after five years we will take a look and see if it has happened. In the intervening period of time there is absolutely no requirement on any employer in Canada that does not now exist. That is what I find most difficult to understand.

There is no employer who, with good will, could not have done what this Bill requires prior to its introduction. There is no change as far as the legislated requirements for employment by any employer in Canada that flows from this Bill. What we have is a situation where, up until now, employers could, and ought to have, created within their employment the opportunities for all of the groups that are mentioned. There ought to have been employment equity in the work-place. We all agree. Now we have written down that we have not required it to happen but nothing that could have taken place previously is mandated by this legislation. Nothing that could have been avoided previously is required to occur.

What we have now is the most unusual of situations. Any employer who cares about employment equity could at any time in the history of this country have established within the place of employment the opportunities for women, for those who are visible minorities, for aboriginal peoples, for people who are disabled, but that did not take place. They refused to do it. Somehow we believe that by virtue of saying that it is the desire of the House of Commons that that should take place, that will alter the mindset and employers will automatically admit they were wrong. It is absolute nonsense to believe that they will automatically change their ways as a result of this piece of legislation.

• (1140)

The Bill sets out a very decent and supportable principle. However, it provides no way of ensuring that anyone who has not conformed with that desirable principle within the workplace will do so as a result of this Bill.

Frankly, I believe this is a backward step. Our Party believes, as I think other Parties in the House do, that in the 1980s and the last quarter of the 20th Century employment equity is not only desirable but necessary. If that is the case, we should not pass legislation that simply sets this out as a good principle without requiring that people conform to it. That would be like saying it is our desire that everyone drive on the right side of the road, but if they do not like that, they can drive on the left side. It would be like saying that it is our desire that people ought not to steal, but if they do they should not worry about it. We will be unhappy and monitor the situation in the next five years to see what they are doing. That is wrong.

I know that most Members of the House believe as I do, that there should be fairness, equity and equal opportunity in the workplace to all. Therefore, why do we not say that it is the law of Canada and penalties must be paid if it does not happen? Why does the Government not decide that it is appropriate at this point in time, given the increased knowledge of people about the nature of discrimination, to say that discrimination is not only bad, we will not tolerate it. Why do we not say that discrimination in this country is not only undesirable, it is unacceptable socially because it does not reflect the way we evaluate the worth of individuals here and it will not be tolerated in the workplace?

It should be made clear that we will not allow women to be paid less than men, people with disabilities to be denied job opportunities by virtue of that disability, aboriginal people to be denied fairness and equity in the workplace by virtue of being part of the aboriginal society of Canada, and we will not permit people who can be identified by virtue of colour or background to be discriminated against in Canada. That is what we ought to be saying.

I say to the Minister that the Bill is a sop. It does not reflect the will of the Canadian public. It does not reflect the changes that have taken place in the way society judges discrimination. It does not reflect the changing standards which have been set in the last 20 years.

Let us change this legislation together and mandate that there will be no further discrimination in Canada. Let us make the decision now that we are not simply going to add yet one more voice to the cry from the wilderness that we ought not discriminate against people. Let us make sure it cannot happenj because the Parliament of Canada not only wants to see change but demands it.

That is why we have suggested that if the Government refuses to accept that as law, making those who discriminate subject to certain penalties, the Bill could be changed to simply reflect the somewhat frivolous nature of the legislation.

I believe that most Members of the House, including the Minister of Employment and Immigration (Miss MacDonald), want to see this happen in five years. She wants to be sure that we will not have to go through this exercise again in five years. She wants to be sure that people are not discriminated against. I have heard her say that. Therefore, why not change the Bill in the House to ensure that those who refuse to conform with the will of the Parliament of Canada should have to pay the penalty for non-conformance?

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, as you know, the amendment suggests that since the Bill will not achieve equality in the workplace it should state that its purpose is to encourage and promote equality in the workplace. Frankly, I would have worded the amendment differently to say that the real purpose of the Bill is to delay the achievement of equality in the workplace by putting up a smoke screen hiding what the Government is actually doing to further the needs of women, handicapped, native groups and minorities in achieving real equality in the workplace.

As the Treasury Board critic in my Party, I am particularly concerned about what is not being done in the Government of Canada. For instance, this Bill does not apply to the Government of Canada since its provisions do not apply to federal Government departments, but only to employers outside the federal Government. In other words, while the purpose of the Bill may be to achieve equality in the workplace, it does nothing about achieving equality in the federal Government workplace. Therefore, I suppose one must presume that this equality has been achieved. However, I can tell the Minister and my colleagues in the House that that is definitely not the case.

Let me give the case of one of my constituents as an example to demonstrate how far we are from achieving equality in the workplace in the Government of Canada. This constituent is handicapped. She was hired on term some time ago as an affirmative action co-ordinator in her Department. It was her job to seek out ways to implement affirmative action in her Department for people who are disabled or handicapped.

As of the end of March, her term employment came to an end and my constituent was out of a job. In fact, rather than affirmative action, it was affirmative inaction that left her out of a job. She found that in spite of her work in that particular Department she could make no progress at all.

The reason is very clear. It is extremely difficult to implement any kind of affirmative action program in an atmosphere of cut-backs as a result of the Nielsen report and a Government which is determined to cut and slash, regardless of the impact on the services provided to Canadians by federal Government employees. It is extremely difficult to create new positions and ensure that systemic discrimination against handicapped people is eliminated.

Furthermore, there is tremendous pressure within the public service to try to make room for those employees who are being

displaced. In other words, if there is a choice between making a position available to someone who is being displaced from a Department and an applicant who is handicapped but is not known and has not worked in the federal Government before, the federal Government will tend to take care of those who are already on board, as in any other institution or organization. Since handicapped people have traditionally been disadvantaged and have suffered from systemic discrimination, it becomes extremely difficult to overcome that situation.

• (1150)

The provisions of Bill C-62 will not of themselves assist that much. It is such a lousy Bill. However, at the very least the Government should indicate some good will by making applicable to its own Department the provisions which are being applied with respect to large employers in the private sector. I think it reflects hypocrisy that the Government not only has brought forward such a weak Bill, which is why this amendment is proposed, but in that it is not even prepared to make the Bill apply within its own employ, and I am not sure whether or not it applies to Crown corporations. That is one of the reasons the Bill is such a disgrace, particularly when we consider the solid promises made by the Conservatives when they were in opposition.

You may have read recently, Mr. Speaker, a number of remarks by journalists who are perhaps growing cynical beyond their years. They remark on the fact that when Conservatives are in opposition they make promises which they forget when they come to power. That is certainly the case in terms of the commitments made by the present Government to affirmative action when it was in opposition. The journalists also remark that when the Liberals were in opposition they made promises which they were not prepared to implement when they came to power. We can witness what is happening in the province of Quebec now that Premier Bourassa is in office. He is finding that suddenly all of that room for spending he claimed existed when he was fighting in the provincial election campaign magically disappeared the moment he got to look at the books.

I would like to suggest that the Liberal and the Progressive Conservative Parties are giving politics a bad reputation because of the way in which they so cynically break promises when they come to office. They have led journalists to the view that Canadians cannot trust promises made by political Parties when they are in opposition because these Parties are prepared to promise everything but not prepared to deliver once they confront the reality of power.

I represent a Party which has demonstrated in Manitoba, in Saskatchewan, at various times in British Columbia, and now in the Yukon, that when we make promises we do in fact implement those promises. I am getting a bit sick and tired of the Liberals and Conservatives, tweedle dum and tweedle dee, giving politics a bad name in this country because of the way they break their promises. That is why I am concerned about this Employment Equity Bill. We have made some solid promises, yet when we make solid promises about such things as equal pay for work of equal value and affirmative action for the handicapped and disabled the journalists say all politicians are all the same, and, therefore, they do not rely on our Party to implement those promises when we come to power. As one politician, I would like to say that I am determined that we do, and that we continue to keep those promises. Certainly I have kept that commitment since becoming an Hon. Member of this House in terms of the promises I made to my constituents over the course of the election campaign of 1984.

I would comment to the Hon. Member for Brampton-Georgetown (Mr. McDermid), who seems to be making comments, that his Party promised to give political rights to public employees over the course of the last election campaign, which was 18 months ago. I had to spend all last week in court trying to get the courts to enforce that promise because the Conservatives were not prepared to deliver once they came to power.

Mr. McDermid: Grandstanding as usual.

Mr. Cassidy: What a bunch of cynical hypocrites those Hon. Members opposite are, Mr. Speaker. Whether it is the promise about affirmative action, political rights or the promise of "job, jobs, jobs", the Conservative Party, now the Government, is not prepared to deliver. I suggest that it is about time those Hon. Members went back to the book of promises made by the Prime Minister (Mr. Mulroney) during the course of the election campaign. Rather than implement them they introduce measures in the way so cynical that we have to come up with these kinds of amendments to a Bill which essentially does nothing. The Government should come up with direct implementation of the promises made to the people of Canada.

Mr. McDermid: We will put our record up against yours any day.

Mr. Cassidy: In conclusion, I want to suggest that it is a sad day in this House when we are finally considering employment equity, that we have before us a Bill which is demonstrably so weak and ineffective that, rather than bringing forward the day when employment equity is a reality for minorities and the handicapped, it essentially delays that day by several years until the true weakness of the Bill is demonstrated. As it is now, it will not do a damn thing to ensure that equity arrives for the people it is meant to benefit.

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I came here to listen, but I was provoked by the last speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy) to rise and say a few words in response to his and his Party's position, as he would seem to indicate. How self-righteous that group of individuals of the New Democratic Party are when it comes to some type of labour legislation. They purport basically to represent one group in our society, and that is labour.

Mr. Cassidy: Ordinary Canadians. We represent 20 million Canadians. Twenty-six per cent in Quebec.

Mr. Holtmann: So the Hon. Member jumps up and tells us that his Party represents ordinary Canadians. He also said the NDP Government has demonstrated in Manitoba and Saskatchewan that it never breaks its promises. He tells us that New Democrats are the kind of people who never break promise. I want to tell the House something interesting. We had an election in Manitoba recently. The Premier of Manitoba said: "We are going to enact laws and take action on April 1 to bring gas prices down by at least nine cents". Almost a week after he was elected he said: "Oh, we will have to postpone it." That was a direct promise to take action on April 1 and he has since postponed it until June.

An Hon. Member: Shame.

Mr. Holtmann: How can the Hon. Member jump up and say that if his Party promises to do something it will act? The Hon. Member of Parliament for Ottawa Centre (Mr. Cassidy) should live in Manitoba how they and read the papers which tell the people in Manitoba have been led down the garden path, how they have been fooled by that type of activity.

Mr. Cassidy: You are a sore loser.

Mr. Holtmann: No, I am not a sore loser.

Mr. Cassidy: You dropped by 20 per cent in the polls in the last year and a half. You had it in the bag two years ago and you blew it.

Mr. Holtmann: While I was listening to what the Hon. Member said I thought about how the NDP portrayed itself as representing the labour force. I was flipping through Private Members' Bills which were put forward by Members of the NDP and found that his Party did not bring forward any type of legislation with respect to equality. In fact, they talk about Nicaragua and places around the world, but not Canada. That Party has not introduced any legislation on employment equity, which it has the ability to do, but it has addressed all kinds of other subjects.

I wonder why the Hon. Member rises in his place and criticizes the first type of legislation which moves employment equity in the right direction, something which could not be done by the previous administration? He says the legislation has not gone far enough. I ask him what has gone further than this? The Hon. Member could not comment on that because he just wants to criticize. The legislation is moving in the right direction. We cannot legislate every type of scenario which could occur in terms of equality. That Party would like us to, but it must understand that people are only human. I am sure everyone in this House would admit that it is not a perfect world. There is some discrimination in this country and always will be, I suppose.

Mr. Cassidy: This is a lousy Bill as well. Admit it is a lousy Bill.

Mr. Holtmann: I do not admit that it is a lousy Bill. The Hon. Member should have the decency, I think, to rise and admit it is moving us in the right direction.

Mr. Althouse: It doesn't move us anywhere.

Mt. Holtmann: Never before have we gone this far.

Mr. Cassidy: It doesn't move us an inch.

Mr. Holtmann: The Hon. Member says it doesn't move us an inch. Well, I will ask him what he has proposed in a Private Members' Bill which would move us further? What has he proposed? Nothing. When does he intend to propose anything, if ever? He might be provoked into doing something now because he knows that we have found out that he has not even thought of anything. Today all that Hon. Member wants to do is criticize.

Mr. Cassidy: Point of privilege, Mr. Speaker.

Mr. Holtmann: He is probably going to run back to his office to draft something up.

Mr. Cassidy: I rise on a point of order, Mr. Speaker. The Hon. Member alleged that I have not only done nothing but I have not thought at all about this issue. In fact, I would point to my record over the past 13 or 14 years.

An Hon. Member: Sit down.

Mr. Deputy Speaker: Order, please. I do not believe that is a point of order.

• (1200)

Mr. Cassidy: I rise on a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: Will the Hon. Member please repeat what he said?

Mr. Cassidy: I rise on a question of privilege, Mr. Speaker. The Hon. Member disregards the fact that when I was Leader of the Ontario New Democratic Party, my Party—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I think that what the Hon. Member is saying is more a matter of debate between Hon. Members than a question of privilege.

Mr. Taylor: Tell us why they kicked you out!

Mr. Deputy Speaker: The Hon. Member for Selkirk—Interlake (Mr. Holtmann).

Mr. Holtmann: Mr. Speaker, thank you for allowing me to continue.

Mr. Cassidy: Let's hear about your promise regarding political rights. Where is the action from the Conservative Government?

Mr. Holtmann: As a matter of fact, it was our Government which introduced some study on exactly that point.

Mr. Cassidy: Where is the action?

Mr. Holtmann: We are the Party which put a book together entitled *Equality for All*. It presented these topics for discussion, not necessarily as our policies.

Mr. Cassidy: Where is the action? Some 18 months have gone by.

Mr. Holtmann: Mr. Speaker, it seems that the Hon. Member for Ottawa Centre cannot stop talking to listen. He keeps his jaw jiving, whether or not he has gums in his mouth.

Mr. Cassidy: Why haven't you put forward a Private Member's Bill?

Mr. Deputy Speaker: Order, please.

Mr. Taylor: You made your speech when you were standing up.

Some Hon. Members: Order!

Mr. Holtmann: The point is that we have gone further in this particular Bill than was ever anticipated. It certainly is not perfect. We admit that.

Mr. Cassidy: It is far less than you promised. You promised and you did not deliver.

Mr. Holtmann: Well—

Mr. Thacker: Mr. Speaker, I rise on a point of order. It relates to the unparliamentary conduct of the Hon. Member for Ottawa Centre (Mr. Cassidy). I wish to listen to my colleague, the Hon. Member for Selkirk—Interlake (Mr. Holtmann), and I am being prevented from doing so by the unnecessary interruptions of the Hon. Member for Ottawa Centre. I think the Chair has a responsibility to stop the Hon. Member from interrupting or to name him.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Chair does not believe that is a point of order.

Mr. Holtmann: Mr. Speaker, I will not dwell on this matter much longer. I am sure the Hon. Member for Ottawa Centre is being so provoked that he cannot stand his position and he will probably jump up again. That will cause the debate to deteriorate. The Hon. Member has had an opportunity to speak.

I would like to say that the Government can stand proud with respect to the introducing of legislation which will move us in the right direction. Some people think it is not enough. We will examine how it will effect equity in terms of employing people who are not as fortunate as the rest of Canadians. This is a matter which needs to be considered fully. That is what we are doing here today. I would like to listen to good and adequate representations from members of the New Democratic Party and not this rhetoric—

Mr. Cassidy: Where is your Bill on political rights?

Mr. Holtmann: —of promises and broken promises.

Some Hon. Members: Hear, hear!

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I wish to say a few words with respect to Bill C-62. The motion moved by the Hon. Member for Yorkton—Melville (Mr. Nystrom) calls a spade a spade. It has been put forward to point out that Bill C-62 is weak. Therefore, we would not be too concerned if the motion were defeated, if the Government would allow the remaining motions to pass. If that were to happen then the defeat of this particular motion would not mean a thing.

The Hon. Member who just resumed his seat said that the Government has done a lot. He spoke about the book presented by the previous administration, which happened to come out during the administration of the present Government. God knows that the previous administration did not do too well in the area of equal opportunity.

It must be understood that the philosophy of equality is not the philosophy of the Party in Government. That Party does not feel that equality should be part of its responsibility as a Government. It has shown this in almost every area in which it has brought forward legislation. It is a word which members of the Party like to use but which does not fit their philosophy. Consequently, they use it in vain at every opportunity. They have suggested equal taxation for all people, while moving in the opposite direction. They have suggested equal opportunity with respect to training; yet they have reduced the amount of money which they pay to colleges and training institutions. They have suggested equal opportunity and assistance for small business. What have they done in this regard? They have given assistance to big business instead, in order to keep it in place. They have said that they would give equal opportunity to civil servants, yet they have cut back in this area, both in terms of pay and in terms of the opportunity to work. Members of the Government have suggested they would give equal opportunity to farmers. What has happened is a degeneration of opportunity in terms of farmers being able to stay alive and survive on this earth.

The point I wish to make is that if this particular motion is defeated, and the reason for it being defeated is the passage of the other 59 motions, then we will be happy to vote against it. However, what we can expect is the defeat not only of this motion but a defeat of all the others. The motion before us would amend the Bill to state exactly what it is. It is a Bill which has no teeth in terms of any kind of equity being achieved. So if members of the Government wish to defeat this motion and pass all the others then we will go along with them. If that is not the case, then at least let us be honest and pass this motion in order to say that this is what the Bill really does.

This motion encourages equality. The Bill does nothing to make equality a fact.

Mr. Derek Blackburn (Brant): Mr. Speaker, I too have a few words to say with respect to Motion No. 1. It relates to a serious problem in the workforce today, or perhaps one just outside the workforce. I refer to the problem of those in their forties and fifties who have been laid off, whose jobs have been terminated or those who have lost their jobs because the plants or factories in which they work have been shut down. At this stage of their lives they cannot find gainful or meaningful employment. In other words, Governments at the municipal, provincial and federal levels are telling these men and women that they are too old for the workplace. They are being told that they are no longer needed. That is the impression with which they are being left. These people should be recognized just as we recognize other minorities in society who are in critical positions with respect to gaining employment.

I think it is absolutely tragic for men or women, who started work in their late teens or early twenties and spent 25 or 30 years in the workplace only to find that they no longer have jobs. They have worked hard for their employers. They have attempted to save a few bucks. They have tried to educate their children and to pay off their mortgages. They try still to provide a fairly decent standard of living for their families. Then all of a sudden they receive the pink slip. Or perhaps through no fault of their own, the factory in which they work goes belly-up, or the business in which they are employed shuts down and their jobs no longer exist.

We cannot stop progress. We cannot stop scientific and technological development in the workplace. However, we can surely devise means by which to put these men and women back to work. If we can put men on the moon then I think we can spend the time and make the effort to develop careers for people in their forties and fifties.

It is a fact that the private and public sectors have devised all types of interesting pre-retirement schemes. All types of incentives have been devised to encourage an employee to leave his or her place of employment at the age of 50 or 52 instead of waiting until the age of 60 or 65. By taking such action what are we really doing? We are telling these people that they are no longer required. We are saying that they are no longer important in terms of input into the workplace and in terms of earning a living and looking after themselves. We are saying: "Here is the golden handshake, goodbye and good riddance". We are saying that we do not need them anymore; they have become redundant because of their age. That is a growing tragedy not only in our country but in the United States and western Europe. Governments at all levels are really not putting their minds and hearts toward some kind of effective solution to this problem.

• (1210)

I do not think that there is anything more emotionally distressing or depressing than for a person who has been used to being a useful contributor to his community to be laid off, forgotten and bidden farewell at the age of 50 or 55. We just do not care about those people anymore. This is one of the great problems all Members of Parliament face daily in their constituency offices.

I am not trying to be emotional about this, but I have had visits from men in their 50s who were weeping simply because they had been out of work for a year or two, their unemployment insurance benefits were gone and their children were probably trying to help them financially. That is something which they almost resent because it embarrasses them. A few of them have actually had to go on welfare or take jobs on a temporary or part-time basis, something which again is very degrading. Surely, with the amount of money this Chamber expends in the name of the Canadian taxpayer we should be able to devise programs, policies and retraining schemes to assist these people.

I cannot prove this, but I am convinced that in virtually every employment centre in Canada, those who are given the last opportunities for retraining are those who are in their 50s, those who no longer have dependent children. They are being discriminated against because of their age. We seem to think that the last 10 or 15 working years of a person's life are no longer important. They may no longer be important to the state but those last 10 or 15 working years are still very, very important to the person. Even with some kind of generous pre-retirement program, he or she does not want to go home at the age of 50 or 51 to sit there and stare out of the window for the next 15 or 20 years.

Politicians in Canada range in age from 21 to 60. This present generation of politicians is supposedly in control of things, but politicians are going to be held morally accountable some day for the way they are treating those in their 40s and 50s who cannot find work. We cannot provide training and expertise for these people so that they can live out the rest of their working years in dignity and security by paying their own way. That is all they want.

I hope that the Minister responsible for employment will come up with programs which are much more effective for these people we are casting aside, people to whom we are saying, if not out loud then certainly by implication or inference: "You are no longer needed, you are redundant, you are just a UI number, a welfare number and that is it". Certainly that is the impression those people are getting. I hope that all of us will put our minds and hearts together and come up with some kind of legislation to assist these people

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for Yorkton—Melville (Mr. Nystrom). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

Pending the Speaker's decision on Motions Nos. 2 to 6, we will now proceed with Motion No. 8.

Mr. Lorne Nystrom (Yorkton—Melville) moved:

Motion No. 8

That Bill C-62, be amended in Clause 3 by striking out lines 13 to 15 at page 2.

He said: Mr. Speaker, I appeal to the House to support this amendment. It is an amendment that would include the federal Government itself under the provisions of the employment equity Bill, Bill C-62. I think it is a very reasonable amendment.

If we are passing legislation that is to apply to private companies operating under federal law or to federal Crown corporations, then why should the same law not apply to the Public Service of Canada? I appeal to Hon. Members of the Conservative Party to accept this motion which would make this Bill applicable to Canadian public servants. For example, when this law is passed, it will not apply to the employees of the Ministry of Employment and Immigration. I do not think that is right and proper.

In committee, the answer of Conservative Members to this question was that we do have Treasury Board guidelines. However, Treasury Board guidelines are guidelines and guidelines change as Ministers and Governments change. We have seen that all too often throughout the history of our country. This motion says that we should give those guidelines the force of law. We should put them into statute form and make it the law of Canada that employment equity is to be applicable to the federal Public Service, just as it is applicable to Crown corporations and the parts of the private sector that do business with the federal Government or fall under federal law like federal banks.

I would like Hon. Members of the Conservative Party to listen very carefully to the list of groups which have asked Parliament to support this motion, to make sure that Bill C-62 applies to public servants. These groups have said that they want federal Departments to fall under the jurisdiction of Bill C-62. The first such group is the Canadian Ethnic Cultural Council of Canada, an organization representing the many multicultural organizations. In my riding, many such organizations exist, particularly Ukrainian-Canadian organizations. These people are saying that the Department should be under the umbrella of Bill C-62. The second group is the Canadian Advisory Council on the Status of Women, a very important organization. The third very important organization is the Coalition on Employment Equity for Persons with Disabilities. I appeal to my Conservative friends to think very seriously about that.

At noon hour today there will be a demonstration outside the Parliament Buildings involving about 100 or more disabled Canadians. This may be the first time in the history of Canada that disabled Canadians have come to Ottawa to speak collectively to Members of Parliament. They will be asking us to strengthen Bill C-62, to make sure that a number of things occur to help disabled Canadians. For example, they have indicated that 70 per cent of disabled Canadians who work for the federal Government work on a term or contract basis.

I know that the Hon. Member for Bow River (Mr. Taylor) has a lot of experience in Government. He was the Minister of Highways under the Social Credit Government of Alberta for years. He knows that in Government, regardless of political stripe, when there are cut-backs or freezes it is often the term contractors who are the first to be laid off.

Four weeks ago when disabled Canadians came to Ottawa to meet with the Prime Minister (Mr. Mulroney), I was personally very shocked to find that 75 per cent of disabled Canadians who work for the federal Government are on term contracts. That alone is reason enough to accept this amendment and to make sure that federal Government employees come under the purview of Bill C-62. Treasury Board guidelines are obviously not good enough. They are not good enough for disabled Canadians.

• (1220)

I appeal to this House now to listen to disabled Canadians who are in Ottawa today. I appeal to the House to try to accommodate what they are saying to us. They are saying, bring the Public Service under the purview of this Bill. They are saying, have a better definition, or a definition of reasonable accommodation and that there must be an enforcement agency. They are saying two or three other important things about which I will talk later this day.

The third group which says bring the Public Service under the Bill is the Organization of Persons with Disabilities. The fourth group is equally important, The Urban Alliance on Race Relations. Again, the visible minority is one of the four target groups for this Bill. They are saying to us, make sure this Bill applies to the Public Service of Canada.

Fifth, the Public Service Alliance of Canada, a very important union and organization for employees of the Government itself, is saying that the Treasury Board guidelines are not enough and that we must have the force of law in terms of promoting employment equity in Canada.

The next group, Mr. Speaker, is the supply and service union of the Public Service Alliance of Canada. That group has also asked us to amend this legislation to make sure that the Bill applies to the Public Service of Canada.

The next organization is one called BOOST the Blind Organization of Ontario with Self-Help Tactics. I had the opportunity in Toronto, along with the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and the Hon. Member for Capilano (Mrs. Collins), about two months ago to meet some blind Canadians who came to a rally at City Hall to talk to those of us interested in this Bill, and they asked us to make certain amendments. One amendment they asked us to make to the Bill is Motion No. 8 standing in my name today. I am sure some of their representatives will be on the Hill right now demonstrating in front of Parliament. What better piece of evidence that we are listening to Canadians could there be than the acceptance of this motion?

Another organization that has asked up to accept this idea of having the Bill apply is an organization called Committee for 94. It is a very prominant, well known and articulate women's organization. Another is the National Action Committee on the Status of Women, and finally, the Assembly of First Nations, the assembly of the aboriginal peoples of Canada. They are one of the four target groups to which this Bill pertains. They have asked us, as one of the four target groups, to make sure that we apply Bill C-62 to the Public Service of Canada.

I make that argument. I make my first argument as one that we should listen to the people, that we should listen to the organizations affected. They are all telling us to do the same thing. I appeal to Members of the Conservative Party to put aside some of the political partisan debate we have heard from time to time and listen very carefully to what the people of Canada are saying to us. They are telling us that they want the federal Public Service to be included, and I think we should move in that direction.

As I said before, the Minister had said at committee that the Public Service guidelines are enough, that Treasury Board guidelines are enough. I do not think they are, and nor do these organizations. Treasury Board policies on equity are totally management controlled. It seems to me if there is any Party in this House that has been critical of the way the senior public servants have sometimes handled and conducted themselves, it is the Conservative Party whose members have criticized the bureaucrats and mandarins in Ottawa. This is one way of making sure that the will of Parliament takes precedence over the management of the senior levels of the Public Service of Canada. That is another reason we should be making sure that Motion 8 carries.

Treasury Board guidelines in the past years have made the promoting of women to senior positions in the Public Service a very high priority. My understanding from women's groups is that they have often ignored the vast majority of women in the Public Service who are not in senior management positions but in middle management positions in the Public Service of Canada.

There has been no serious effort or initiatives taken to identify or to eliminate systemic discrimination in all aspects of Public Service employment practices. That is a very important part of what we are trying to achieve today, and Treasury Board guidelines are just not adequate, according to all the organizations that have come before our committee. Treasury Board policies on equity lack the force and the commitment of law. To me, that is very important.

Let me say that we have a lot of disabled Canadians who have made the effort to come to Ottawa to have a demonstration in front of Parliament at noon hour. That demonstration should be starting about now, if it has not already begun. First, they are asking us to listen to them and to govern on their behalf. They are joined by seven or eight other organizations representing native Canadians, visible minorities, women and others who say that this motion is important, that it should carry and that the Public Service must be included. Second, they are saying that Treasury Board guidelines are not enough. They do not have the force of law. It is important, as Governments come and go, as Ministers come and go and as Treasury Board Ministers come and go, that the force of law have some continuity and that the force of law be there. Be it Liberal, New Democratic or Conservative, be it the present Minister of the Treasury Board or some new Minister, it is important that the force of law in statute tell the public servants, managment, that we want employment equity in the Public Service along the same lines as we want it to apply in the private sector.

Finally, it is of particular importance for disabled Canadians. Seventy-five per cent of disabled Canadians now work on term contract in the Public Service of Canada, according to their spokespeople who were here four months ago. The Prime Minister said to them at that time that they could have a meeting with Geoff Norquay, a special policy advisor. They spent over half an hour in his office. He said to them that he would be letting them know what he could do by the time this Bill came back to the House. The Bill is now before the House, Mr. Speaker. What better day to say yes to disabled Canadians than today, because they are here with us, and saying it now in part by accepting Motion No. 8 now before the House.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I want to express my support for this amendment which would knock from the Bill those sections which prevent the Bill from applying to the Public Service. I had a similar amendment to that of the Hon. Member for Yorkton—Melville (Mr. Nystrom) but, because he tabled his first, mine was ruled out of order. In any case, I fully support his amendment. I want to put on the record our reasons for doing so.

The Government has said that such an amendment is not necessary, that it is not necessary for Bill C-62 to apply to the Public Service because there is already a program in place of employment equity applying to the Public Service under

Treasury Board directives or guidelines. The Minister is correct in saying that. That program was introduced by the previous Liberal Government. When it was introduced it was not meant to be the last word. As a matter of fact, after that program of employment equity had been introduced into the Public Service by means of Treasury Board directive the previous Liberal Government appointed the Abella Commission to seek out advice and to report on how we could bring about employment equity in the labour market more effectively. We as Liberals were awaiting the recommendations of that report to proceed further.

On that very point, I hear many Hon. Members on the Government side pointing out that this is the first time any Government has brought in a Bill on employment equity. That is correct, but they do not mention that there were several steps leading up to this which had to be taken first.

• (1230)

The Canadian Human Rights Act was passed in 1977 by a Liberal Government. We then spent a long time bringing in the Charter of Rights and Freedoms which entrenches equality for all Canadians in the Constitution. That entrenched equality prevails over all other legislation. Once that was completed in 1982 the Government moved on to the next step, which was affirmative action for employment in Canada for certain target groups including women, visible minorities, native people and the disabled. The Abella Commission was set up to study how that might best be done. Judge Abella recommended very strongly that, rather than leaving this to voluntary compliance and good will on the part of employers, it be legislated. She recommended that the legislation apply to the public sector as well as the private sector.

Judge Abella proposed that we use the term "employment equity" for what was previously described as "affirmative action". She recommended that it be legislated for the public service and for the private sector. The Government's response that it is not necessary to legislate, is no longer acceptable for two good reasons. If the employment equity program for the public service is in the form of guidelines rather than legislation, it can be changed at any time by the Government of the day without approval of the House of Commons. It can be changed by orders in council or directives issued by the Cabinet. If employment equity is legislated, changes must be made through a Bill passed by the House of Commons. In that way the principles which protect Canadians in employment equity are more firmly entrenched than they would be through directives, regulations or orders in council. That is very important.

In addition, how do we explain to Canadians in the business sector that there should be binding and entrenched legislation for them but not for public servants? They may sensibly ask why it is necessary to have laws for them if orders in council and directives are good enough for the public service. In order to be consistent we should put these principles in law for public servants as well as the private sector. By doing that we will entrench, in a more substantial way, the principles of affirmative action and employment equity.

Another good reason why this legislation should apply to the public service through a Bill rather than through simple directives is to set a good example for the provinces. As Hon. Members know, the federal Bill we are debating today will only cover the part of the private sector which is subject to federal jurisdiction. That is a very small percentage of the total businesses in Canada. In order to have widespread affirmative action and employment equity in Canada, similar Bills must be adopted by the provincial Governments to cover the approximately 80 per cent of employers who fall under their jurisdiction.

Over the years the federal Government has set a good example in labour legislation. It must set the same example in this case through legislation. If the federal Government introduces a Bill to cover the private sector and not the public sector, the provinces may do the same thing and may not even have any directives or guidelines under Treasury Boards in the provinces such as we have at the federal level.

I fully support this amendment. It is essential to entrench, in a substantial way, the principles of affirmative action and employment equity in order to establish equity between the private and public sectors. It is also important in order to set a good, solid example for the provincial Governments which should act on this matter as well if there is to be employment equity in the country.

I am sure the Minister supports this kind of principle. I am sure that she believes in more firmly entrenched affirmative action but, for one reason or another, is being handcuffed by dinosaur types in her Cabinet. I have known the Minister over the years and I know she is a fair-minded person who believes in employment equity. She has fought for a long time for employment equity and now she has introduced a Bill which has no teeth and does not attempt to do the things which she really wants to do. I feel sorry for her because she has fought so hard and so long for these principles. I hope that her Conservative caucus colleagues will support her against the reactionary and dinosaur- type elements in the Conservative Party. I hope they will give her the support she needs to put forward a good Bill to cover the private and public sectors. Only in that way will we do justice to this important issue in Canada.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to speak to Motion No. 8 affecting the employment equity Bill. It is clear to me that this motion relates to a very important matter of public policy; that is, that the public service should fall within the purview of the employment equity Bill. The intention of the employment equity Bill is to bring about greater equality in the workplace. On previous occasions in the House we have pointed out the weaknesses of the employment equity Bill. It does not have any enforcement mechanisms and is disappointing in that regard. However, if we are going to have an affirmative action

program, it makes a great deal of sense that it should apply equally to the public sector and the private sector.

The legislation which the Government has presented is inconsistent to the extent that parts of the public sector are covered while other parts are not. Crown corporations fall within the purview of this legislation, but Government Departments do not. We have, therefore, moved that federal Departments should fall within the purview of this legislation. It is important not only to be consistent in the way in which we treat Crown corporations, private sector corporations, and federal Departments, but also to ensure that the federal government Departments set an example for the private sector. They should be leading the way and demonstrating the effectiveness of an affirmative action program.

Perhaps the Government feels it does not need to do that because there is already an affirmative action program in the public sector. We know that the Government has what it likes to call an affirmative action program in the federal Departments, but we know from its results that the program is ineffective. Taking the Department of Employment and Immigration as an example, while there may be one or two token women in top management positions, the vast majority of the senior civil servants who are running that Department are men. That comes as no surprise. Obviously these men are capable, but it is a sign of the unjust distribution of employment opportunity in the Public Service. It clearly demonstrates that the present affirmative action program is ineffective.

• (1240)

The argument that there is no need to apply the employment equity Bill to federal Departments because we already have an affirmative action program just does not hold water. With Government Departments themselves operating under guidelines it is possible for the Government to change those guidelines willy-nilly. If the affirmative action program were passed by this House into law, then the Government would have to live with those guidelines. Obviously a Government can change legislation. We have democratic processes for that purpose. However, it is much more difficult to change legislation than to change guidelines. Therefore, we recommend through this motion that the employment equity Bill apply to federal Departments.

While we are very skeptical of this legislation and point out its weaknesses, the Government could learn from the experience of applying this legislation to federal Departments. There would be a kind of direct window on affirmative action. Program weaknesses could be seen. Presumably the Government would then be able to change the program in this or that way. It might even come to the conclusion we have already come to from examining experience in other jurisidictions, such as the U.S. and Australia, that it is essential that any employment equity or affirmative action program be enforceable. Government must not only be able to set out the targets, it must also be able to demand that companies or Departments put in place programs to achieve those objectives. That is of course lacking in this legislation, and it would be lacking even if the motion we have before the House today were to apply.

If we apply this legislation to Government Departments, that would be a persuasive factor in our dealings with private sector companies. We could say that these are not just rules we are laying on you, we have applied them to the Government as well. The Government would be better able to lean on companies to get their act together on employment equity in the workplace.

In addition, the experience the Government gains from applying this to its own Departments would enable it to distinguish between legitimate concerns raised by private sector companies and those who are simply crying the blues. If a company came to the Government with the argument that it is an impossible burden to achieve the goal of equality between men and women in the workplace, it would know whether it was being faced with a legitimate concern which needed to be dealt with in order to achieve the ultimate objective of equality in the workplace, or whether it was something else.

This is an important motion, Mr. Speaker. If this program is to carry any weight it must be seen as being consistent. It cannot be seen as simply an imposition on the private sector. It must be seen as necessary for the economy, and obviously Government is a large part of the economy. Therefore I call upon the Government to realize the need for consistency, the need to set an example, rather than just laying the burden on the private sector. Doing that will bring closer the day when managers in the Public Service and not just clerks are chosen on the basis of their ability rather than on the basis of their sex or race or handicap.

This motion would add to the effectiveness of the program the Government is planning to put in place, even though I have very serious and fundamental concerns about the program as designed. However, with the passage of this motion the Government would more quickly learn the weaknesses of the program and could therefore improve it more quickly.

Whatever is done regarding affirmative action and equality in the workplace must be done quickly. Women will no longer stand for second place in the workplace. They are second-class citizens no longer. They represent a very powerful and legitimate lobby. The Government needs to respond to that lobby and have federal Departments set the example.

There are a good number of Members across the way who are not only here in their seats but are listening. I can see at least one Member over there who is listening intently. I hope he takes my arguments seriously.

Mr. McDermid: Say something serious.

Mr. Keeper: I hope he will be convinced by these arguments and bring them to the attention of the Minister. If he cannot stand up and refute those arguments, then I hope he will vote with us in favour of this motion so that we are able to bring about justice and equality in the workplace more quickly.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when I was first elected in 1974 I remember speaking in this House on the issue of what was not called pay equity but affirmative action.

Mr. McDermid: All you Liberals did was talk.

Miss Nicholson (Trinity): At that time I took the view that the Canadian style, which tended to be more of voluntary compliance and good will, really did not call for affirmative action. At that time I thought that as society was changing we would see changes in the employment practices of the public service, and in business. I had hoped that without anybody needing to legislate we would see more women, more visible minorities, more physically challenged people in jobs that they had not traditionally done.

• (1250)

Twelve years later one has to say that the progress has been abysmally slow and, reluctantly, one has come to the point that some legislation is necessary. The Bill before us, in fact, sets very minimal conditions which are not going to be any great hardship on firms that are doing business with the Government. They are only asked to record and report on their progress. At least there is an expectation that firms will question and examine their own progress.

It is disconcerting to find in the Bill that the public service is specifically excluded. That is why I would support the amendment before us which would, in effect, require the public service to meet precisely the same conditions that are being asked of the private sector when doing business with the Government. If the reporting requirement is considered onorous by the Civil Service then, surely, it is even more onorous for the private sector. Equally so, if the reporting requirement is considered a reasonable one for the private sector to meet, then surely it is more than reasonable for the public service to meet.

The advantage of having a legislated reporting requirement is that it is not easy for the Government of the day to change it on whim. When it is there in legislation any change would have to be brought back to Parliament and approved by Members of the House. The people who are in need of, not necessarily special consideration, but equal consideration under the Bill, are listed as women, physically challenged, native peoples, and visible minorities. I want to speak particularly about the physically challenged.

In my own riding I have a residence which has been turned into apartments for physically challenged people. Some of these people are very young and are really fighting against enormously difficult odds. It is typical of their spirit that the words they want to use are physically challenged and not physically handicapped. They want to contribute to society, as everyone else does. If that means making some arrangements to accommodate a wheel chair, to have larger doors, to have wheel chair ramps, surely this is the kind of accommodation that society is more than ready to make so that bright, talented able people can contribute to society in the same way as those who have been luckier with their physical health.

In the last Government five departments of the public service were asked to undertake special programs by way of employment equity, with the idea that this would spread over to the public service generally. The progress has been abysmally slow. The jobs are still going to able-bodied, and physically handicapped people are still having to tolerate patronizing and inappropriate remarks. The assumption that because of a physical handicap they are not able to meet the requirements of a job is an assumption that is made too often and too lightly. It is very wasteful in our society and we cannot afford it.

For these reasons, although my own taste and talent is always for a negotiated settlement where possible, rather than imposing things by law, I do approve of legislating employment equity in this area. I certainly think the public service should be included in anything that is required of the private sector doing business with the Government. The public sector employment practices set an example for the provinces, for the provincial Civil Service and the federal Civil Service should not be allowed in any way to escape any requirement for creating more opportunities for the less favoured in our society.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I am pleased to have the occasion to rise in support of Amendment No. 8, which would have the public service included under the purview of Bill C-62. It is rather curious that the public service has been omitted when one considers the debate on the issue of affirmative action qua employment equity. There is no doubt from whom opposition comes. It has come primarily from employers. There have been a number of studies done about employer attitudes, employment arrangements, hiring practices, practices with respect to promotions, attitudes towards minority, women, disabled groups as well as natives, all of which testify to opposition to any strong action taken to ensure that job opportunities would be available to members of the target groups which are covered in this legislation.

The curious thing is that the employers in the public market-place are to be subjected to legislation, however inadequate that legislation may be. The Government finds itself in a very curious situation in which it is clear that, at least in some respects, it is behaving in a way which is consistent with the opposition the private employer has, and expresses; the Government has excluded itself. This is reason for concern, because in 1968 the public service of Canada initiated a voluntary program of affirmative action which was to be directed to visible minority groups. In the interim very little was accomplished, until around 1983 when there was some initiative to begin the process of data gathering for the purpose of permitting an analysis of the distribution of the target groups in the public employ. That report was supposed to have been submitted to the Treasury Board in 1984. By spring of 1985 no evidence that such a submission had been made.

What we have is clear evidence that the Treasury Board has not been very effective, indeed, perhaps not even willing to implement what slight steps towards affirmative action programs there have been in the past. One must have considerable doubt whether a Treasury Board will be any more effective when faced with the new responsibility of implementing affirmative action, or employment equity in the public service. It seems to me that there is increasing and mounting evidence that there needs to be the inclusion of the public service in this legislation. That evidence is the treatment that minority group members have experienced in recent weeks—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. It being one o'clock I do now leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I draw to the attention of the House the plight of the Lubicon Indian Band in Alberta. This band is still fighting, in 1986, for land that was promised to it in 1940. That promise was made by the federal Government and that promise has been broken by the federal Government.

Our failure to fulfil our obligations to the Lubicon Indian Band has had devastating consequences. Powerless to exercise any control, the band has had to watch its way of life being systematically destroyed by oil development on its Members' traditional lands.

The band's claim is a legitimate one. It has been substantiated by the report of the Minister's own special negotiator.

I call upon the Government now to fulfil its responsibility to stand with the band and to negotiate a just and equitable settlement without any more delay.

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WESTERN GRAIN STABILIZATION ACT

MINISTER'S ANNOUNCEMENT—CALL FOR DEFICIENCY PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this morning in Winnipeg the Minister of State for the Canadian Wheat Board (Mr. Mayer) announced a $580 million pay-out to grain farmers under the Western Grain Stabilization Act. This payment has long been anticipated by western producers and it is greatly appreciated.

However, a number of points should be made. First, part of the money being paid out to the farmers is their own money that has been collected over the last five years. The timing and the amount of the payment are set according to provisions of the Act and are not the result of the largesse of the Government. The size of the pay-out indicates that there was a shortfall of $600 million in the incomes of grain producers this year compared with the average of the last five years. Even knowing this shortfall, the Government has announced another 20 per cent reduction in the income of grain producers by the lower initial grain prices it has established.

It is imperative that the Government announce, in the next few days, a program of deficiency payments for the next crop year. Farmers are on the verge of seeding. They need to know their income prospects for the coming year so both they and their bankers can have some assurance that planting anything is worth while.

Mr. Speaker: Order, please. Sixty seconds.

* * *

ANIMAL WELFARE

TREATMENT OF ANIMALS USED IN RESEARCH

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, I would like to bring to the attention of Members of the House that this week of April 14 to April 20 will be the second annual Animal Health Week. This occasion, sponsored by the Canadian Veterinary Medical Association, is to promote animal health care by means of good nutrition, hygiene, and preventive medicine, and to increase public awareness of the importance of animals in our lives. This Animal Health Week, as such, will focus on all types of animals, including food producing animals, work animals, research animals as well as pets.

It is particularly important to highlight the vital contribution of animals to agricultural and medical research. In this regard it is a fundamental responsibility of all researchers, particularly veterinarians, to ensure that animals used in research are humanely treated and well cared for.

If Animal Health Week can in some way improve the health and well-being of even a small proportion of the animal population, it will have served its purpose.

S.O. 21

ANIMAL WELFARE

PET FOOD CERTIFICATION PROGRAM

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, at this, the beginning of Animal Health Week, I wish to highlight a very special achievement to Members of the House. The Canadian Veterinary Medical Association has established a pet food certification program to certify pet foods in Canada. This voluntary program requires that manufacturers demonstrate their ability consistently to produce pet foods that meet an animal's nutritional requirements at all stages of life as established by both chemical analysis and feeding trials. The subsequent production of certified foods is monitored continuously to ensure product meets the standards established by the Veterinary Association.

The program is unique in the world. The small fee paid for the service generates significant moneys applied only to research for animals. Already half of all pet foods sold in Canada bear the seal of certification.

• (1405)

The Canadian Veterinary Medical Association has provided a standard for the multimillion dollar pet food industry. This is a remarkable achievement.

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EXTERNAL AFFAIRS

LIBYA-UNITED STATES RELATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, can terrorism be dealt with by moving a United States fleet into Libyan waters? Can Khadafy be isolated from the Arab world by way of an attack on him? With its latest move in the Mediterranean Sea, is the U.S. not encouraging further retaliation by terrorists? Is the threat to Lybia not going to enhance Khadafy's stand in the Arab world? The Lybia-U.S. confrontation in the Mediterranean poses a threat to peace in the world today. In addition, terrorism will hardly be eradicated by a U.S. attack on Lybia. There are more subtle ways to check terrorism.

Canadians would support the Government of Canada if it would speak frankly and openly in Washington about the danger to all in the escalation of the U.S. military threat off the coast of Lybia, if it would renew efforts at the U.N., as is our tradition, aimed at dealing more effectively with international terrorism, and if it would urge an end to gunboat diplomacy.

NUCLEAR ARMAMENTS

USE OF NANOOSE TEST RANGE BY U.S. NAVY SUBMARINES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last week the Canadian Navy fired four dummy torpedoes off the coast of Vancouver Island. Unfortunately the sensing devices failed to track properly and one of the four torpedoes was lost. The Navy had to post a $200 reward for the finder, dead or alive! It would be laughable if it were not so dangerous.

While officials tried to play down the incident, these failures of technology remind us of the potential danger from the presence of nuclear armed American submarines sharing the Nanoose Test Range.

Freedom of Information has forced the U.S. Navy to admit to 630 incidents or accidents involving nuclear weapons between 1965 and 1985. If we continue to let American nuclear submarines use our waters with no questions asked, we are the "dummies" in a very dangerous game.

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AGRICULTURE

GOVERNMENT MEASURES TO ASSIST FARMERS

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, farmers throughout western Canada are uneasy this spring. Not only are they having to fight their age-old battle with the weather, but this year they will have to contend with a drop in the initial price for wheat of some 19 per cent because of the total international situation.

The Opposition and the news media say that the Government has turned its back on farmers. University professors, lawyers, economists, and drugstore cowboys in the front benches of the Opposition are trying to tell those of us in the Government who are farmers that we do not understand the needs of farmers. Shame! It is the professors, the lawyers, and the economists who in the past put thousands of farmers into bankruptcy. They should be happy to remain silent now.

Our recent Budget cut the deficit, but not on the backs of the farmers. Western Grain Stabilization payments, capital gains tax exemptions, special drought assistance programs, fuel tax rebates—and the list goes on. We have delivered over $4.5 billion in more than 180 agricultural initiatives for farmers.

Mr. Speaker: Order, please. Sixty seconds.

[*Translation*]

CANADIAN JOBS STRATEGY

FORMATION OF MANPOWER RETRAINING COMMITTEE IN MONTREAL EAST

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Last April 8, Mr. Speaker, Canada's Minister of Employment and Immigration and Quebec's Minister of Manpower and Income Security signed an agreement to set up a manpower retraining committee for Montreal East. The committee will be made up of officials of both Governments, the municipalities involved, unions and employers, and will take every step required to spur the Montreal East labour market and industry.

In addition to the two Ministers, the agreement was signed by several interested parties, including the Montreal Executive Committee Chairman, the Ville-d'Anjou mayor, the Montreal East mayor, the Quebec *Conseil du patronat* executive vice president, the CSD president, the Montreal Central Council president, the CNTU, and the QFL vice president.

Mr. Speaker, that is a good example of the kind of co-operation we now have among the various—

Mr. Speaker: Order, please, the 60 seconds have expired.

* * *

[*English*]

MULTICULTURALISM

COMMITMENT TO EQUALITY OF ECONOMIC OPPORTUNITY

Mr. Alan Redway (York East): Mr. Speaker, over 700 delegates from ethnocultural communities across Canada attended the very successful Multiculturalism Means Businesss Conference held in Toronto last weekend. Over 1,500 persons heard the Prime Minister's (Mr. Mulroney) address on Saturday evening. This Conference launched a new dimension in multiculturalism. Heritage language, cultural enrichment, group and cross-cultural development, and race relations will all continue to receive strong federal Government support. In addition, new emphasis is being placed on equality of economic opportunity.

• (1410)

The conference focused on assisting individual entrepreneurs in our multicultural communities to promote their skills in business. Hand-in-hand with this, the Employment Equity Bill currently before the House is designed to ensure equality in hiring, promotion, pay, and training. We will not have true equality without equality of economic opportunity. The Government is committed to this goal.

S.O. 21

AGRICULTURE

FEDERAL-PROVINCIAL CONFERENCE ADVOCATED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I hope Members of the House will not take somnolent self-satisfaction with regard to the Government's announcement today of the wheat stabilization payment. It is not an answer to the problems of farmers in western Canada. As Members of the House will know, it is a payment for last year's crop, at a time when prices were 20 per cent higher than they will be this year. This means that farmers will still face major problems in the forthcoming crop year.

What are we expecting? A $1 billion pay-out from that stabilization fund next year? The fact is that we need much better answers. We need a comprehensive approach to the problem which will involve major initiatives in the international arena. This means obtaining the co-operation of the United States in a conference.

Most of all, we hope that all Members of the House will support a call for a major economic summit meeting of the provincial Premiers and the Prime Minister (Mr. Mulroney) to come to the rescue of the western Canadian farmer before the economy goes down the drain.

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[*Translation*]

THE ECONOMY

PRIVATIZATION OF CERTAIN CORPORATIONS

Mr. Guy Ricard (Laval): Mr. Speaker, the Quebec Government has announced that it is now in the final stages of privatizing Quebecair, to guarantee regional services and to maintain and increase the number of jobs in this company.

Quebec realizes that in many cases, the private sector can provide as good a service as, if not better than, the public sector, and at less cost to the taxpayer.

I am surprised to see that our Liberal colleagues, who object to every step taken by our Government to privatize or enhance profitability do not have the same attitude where Quebec is concerned. Have they finally recognized that it makes sense to restrict Government intervention to areas where it is absolutely necessary?

Throughout the world Governments are re-assessing their policies in this respect. In France, more than thirty companies have been sold. In Spain, industries like the automobile industry, truck manufacturing and industrial products have been returned to the private sector with great success.

We have faith in the ability of our entrepreneurs to provide a good service to their fellow citizens. It is too bad that the Opposition does not.

S.O. 21

[*English*]

MULTICULTURALISM

PROCEEDINGS AT TORONTO CONFERENCE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, concern about the new direction of Conservative multicultural policy was not allayed by the Multiculturalism Means Business Conference in Toronto on the weekend. The conference was well attended, but the delegates were there as much to ask questions about matters the Government is not addressing as they were to celebrate the multicultural resources on which Canada can draw.

The conference itself demonstrated the shortcomings of the approach of the Minister of State for Multiculturalism (Mr. Jelinek). Frank Stronach of the Magna International Group made an impressive conference chairman, but the featured business speakers were John Bulloch of the Canadian Federation of Independent Business, and Roger Hamel of the Canadian Chamber of Commerce.

Multicultural business accomplishments received only limited recognition. Those who asked questions remained anxious about reduced grants to multicultural organizations, lack of Government action on employment equity, and the certification problems of foreign-trained professionals.

The Multiculturalism Means Business Conference was a good initiative but it will not serve as the new multicultural policy for our country.

Mr. Speaker: Order, please. Sixty seconds.

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WESTERN GRAIN STABILIZATION ACT

ANNOUNCEMENT OF PAYMENT TO FARMERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the announcement made by the Minister of State for the Canadian Wheat Board (Mr. Mayer) in Winnipeg this morning is good news for western Canada. The $580 million interim payment is the largest ever made under the Western Grain Stabilization Act. It will be placed in the hands of hard-pressed producers before they begin seeding the 1986 crop.

The payment, following the over $2 billion our Government has contributed to western Canada since September of 1984, very clearly demonstrates the high priority we place on agriculture. This interim payment will be made as a result of amendments to the Western Grain Stabilization Act made in February, 1985. It will give participating producers a return of $4 for every dollar they have contributed to the program from January, 1983, to July, 1985.

CORPORATE AFFAIRS

TREATMENT OF MINORITY SHAREHOLDERS CONDEMNED

Mr. Bill Attewell (Don Valley East): Mr. Speaker, minority shareholders require more protection from the self-serving schemes of powerful families.

Last week, Crown, an insurance conglomerate, asked shareholders to split their shares to create more non-voting stock. This favoured the largest shareholders, the Burns and Jodrey families. Fortunately the CN pension fund stopped this plan.

In another questionable scheme Trilon Financial said it is raising $102 million in a new stock issue. While the controlling shareholders own less than 35 per cent of the current shares, they are taking 50 per cent of this new issue, thereby diluting the rights of minority shareholders. The minority shareholders are also the losers with regard to the exorbitant $2-million underwriting fee on a risk-free deal. Great Lakes Group, 62 per cent-owned by Brascade, which also controls Trilon, will pocket the $2 million.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. SENATOR'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I would like to put a question to the Deputy Prime Minister. At the end of last week the Prime Minister was obviously caught off guard by the reaction of key U.S. Senators to opening formal discussions on trade—

[Editor's Note: And the Minister of Public Works (Mr. La Salle) having entered the Chamber.]

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I bid the Minister welcome on his return to the House. It is good to see him looking in such great shape.

May I start again, Mr. Speaker? That is the old Quebec way of interrupting a meeting. Someone comes in in the middle!

My question is for the Deputy Prime Minister. The Prime Minister was obviously caught off guard by the attitude of certain key Senators to the trade negotiations. Why was the Leader of the Government so surprised? Where was the 100-man trade office here in Canada? Where was the half-million-dollar consultant, Michael Deaver? Where was the briefing to

the Prime Minister? Why is it that the Leader of the Government is so far behind on the facts of this particular issue?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the House that apparently this was a last-minute development which occurred—

Mr. Deans: There's the reason.

Mr. Kelleher: —in the Senate Finance Committee. As Mr. Yeutter himself explained, he too was very surprised and taken aback by the events. I can assure the Right Hon. Member that the people who assist us in these negotiations are very good people and are keeping on top of things for us.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we were really on top of that issue. Maybe the real reason is the Minister—I do not know.

[*Translation*]

REQUEST FOR CLARIFICATION OF NEGOTIATIONS WITH UNITED STATES

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

According to the Prime Minister, President Reagan gave him the assurance that all was well in these negotiations and that the Administration would guarantee their success.

Apparently, somebody overlooked the fact there is separation of powers in the United States, the Senate and the House of Representatives.

My question to the Minister is therefore: Why has the Government conducted its business in such a way that we are now on the defensive with the U.S. senators?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we are certainly not on the defensive in any way, shape or form with respect to these negotiations. We have reminded the administration and the President of his commitment that there would be a clear launch for these discussions. We have asked the President to advise the Senate Finance Committee of that. This is presently a matter between the administration and the Finance Committee and we are awaiting further developments.

CANADIAN LUMBER EXPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I thought that the new-style diplomacy down there was to keep in touch with Capitol Hill at the same time as keeping in touch with the administration. Despite this so-called special relationship with the United States, why is it that we have gotten ourselves into a defensive position? Will the Minister assure us that the Canadian Government will not make any concessions against the export of Canadian lumber in order to get that Senate committee back on track?

• (1420)

Hon. James Kelleher (Minister for International Trade): I would again like to reassure the Hon. Member, the Leader of the Opposition, that we are not in any defensive position whatever. The fact that these discussions at present have been stalled in the Senate Finance Committee will not in any way have any bearing on our ongoing discussions with respect to current trade problems or irritants.

PHARMACEUTICAL PATENT LAW

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister for International Trade. The amateur hour approach that has been taken to the trade negotiations with the United States has already led the Prime Minister to concede on energy, on publishing, and on foreign investment, and we have received absolutely nothing in return.

Will the Minister now give assurances to this House that the Government will not cave in to the pressures to change the pharmaceutical patent law? Will he make it very clear that that law will stay to protect the Canadian consumer and that we will not give in to the American multinationals?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, obviously the Hon. Member and myself have a different interpretation how events are going. I do not feel in any way that we have conceded or given in to the Americans at any time on anything.

Dealing specifically with pharmaceuticals, lumber, or any of those issues, they stand on their own merits. They will be dealt with on their own merits. They are not in any way tied to the present discussions as to whether or not there should or should not be trade discussions between Canada and the United States.

ROLE OF PROVINCES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it seems that the kind of approach that has gone wrong has just been exemplified by the Minister's statement. You cannot deal with issues one by one. They are part of a total package with the United States that has to be bargained effectively.

The Senate has said that the problem it has is that the Canadian Government has not made clear what the role of the provinces will be.

Mr. Hnatyshyn: Question.

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

Mr. Axworthy: In light of the statement by the Senators that they do not know what the Canadian Government's position and the provinces' position will be, can the Minister tell us what steps will be taken to clarify what the role of the

provinces will be so that the U.S. Senate and the administration will have a clear idea for the first time what our bargaining stance will be in the talks?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we will be notifying the Americans quite clearly, fully, and forthrightly about our position in the talks if and when the Americans decide they wish to have those discussions with us.

* * *

[*Translation*]

EXTERNAL AFFAIRS

LIBYA—INQUIRY WHETHER UNITED STATES DISCUSSED PLANS WITH CANADA—CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. On the weekend, an American envoy discussed the situation in Libya with Governments in Europe, and he referred more specifically to the possibility of using military force against the Libyans.

My question for the Government is simply this: Did the Americans discuss the plan with the Canadian Government before the weekend, and if so, what did the Canadian Government have to say?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister assured the House last Friday, both in his press conference and in response to questions in the House, that the Government of Canada remains in very close continuous touch with the United States, and in so far as the safety of Canadians in Libya is concerned, the Prime Minister last Friday in the House of Commons again drew attention to his statement of January 10, and suggested that Canadians should once again take stock of the situation in Libya *vis-à-vis*, their own individual safety.

UNITED STATES PROPOSALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is an extremely important matter, as I am sure the Deputy Prime Minister realizes, and he did not answer the question.

Since the Americans are discussing very specific proposals with the Europeans, were they discussed directly with the Government of Canada and, if so, what was our reply? It is an important matter that could potentially affect directly some 1,300 Canadians in Libya.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I differ with the hon. gentleman. I did answer his question by saying to him that the Government of Canada remains in close and continuous touch with the Government of the United States, particularly with respect to the safety of our citizens in Libya.

Mr. Ouellet: Tell us the truth. The answer is no.

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

Mr. Broadbent: Mr. Speaker, we saw how close the Government was in touch on trade matters by the action in the U.S. Senate last week. I hope it has been in better touch, in advance, of an American decision on this matter.

• (1425)

SAFETY OF CANADIAN CITIZENS IN LIBYA

Hon. Edward Broadbent (Oshawa): The Minister referred to the answer the Prime Minister gave on Friday in which he said: "—there is no immediate cause for undue concern for Canadians". How does he square that with the following, said by a spokesperson for the Department of External Affairs on the weekend: "We have twice advised Canadians to look to their safety"? Could the Deputy Prime Minister tell us if Canadians are in danger in Libya? If so, have they been informed directly of their danger? Has the Government of Canada taken action to get them out, if need be?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think the short answer to that is absolutely.

Some Hon. Members: Absolutely what?

Mr. Nielsen: Those who ask the question "Absolutely what?" obviously were not listening to the question. If they read the question in the "blues" they will find that that is an adequate answer. I assure all Members of the House that we are indeed in very close and continuing consultation with the Government of the United States—

Mr. Ouellet: You're taking your orders directly, that's what you're doing.

Mr. Nielsen: —with respect to the situation in Libya and the safety of Canadians—

Mr. Blackburn (Brant): They don't consult us, they tell us.

Mr. Nielsen: —indeed, as recently as less than a half hour ago.

Mr. Broadbent: Will you share some of that with us?

AGRICULTURE

REQUEST THAT GOVERNMENT ANNOUNCE PROGRAMS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Agriculture. In view of the unprecedented crisis facing agriculture, particularly western grain farmers at the moment, why did the Minister of Agriculture not announce programs for this year at the same time as he made his belated announcement earlier today with regard to last year's western grain stabilization plan?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have a little difficulty following the logic of the Hon. Member's question, but perhaps that is not unique. A couple of hours ago my colleague, the Minister of State responsible for the Canadian Wheat Board, announced the largest interim payment in the history of the country under the Western Grain Stabilization Act.

Mr. Axworthy: For last year's crops.

Some Hon. Members: Hear, hear!

Mr. Wise: For the benefit of my colleague, that was a payment of $580 million. It was possible for us to make that interim payment because of a decision taken by this Party and this Government to amend the Act.

Some Hon. Members: Hear, hear!

WESTERN GRAIN INDUSTRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Minister has told us that the payment was of that magnitude because of last year's situation. Now that we have the largest crisis in agriculture in the country, why will the Minister not announce what is needed for the western grain industry this year? What is he waiting for?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in the last 18 months the Government has taken well over 200 initiatives—

Mr. Ouellet: No, no. Last week it was 100.

Mr. Wise: —which supplied over $4 billion to the agri-food industry.

Mr. Ouellet: What happened over the weekend?

Mr. Wise: About $2 billion of that was directed to western Canada. That is the record.

Mr. Boudria: It's a record of broken promises.

Mr. Wise: It's not a record of broken promises. If anyone is an expert on broken promises, it is the Hon. Member who sits across the way.

PETRO-CANADA

SENATE COMMITTEE EVIDENCE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Energy. The Minister has frequently stated that the oil companies should be reducing prices and giving consumers a break. How can she explain the evidence of George and Cora McAra of Gravenhurst, Ontario, who today told a Senate committee that Petro-Canada not only padlocked their gas pumps when they tried to lower prices, but was in fact, in a general way, forcing prices up rather than down?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot add to the answer which I have given before to that Member in this House. This is an issue between Petro-Canada and its agents with which it has contracts. I suggest that the Member address his question to Petro-Canada.

[*Translation*]

INQUIRY HOW GOVERNMENT WILL HELP CONSUMERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a supplementary. How does the Government intend to help consumers, if it removes the petroleum revenue tax and in its stead introduces a tax of two or three cents per litre of gas for the refineries, as reported in the press?

Hon. Pat Carney (Minister of Energy, Mines and Resources): That is not true, Mr. Speaker.

* * *

OFFICIAL LANGUAGES

ASSISTANCE FOR OFFICIAL LANGUAGE MINORITY GROUPS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, about official languages: "Alliance Quebec and Francophones outside Quebec criticize Ottawa's failure to act"; "Ottawa has failed to consult us on reforms: language minorities"; "Bilingualism: exasperation with Ottawa's hesitant attitude". Here is my question, Mr. Speaker.

When is this Government going to deal with the problems that concern official language minority groups, and when can we expect some solutions to the problems in Newfoundland regarding access to French in the courts; in Ontario, regarding French television; in Manitoba, regarding services in French, and throughout the province, regarding education and Section 23? When is this Government going to act?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as my hon. colleague is aware, a full review is being made at this time of the Official Languages Program that was set up in both languages. The Task Force that is

considering these matters should soon be reporting its recommendations to Cabinet, and we shall of course act as soon as possible.

INQUIRY WHEN GOVERNMENT WILL ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I have a supplementary, Mr. Speaker. I am not talking about amendments to the Official Languages Act, which is what the Minister was referring to. I am talking about existing programs this Government hesitates to support, whether it is someone who wants to make himself heard in French before the courts in Newfoundland or someone who wants to watch French television in Ontario, I want to ask the Government: When are you going to stand up and do something to help the minority groups in the provinces? I think that is pretty straightforward!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am surprised at my hon. colleague's comments, because one of the first things we did as a Government was to clearly establish our full support for official languages policies in this country in October 1984, and this is a commitment we are meeting through substantial improvements in official languages programs across the country.

* * *

• (1430)

[*English*]

THE DISABLED AND THE HANDICAPPED

EMPLOYMENT EQUITY BILL—REQUEST FOR AMENDMENTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I think she is aware that today more than 100 disabled Canadians have come to Ottawa at considerable expense to tell Parliament they want positive changes in the Employment Equity Bill. Why did the Government not keep a promise that the Prime Minister's Office made to Beryl Potter and other disabled Canadians about three weeks ago and respond to three specific requests by disabled Canadians to strengthen the Employment Equity Bill before it came back to the House at report stage?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as you will be aware, Bill C-62 on employment equity is before the House this very day for debate. We are debating a number of items. With regard to the Hon. Member's question, the Right Hon. Prime Minister responded to Miss Beryl Potter by writing to her at some length regarding the legislation. He pointed out that, among other things, the Bill itself is the first piece of legislation ever brought before any Legislature in Canada dealing with employment equity and designed to improve the employment opportunities of disabled persons, visible minorities, native people, and women.

Mr. Speaker: Supplementary question.

PUBLIC SERVICE JOBS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker—

[*Editor's Note: And a spectator in the gallery having interrupted.*]

Mr. Speaker: Order, please. Supplementary question.

Mr. Nystrom: I think she said it for me, Mr. Speaker.

Some Hon. Members: Then sit down.

Mr. Nystrom: Disabled Canadians have asked me to ask when the Government is going to move on its election promise to provide full-time permanent jobs in the federal Public Service for disabled Canadians? As of now, 75 per cent of its disabled workers are on term contracts.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have had since 1983 an affirmative action program in the federal Public Service to help target groups, including the disabled. Each Department is required to develop and maintain non-discriminatory practices in employment. Reports have to be submitted to Treasury Board every six months for review to ensure that the affirmative action programs are functioning properly. To add to that, we have an advisory committee on the disabled at Treasury Board which meets three times a year to ensure that the program is proceeding as it should and full opportunities are given to employees.

Mr. Nystrom: Some 75 per cent are on term contracts.

Mr. Speaker: Order, please.

GOVERNMENT POLICY

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Recently the Prime Minister personally met Beryl Potter and promised her and a number of other disabled people that he would personally review his Government's employment equity policy. That is why they are here demonstrating on the Hill today and that is why that voice has been crying out. There has been no answer, no reply to their phone calls—

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

Mr. de Corneille: Yes. My question is to ask the Minister what she has to say now to the hundreds of thousands of disabled Canadians who have called upon the Government to act, and to say that this Government's policy is toothless and phoney.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I find it ludicrous that a member of that Party who sat in this House on the Government side for a good many years did absolutely nothing about employment equity.

Some Hon. Members: Hear, hear!

Mr. McDermid: At least we are doing something.

Miss MacDonald: No legislation was brought forward—

Ms. Copps: You are a phoney, Flora.

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

AFFIRMATIVE ACTION—CONTRACT COMPLIANCE MEASURES

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the one out of eight Canadians who have a disability want to know what the Prime Minister is going to do to fulfil the promises made in the election campaign that affirmative action programs would be carried on by companies which expected to get contracts from the Government. What has happened to that election promise?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, that promise will be implemented just as soon as the Hon. Member and members of his Party cease obstructing passage of Bill C-62. That is what they are doing at present. The contract compliance measures are ready to go into effect in conjunction with Bill C-62.

Mr. Ouellet: It is not in the Bill.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PHARMACEUTICAL INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister responsible for international trade. Many Canadians cannot understand why the Government is planning to change generic drug laws which have saved ordinary Canadians billions of dollars since 1969. Will the Minister confirm that these plans were all part of a strategy of concessions to the U.S. to try to get a free trade arrangement from that country?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am certainly not in any position to confirm any such arrangement because there never was any such arrangement. Neither was there ever any such strategy. It exists only in the mind of the Hon. Member.

Mr. Langdon: And very much in the statement of the Shamrock Summit itself.

GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex—Windsor): My supplementary is directed to the Minister of Consumer and Corporate Affairs. Will he now abandon this drug sell-out to the U.S. given the assault by the U.S. Senate Finance Committee on our thrust for free trade?

Mr. Stevens: You are getting worse.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we have already announced our position and when we unveil our policy it will be in keeping with the Government's approach which is to promote investment, research and development, and to create jobs in the pharmaceutical industry.

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ADMINISTRATION OF JUSTICE

TWO CANADIAN FRANCOPHONES' REQUEST FOR COURT TRIAL IN FRENCH IN NEWFOUNDLAND—MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Justice, I direct my question to the Deputy Prime Minister. I would like to know whether the Minister of Justice personally decided to have his Newfoundland officials appear in a criminal case and request that the two French-speaking accused not be allowed to testify in their official mother tongue.

• (1440)

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Justice I am afraid I am going to have to take notice of that question. I will ensure that the Minister of Justice responds to the Hon. Member on his return with respect to the details.

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands.

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HEALTH

FUNDING OF NATIVE ALCOHOL AND DRUG ABUSE PROGRAM

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The no-win situation of many native young people was shown tragically last month when six young Métis died after a drinking party. I would like to ask the Minister, when so many young native people have difficulty with alcohol and drugs, why has the Government broken the

Prime Minister's promise of last year and cut $4.5 million from the Native Alcohol and Drug Abuse Program?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all of us recognize the difficulties that both drug and alcohol abuse create in many sectors of our society. In regard to the NADAP program the Member's information is not correct. The money was not cut from NADAP. There were some projects that did not go forward. There were a number of reasons, not budgetary nearly as much as whether or not the programs could be put in place and the agreements could be met with the sponsoring groups. He should examine that before he makes the statement he did.

CONSULTATION INQUIRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): The fact is that there is less money in the Estimates this year than last year for this program, and it has been cut across the country. I would like to ask the Minister how he can square those cuts with the Prime Minister's statement of last year that policies regarding aboriginal people will be made after open, public consultation, especially at the grass roots level. There has not been that kind of consultation.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is not true. There is an advisory committee of NADAP made up of native people. They meet with the officials of the Department and they occasionally meet with me. What I am saying to you is they are representing the grass roots. The statement he has made simply does not stand up to the reality of what is happening.

* * *

MULTICULTURALISM

ESTABLISHMENT OF MULTICULTURAL BUSINESS CENTRE

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. At the Multiculturalism Means Business Conference this past weekend concerns were expressed regarding discrimination in business and in employment. Is the new Multicultural Business Centre that is proposed by the Minister going to deal with this problem and, if so, how and when will this new centre be established?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, the conference this weekend did provide a lot of new insights and new opportunities to the ethnocultural communities in this country which prompted me to announce the formation of the new Multicultural Business Centre. We are in the process, as I pointed out over the weekend, of establishing and setting out the criteria, beginning today. I would hope that within the next two or three weeks we would begin to have them put it in place. The purpose of dealing with these well founded recommendations would be for us to be able to keep this Government's commitment to provide equality of opportunity to all Canadians in all areas.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

FINANCING OF MATANE PAPERMILL PROJECT—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I should like to direct my question to the Minister of Regional Industrial Expansion, and it has to do with the Matane papermill.

Now that Norwegian Sauburgs company officials have received the federal-provincial draft agreement spelling out the terms and conditions—it was sent to them by Quebec Minister John Caccia—can the Minister tell us if he will officially sign the agreement on behalf of the federal Government so that we will finally know whether or not the Government will participate financially in this project?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the question, I spoke to Mr. Etholn, Chairman of Saugbrugs, the Norwegian company, earlier today, and he indicated that not only had he not received the draft agreement the Hon. Member is referring to, but he had not heard that it was coming. In fact he did not know who I was referring to when I said: "I presume you received Mr. Ciacca's letter".

[*Translation*]

INQUIRY WHETHER AGREEMENT EXISTS WITH PROVINCE OF QUEBEC TO HELP MATANE PAPERMILL PROJECT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, perhaps I should have directed my question to the Postmaster General! Another one of this Government's departments which does not work.

So I would ask the Minister if he will ... Stop attacking your colleague from another department. Can the Minister stop beating around the bush and tell us if it is true that the Governments of Canada and Quebec have agreed to support the proposed Matane papermill? Yes or no, not maybe. What is the answer?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I have indicated several times before, the company in Norway—and this was reiterated again today when I spoke to Mr. Etholn about this matter—says that they cannot deal with the Canadian project until some time after April 24 when they will know who is in control of the company. They say at the present time their president and the

board members are tied up on the rather hostile take-over bid that they are trying to fend off. Therefore they cannot consider any proposal from Canada until some time later this month or early in May.

We, as I have indicated before, at the federal level are very interested in a comparatively large project for Matane. That has been our position and will continue to be our position.

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WESTERN GRAIN STABILIZATION ACT

SIZE OF PAYMENT TO FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. The Western Grain Stabilization Act has been in place for ten years and the announcement made this week indicates that there has been, in the last year, a $600 million shortfall in the income of grain producers. Does the Minister recognize that this pay-out is not going to help the income projections of those farmers, and that they need operating loans even if that money is out there?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not see how the Hon. Member, having the background and the knowledge of the industry that he does, can stand here in the House and indicate that an interim payment of some $580 million is not going to be of assistance to western farmers at this time. That is just sheer nonsense. My reading of the situation is that, indeed, it is. It is not enough, we admit that.

REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Will the Minister make sure the farmers do have enough money to get into operation this year? Will the Government make an announcement of deficiency payments which will give them enough money so the bankers and they themselves know they will have enough at the end of the year to make it worth-while planting this year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member knows that it is impossible for me, as Minister of Agriculture, at the moment to stand here and make that commitment. I remind him of the commitments that we made and the action that we have taken since we have assumed office. I also remind him of the response by the Prime Minister a few weeks ago when he indicated this Government has passed more agricultural legislation and pumped more money into the agricultural sector than any other sector, with the exception of the gas and oil industry. He recognized that farmers have urgent and burning problems. The action that we have taken is not enough and we are quite prepared to do more. Those are the words of the Prime Minister. If that is not a commitment to the industry, I don't know what is.

FINANCE

ELIMINATION OF PETROLEUM AND GAS REVENUE TAX—COST TO TREASURY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance. Since the Government is negotiating with Alberta an early end to the PGRT, will the Minister tell the House how he proposes, or how she proposes, to recoup the $2 billion in revenue that this will cost?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to take notice of that question and refer it to my hon. colleague, who, I am sure, will be in a position to give an answer to the Hon. Member.

Mr. Speaker: Order, please. Next question. The Hon. Member for Winnipeg North Centre.

* * *

EMPLOYMENT

EXPENDITURES OF JOB DEVELOPMENT IN MANITOBA

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I would like to know whether it is true that she has failed to spend all of the money that was allocated for job development in Manitoba during the last fiscal year. If it is true that those unspent moneys will be returned to the general revenue for deficit reduction purposes, how can the Minister explain that fact in light of the Prime Minister's commitment during the election that there would be no cut-backs in those areas that impact upon the lives of ordinary working Canadians?

• (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member will recognize that lapses are part of the ongoing administration. I can assure him that lapses have happened every year in the past, and that the lapses this year are consistent with the pattern in other years.

In the meantime I want to assure the Hon. Member that what we have been able to do that is different from the past is introduce multi-year funding into the Department of Employment and Immigration and the Canadian Jobs Strategy so that we will continue to approve projects on an ongoing basis as they come forward.

Mr. Keeper: Canadians elected a new Government to change the pattern, not to continue the errors of the past.

CANADIAN JOBS STRATEGY—CARRY-OVER FUNDING

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, will the Minister not carry over the unspent moneys from last year into this year so that those Manitobans who need work can have work?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, let me assure the Hon. Member that the Canadian Jobs Strategy is in place and working well. Projects are continuously being approved from the funding for 1986-87. We have seen a tremendous response to the program itself and its various components.

I want to assure the Hon. Member that indeed this is a successful program and I hope he will give it his support.

Mr. Speaker: Order, please.

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ABORIGINAL RIGHTS

LUBICON INDIAN BANK CLAIM—THREAT OF WINTER OLYMPICS BOYCOTT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Deputy Prime Minister. Is he aware that failure to settle the legitimate and outstanding claim of the Lubicon Indian Band in Alberta is attracting increasingly unfavourable international attention? There is even growing talk in Europe about boycotting the 1988 Winter Olympics. Does the Minister not agree that now is the time to honour the commitment to the Lubicon Indian people and not allow this claim to remain unsettled any longer?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I beleive all Members of the House would want to join me in indicating to all participating countries in the 1988 Winter Olympics that we know they will be a success and that this issue is not related to the Olympics. In the past these kinds of political issues have too often been linked to the Olympic movement and we would not want to see it happen in Calgary in 1988.

The Hon. Member should be aware that the Minister of Indian Affairs and Northern Development has been working on this issue and has taken it on as a personal issue which he wants to resolve. I will pass the Hon. Member's representations on to the Minister.

I think the premise that the Hon. Member is presenting is unfair to the Minister and to the actions he has taken so far.

REQUEST FOR COMMITMENT TO RESOLUTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is directed to the Prime Minister. Will he use the influence of his office and provide some effective leadership so that this outstanding aboriginal claim can be settled? I want him personally to make a commitment now that he will take some part in this and help to get it resolved.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister made very firm commitments at the last conference regarding constitutional and aboriginal rights. He wants to resolve these issues. Another conference was scheduled for 1987 and the commitments have been made directly by the Prime Minister, the Minister of Indian Affairs and Northern Development, and other members of the Government.

I repeat what I said to the Hon. Member in regard to the specific case. He knows that the Minister has worked very carefully on this case. The issue before us concerns who will be at the negotiating table. If we can deal with that matter, the issue can be resolved. I know that the Minister wants to resolve it very quickly.

* * *

EXTERNAL AFFAIRS

CIA-FUNDED BRAINWASHING EXPERIMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Deputy Prime Minister. Documents which were published today reveal that the Canadian Government was not only aware of but collaborated closely with the United States Central Intelligence Agency in secret brain-washing experiments at McGill University in the mid-1950s. In view of the fact that the Canadian victims of this outrage are seeking justice in United States courts today, will the Deputy Prime Minister agree to co-operate fully with their U.S. attorney and immediately make public the George Cooper report on this very serious matter?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in the absence of my colleague, the Minister of Justice, I will advise the Hon. Member that the Minister is presently seized of this report and is studying it. It is quite voluminous and when he has completed his review he will be reporting in due course.

REQUEST FOR PUBLICATION OF COOPER REPORT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Government has had this report for some time. I seek a commitment from the Minister that the Canadian Government will stop playing patsy to the United States Government and stand up for Canadian citizens. I ask him very specifically if he is prepared to give a commitment to the House and the victims of these brain-washing experiments that the George Cooper report will in fact be made public?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only repeat what I said in response to the first question. The Minister is presently studying the report. He will report back on it in due course.

COMPENSATION FOR VICTIMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister of Justice has been studying the Cooper report for more than three weeks. If in fact the Cooper report corroborates reports directly linking the Canadian Government to the CIA brainwashing experiments, will the Minister tell the House if the Canadian Government will offer full and adequate compensation to the victims?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, it seems to me that the Hon. Member is making some assumptions. There is no evidence to that effect before the House at this time.

I can only repeat that the Minister is studying the report. When he has completed that review he will report to us in due course.

CONTENT OF REPORT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister has had the report in his possession for more than three weeks. It is quite clear that he can table it. If the Cooper report corroborates press statements, which have not been denied by the Government, will the Government offer full and adequate compensation instead of forcing Canadians to seek justice through American courts?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, it seems to me that the Hon. Member has repeated her original question. I suggest that it is completely hypothetical. We have to wait until the report has been reviewed and the Hon. Minister of Justice makes his report.

* * *

SHIPBUILDING

CONSTRUCTION OF ICEBREAKER

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Deputy Prime Minister. He is undoubtedly aware that last September the Government promised to have a Polar Class 8 icebreaker built in response to the concern of Canadians about the assertion of Canadian sovereignty in the Arctic. When will the tender for the construction of this vessel be accepted so that workers can get busy at construction of this Polar Class 8 icebreaker?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can only advise the Hon. Member that this is a subject currently before the Cabinet for consideration. I am sure that he would be delighted with the progress that is being made.

Mr. Epp (Thunder Bay—Nipigon): I am not yet delighted. This question has taken too many months of study and I am still waiting assurances.

FUNDING OF CONSTRUCTION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, will the Minister assure us and all Canadians that the Government will find the money to get this project under way so that Arctic sovereignty will be defended by means of a vessel and not just by Bills in the House of Commons?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, major projects require lengthy deliberations. I can assure the Hon. Member that, as my hon. colleague here has suggested, the Government is breaking ice on that subject.

Some Hon. Members: Oh, oh!

* * *

CROWN CORPORATIONS

PROPOSED SALE OF TELEGLOBE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Teleglobe is a very profitable high-tech, well managed jewel of a Crown corporation that the Minister is looking to auction off to the highest bidder. Will the Minister undertake to protect this high-tech Montreal based firm by assuring that only Canadian companies committed to maintaining the Montreal operation will be entertained and considered as purchasers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, this question is very similar to others that were raised earlier. I have always indicated that we would entertain bids from Canadians and would anticipate that, after privatization, the majority ownership of Teleglobe would certainly be Canadian.

• (1500)

Mrs. Finestone: Mr. Speaker, he did not respond to the question on Montreal based firms,

[*Translation*]

INTERNATIONAL COMMUNICATIONS MONOPOLY OF TELEGLOBE—GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): While he is busy improvising these auction sales, can the Minister assure us that, in the negotiations, he will see to it that Teleglobe maintains in Montreal a lasting and permanent monopoly over Canada's international communications?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, there has never been any question but that Teleglobe after privatization would remain, as far as its head office is concerned, in Montreal. In relation to the main thrust of the Hon. Member's question, I want to assure her that Teleglobe, after privatization, will remain an entity, hopefully, which will become more and more active in the field in which it has been so active up to the present time.

Points of Order

Mr. Speaker: The Hon. Member for York Centre has indicated he wishes to raise a point of order arising out of Question Period.

* * *

[*Translation*]

POINTS OF ORDER

SUPPLEMENTARY QUESTIONS

Hon. Bob Kaplan (York Centre): On a point of order, Mr. Speaker. I tried to ask a supplementary, and I know there is a very long tradition of allowing supplementaries even when the Minister to whom the previous question was put is absent. In fact, my question was directed to the President of the Treasury Board (Mr. de Cotret) and dealt with the same subject. It concerned the Government's policy on bilingualism, which was the subject of my first question. And even if my first question was intended for the Minister of Justice (Mr. Crosbie), I submit, with all due respect, for the Chair, that I had the right to ask my supplementary, to demonstrate its validity even without the answer to the previous question.

[*English*]

Mr. Speaker: I am grateful for the Hon. Member's representions. I suggest in that situation he should start with the question which goes to the Minister who is present. The Hon. Member knows my difficulty in this matter. I have indicated to the House before that I have some problem—how shall I say this? This particular speaker has been reminded *ad nauseam* that it is the Speaker's responsibility entirely with regard to supplementary questions. I think I have to say that it does seem difficult to me to grant a supplementary question when all that has happened in the Government benches is that the question has been taken as notice.

Does the Hon. Member for Trinity (Miss Nicholson) have a separate point of order?

Miss Aideen Nicholson (Trinity): It is a similar point of order, Mr. Speaker, on which I would appreciate your guidance. I understand the point that if there has been no answer, it may not seem logical to have a supplementary question. However, on past occasions what has been accepted in the House is a statement such as: "Since notice has been taken of that part of my question, could you also take notice of something else?" That is what I would have wished to add today, if that had been possible.

Mr. Speaker: Order. These are not in fact points of order. As the Hon. Member knows, they are representations to the Chair, and I accept them as such. However, I think my view is pretty well known on this matter, although I would be happy to discuss these matters again.

DISABLED VISITORS TO PARLIAMENT HILL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I wonder whether the Chair has anything to report with respect to the point raised last week by the Hon. Member for Eglinton-Lawrence (Mr. de Corneille). It was with respect to access to the Chambers by the disabled because—

Mr. Speaker: Order, please. That matter was raised this morning at 11 o'clock and was responded to in the House.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-62, an Act respecting employment equity, as reported (with amendments) from a legislative committee; and Motion No. 8 (Mr. Nystrom).

Mr. Speaker: Before we resume debate I think I must deal with the procedural arguments. I listened carefully this morning to the procedural comments made by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), the Hon. Member for Yorkton-Melville (Mr. Nystrom) and the Parliamentary Secretary to the President of the Privy Council (Mr. Hnatyshyn). I now wish to make a final ruling, having expressed my gratitude to them for their contribution.

The Chair has no doubt that Motion No. 10A, as a substantive amendment to the interpretation clause of this Bill, is out of order. The Parliamentary Secretary has argued that Motions Nos. 13A and 15 are consequential to Motion No. 10A and, therefore, should also be ruled out of order. Since I intend to deal with those motions later on in my ruling, I will say nothing further at the moment.

The Parliamentary Secretary also argued that Motion No. 21A is enlarging the powers of the Canadian Human Rights Commission. The effect of Motion No. 21A is to make certain documents available to the Human Rights Commission on request. The Chair cannot in the context of this Bill envisage this amendment as an enlargement of the powers of the Commission and will, therefore, allow the said motion to be put to the House.

In summary, as I indicated to the House on Thursday last, Motions Nos. 3A, 4, 5A, 6, 10, 19, 19A, 20B, 23, 28, 29 and 33A are out of order and will be dropped from this day's *Notice Paper*.

The Chair is also ready to inform the House of the result of the private representations it has received on the motions that were moved and defeated in committee. Those motions are the following:

Motions Nos. 2A, 9, 11A, 13A, 14A, 15, 16A, 20A, 22, 24, 25A, 26A, 31 and 36A.

After consultation, I have decided to select for debate Motions Nos. 11A, 14A, 16A, 24, 25A and 26A. They will be grouped and voted on as follows: Motion No. 11A will be debated and voted on separately; Motion No. 14A will be grouped for debate with Motion No. 12A but will be voted on separately; Motion No. 16A will be debated and voted on separately; Motions Nos. 24, 25A and 26A will be grouped for debate with Motion No. 27A with separate votes on each of the said motions; Consequently, Motions Nos. 2A, 9, 13A, 15, 20A, 22, 31 and 36A will not be put to the House and will be dropped from this day's *Notice Paper*.

The House should know that in selecting motions already dealt with in committee at this time, the Chair has borne in mind the fact that all the motions in amendment to Bill C-62 were on the Notice Paper before the provisional Standing Order 114(10) was adopted.

Resuming debate on Motion No. 8.

Mr. Deans: Mr. Speaker, I wonder if I might prevail upon the Chair; in the future when extensive rulings are being made perhaps the Table could provide us with a copy of the ruling in order that we could follow it?

Mr. Speaker: I apologize. Normally that is our practice, as the Hon. Member knows. I thought it had been circulated. It turns out that it had been prepared but because of a change in language which I added at the last minute before Question Period, it only reached my hand a few moments ago. Normally, absolutely that would be our process.

Mr. Allmand: Mr. Speaker, in the ruling you just made, the second paragraph, you refer to Motion No. 10A. In my Order Paper there is no such Motion No. 10A. I do not know what you are referring to. Could there be a typographical error?

Mr. Speaker: In Parliament, anything is possible.

I can see the confusion. The Hon. Member should know that Motion No. 10A which I referred to is Motion No. 10A in the original Order Paper which was put to the House and was ruled out of order earlier. The Parliamentary Secretary argued earlier today that two motions which were still available were consequential to that motion. That was his argument for Motions Nos. 13A and 15 if I remember correctly. The Chair indicated that it was dealing with the admissibility on procedural grounds of Motions Nos. 13A and 15 on the basis of their having been presented in committee, as a prior condition.

Resuming debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, before we rose for luncheon, I had reviewed, at least in part, the record of the Public Service in respect to the application of affirmative action and what little success it has achieved, in particular, with respect to the implication of affirmation action programs for visible minority groups. Of course, it has already been said that in spite of a claim to affirmative action programs for the disabled, some 75 per cent of federal employees who have supposedly benefited from that program are on term or temporary employment. Similarly, where women have been the subject of what might be deemed a more effective affirmative action program, there is a considerable record of deficiency, a lack of uniformity and a lack of understanding of exactly what steps have been pursued in each department. In the last year in particular I have received complaints from members of the visible minority population with respect to the treatment of their job applications and, once employed, the failure to promotion which remind one of the experiences of so many minority group members in attempting to obtain jobs in the private sector. These are the types of experiences which led to studies by the Urban Alliance on Race Relations on discrimination in employment which were reported from Toronto. These reports indicated that visible minority group members have about one chance in three as compared to white applicants to obtain employment in that city. I have described that city previously as one which has a record of inter-racial understanding. On that basis it must disturb us all in respect to the situation which might exist elsewhere.

• (1510)

If there is any doubt of the need for affirmative action in the Public Service, one need only take note of the recent formation of a visible minority caucus in the Public Service of Canada which records a very serious situation evolving with respect to visible minority employees of the federal Government. This is as a result of the failure to have a strong affirmative action program, as well as the recent spate of lay-offs and the promise of further lay-offs in the Public Service. What is being said is that the old record of last hired and first fired is being played again in the federal Public Service. As lay-offs are occurring it is being said that since visible minority group members have been more recently employed they are experiencing lay-offs. More important, and I think more serious, are mounting complaints that visible minority group employees are being subjected to re-evaluation with respect to merit. They are having their grades altered in such a way as to promise the almost certain outcome that they will be laid off in the near future when the lay-offs penetrate into the departments involved in this Government effort to cut expenditures by dismissing employees.

There is also increasing concern among those seeking promotion that because of the threat of lay-offs, the lack of effective affirmative action and a lack of sensitivity, members of visible minority groups who are employees of the Government are becoming very concerned about the lack of effective protection for what status they have so far achieved. This is a record which is similar to that in the private sector.

It is clear that the amendment which has been proffered by the New Democratic Party should be postively entertained. It should be adopted to ensure that the federal Public Service is included in the legislation. If it is not, then members of the

target groups, whether they be women, the disabled, visible minorities or natives, will be subject to the same types of threats, exclusions and inhibitions with respect to promotions and hiring as they are subjected to in the private sector.

I suppose there is one argument for excluding members of the Public Service from the legislation. We have been over and over this story. It is that it will do the target groups no good, even within the Public Service, if all we are to do is determine their numbers without having a positive affirmative action program or employment equity program in place which seeks to achieve targets and which has firm timetables. To include the Public Service within the legislation, however limited it may be, will at least provide some degree of security. Future Governments will not be able to turn back the clock to beyond a point which is improved to some slight degree, even though the types of targets and timetables which we would desire are not there. Beyond that, we can at least expect that the process carried out by means of the Treasury Board guidelines will proceed to establish targets and timetables, even if the private sector is not subject to the same types of provisions.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I wish to thank my hon. colleague for stating the case as clearly and as fairly as he has. Certainly, we all understand and know the need for more participation at all levels of our society with respect to the full range of our potentiality. We will never really achieve our full potential as a nation until all of our citizens are brought into the vortex of all of our opportunities.

I am in somewhat of a dilemma. On the one hand I am told how the Bill about which I am so excited does not have enough teeth. On the other hand, in an area where we have already a stronger program in effect, that is, the federal guideline on affirmative action in the Public Service, the Hon. Member is now almost asking us to back-track and include it in a voluntary program. The Hon. Member will probably agree with the effectiveness of that program, certainly with respect to how all Canadians will recognize the need to make use of all of the energy of our society.

That being said, what I want to put on record is that I am totally against Motion No. 8. It has the effect of proposing that the Bill apply to all federal government departments and corporations as defined in the Financial Administration Act. Under Treasury Board direction, the employment equity program is mandatory. Therefore, this Bill excludes those departments and corporations. The Treasury Board has the authority under the Financial Administration Act to direct the personnel practices of these departments and corporations. The Treasury Board has directed departments and corporations to implement affirmative action since 1983. The March 8, 1985, announcement on employment equity reiterated that directive and clarified that the Public Service Affirmative Action Program was designed to achieve employment equity.

Under the Public Service Employment Equity Program, departments and corporations develop employment equity plans. The Treasury Board examines and approves those plans annually, which plans are available to the public. Departments and corporations submit annual reports of their results to the Treasury Board. The Treasury Board prepares an annual report on results. The report is made public. Enforcement procedures operate in a manner similar to that for Bill C-62.

As the Canadian Human Rights Commission testified before the legislative committee, it has access to the employment equity plans and the results of departments and corporations and can initiate an investigation if necessary. I quote from the proceedings of the legislative committee on December 19, 1985, at which Mr. Cocksedge of the Canadian Human Rights Commission said:

> —the Treasury Board has been fairly rigorous in the review of those plans. Some have been bounced back to the departments and the numbers significantly changed—there is a very clear accountability line.

The Hon. Member for Capilano (Mrs. Collins) asked the following question:

> Just to be clear, you do have access both to the data and the action plans?

Mr. Cocksedge said yes.

• (1520)

Treasury Board employment equity directives apply to federal Departments and Departmental corporations listed as Schedules "A" and "B" in the Financial Administration Act. Bill C-62 does not apply to some Departments and corporations and I could deal a little further with that. However, all I really want to say at this point is that we want to see more visible minorities in highly visible positions of Government, not only in federal Government but in provincial and municipal Governments, as well as all of the agencies they serve, to say nothing of industry and commerce. It is the responsibility of this Government, the agencies and all other Governments to create that environment for opportunity.

We are fighting for the strength of Canada and its people, not the wealth of its resources. We are fighting for human resources above all. The message we are sending out loud and clear today is that with employment equity, with the program we are putting into effect and with the management of the 1983 federal Public Service guidelines which the President of the Treasury Board (Mr. de Cotret) and his consultative committee will continue to pursue, this program will have benefits and will bring about the participation of all the target groups. Therefore, I see no reason to weaken our existing position on the Public Service when my hon. friend is not even as sure as we are that the voluntary affirmative action program is all that Canadians are waiting for.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I appreciate the comments of the Parliamentary Secretary. Because of the seriousness and importance of his remarks, I think it is worth while to put on record my views on this amendment which would strike out lines 13, 14 and 15 of Bill C-62, thereby including Government Departments in this Bill.

The Parliamentary Secretary has made the case that the exclusion of Government Departments in the Bill as it now reads is possibly justifiable since there are affirmative action programs in the Public Service and, as I said this morning when I was speaking to amendment No. 1, the Treasury Board does have a program in place and it is working. It is true that the example set by the public sector in dealing with employees since 1981-82 has been getting better and the public sector is trying its best to answer some of the pre-occupations of the four target groups, women, visible minorities, the handicapped and native people. However, it is because sometimes politicians like to fiddle with legislation that we are asking that the Government's program be entrenched in the legislation so that the public sector would be able to preach by example to the private sector. The Government should not ask the private sector to be subject to a law against discrimination in employment practices while the Government itself is not. In order to be fair to the private sector, the Government should accept graciously that it should also be included in the legislation so there is the appearance of fairness and justness.

[*Translation*]

That the appearance of justice and an element of fairness be perceived and understood by everyone.

Mr. Speaker, the provincial public sector, for instance, should be urged to follow the example of the federal Government. That is one of the things we hope to achieve, namely, that the provinces, which are I believe responsible for 80 per cent of Canadian workers, will emphasize employment equity and fairness in their policies.

Hon. Members will recall that the Affirmative Action Program, when it was at the developmental stage in 1982, was aimed at introducing affirmative action to various pilot departments. Hon. Members will recall this did not start with a huge comprehensive program but with pilot projects in a number of departments, and subsequently, these programs spread to other departments. This initiative was taken under the Liberal Government, and it was not until after the Canadian Charter of Rights and Freedoms was adopted, and especially Section 15, that the Government asked Judge Abella to proceed with a thorough study of the application of the employment equity principle, to find out whether it was possible to expand this concept to the private sector. And Judge Abella herself made the recommendation in her report that the federal Government should included into and come under the legislation. So this was not our idea. Judge Abella, an expert in this field, chaired a committee which sat for a year or more and whose report was tabled in the House in 1984, recommending that the federal Government and all departments be included in the legislation.

Therefore, Mr. Speaker, if we are to follow the kind of logic to which I am used, if the expert tells us it should be included in the legislation, if logic dictates that to set the example it is imperative that the private sector have the impression of being on the same wavelength as the public sector, in the sense that the public sector does not do anything which is not expected of the private sector, or vice versa, it seems normal to me that we include departments as defined in the Financial Administration Act. Mr. Speaker, I could go on at length about that definition, how a corporation or a department can be defined so that the provisions of the Financial Administration Act do not apply to Crown corporations, not to mention other statutes which are amended as a consequence of that. Mr. Speaker, there would be practically no end to examples where the governor in council enjoys full discretion to exclude certain departments from Schedule B. Not all departments are covered by this exclusion provision contained in Bill C-62. No. I would imagine that some Crown corporations are affected by this measure and, hopefully, they will obey the law and abide by its provisions.

In 1983, Mr. Speaker, and I am saying this because it is important, the Hon. Member for Windsor West (Mr. Gray), who was then President of the Treasury Board, officially launched the Affirmative Action Program in the public service. The program was administered by the Public Service Commission and was aimed at promoting equal access to public jobs for all Canadians. The main objectives—I will repeat them, because they are very important—are: first, to help women plan their careers and maximize their opportunities for employment in the Public Service of Canada. Second, to promote equal access to jobs in the Public Service for native people, including Indians, Métis, non-status Indians and Inuit. Third, to increase participation by the physically and mentally disabled in the Public Service.

Mr. Speaker, all this to try and set an example, and act like a dedicated employer, a good corporate employer, by trying to set an example to the rest of the industry, by creating affirmative action programs that could, I image, be imitated by the private sector. Today, we have a Bill, the result of a Royal Commission of Inquiry chaired by Judge Abella who made a number of recommendations.

I said it with regard to Amendment No. 1 and I say it again with respect to Amendment No. 2, Mr. Speaker. It is not something we made up, it is something Judge Abella said, and I think the Government ought to listen: federal Government departments should be subject to the requirements of Bill C-62.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to Motion No. 8 which would amend Bill C-62. I would like to comment on the few statements the Parliamentary Secretary made suggesting that the Government had in place an adequate affirmative action program. We recognize that the Financial Administration Act requires the Treasury Board to take some affirmative action. We also recognize that that has been put in place, but Treasury Board's policies on equity lack the force and commitment of law. The Member suggested that we would be going backwards. He said that there is no need for any Government, unless it wants to go backwards, to take away anything that is presently a policy of the Treasury Board and

put in place what is in this Bill, because there is plenty of room to go beyond what this Bill does.

• (1530)

This Bill requires reports to be made and they will, therefore, be available in the House. We abhor to some extent the inadequacy of just allowing corporations affected by this Bill to report. The Bill does not force corporations to take any affirmative action. If we had Motion No. 8 in place we would be able to have a further reporting, and the requirement of that reporting would give it the status and commitment of law.

The federal Government cannot say at any time or cannot have said at any time that it is a good example of what should be done in equity employment. In the process of getting to where we are, the Government has not put in place the kind of solid requirements to make us believe that 10 years down the road we will have equality for all in employment in the federal Government any more than this Bill will force equality of employment in the corporation that will be affected by it.

Not too long ago, during the Leaders' debate in the election, the Prime Minister (Mr. Mulroney) made a commitment to affirmative action. In this case it was affirmative action for women. He said:

> The P.C. Party has had a long commitment to an effective affirmative action program within the federal Government to provide equal opportunity to women. Our Government will make sure the hiring and promotion practices give women the oppotunities they deserve. We will carefully and regularly monitor—

By accepting Motion No. 8, we would be sure that that monitoring was done and that reports would be available to Members of Parliament who would be part of the monitoring.

I want to put on the record for the House recommendations from the Boyer Report. Recommendation No. 60 on page 110 reads:

> We recommend that employment equity legislation apply to all federal public sector employers and to employers under federal jurisdiction, with necessary adjustments being made by regulation for small businesses and agencies.

Many witnesses told the committee that this approach was necessary. What is the Government's response to that requirement? It is almost exactly the same as the response of the Parliamentary Secretary, namely, that the Government considers it unncessary to make federal Crown Corporations subject to the legislation because Treasury Board has already taken the lead in employment equity.

If we could believe that, if we could see it happening, if we knew it was there, it would mean something, but as it is, we cannot see it. Even if this Bill is inadequate, it does require reporting at the end of the period of time in which it is to take effect. When we show the report to the world we will then be able to say, "here is an example of what we in the federal Government are doing in the civil service", because the report would be available to all.

We recognize the program that is in place, but we believe that it should be given the force and the commitment of law. It would in that process be an example to the people we are asking to provide the affirmative action in their particular corporations, and it would also provide the world with a substantial recognition of progress that has been made within the Government of Canada.

A number of organizations have made a specific request in this area. Again, many of them request action by the federal Government. The aim is not so much, if the Bill passes as it is, that the Bill give them the opportunity for jobs and further equality in employment, but rather that it show that one part of the Government was living up to its rhetoric.

There are good reasons why we think this clause should be in place and force the federal Government to abide by its own laws. Treasury Board policies are totally management controlled. If management decides it wants to have affirmative action and to operate in the particular ways suggested, it may do so. If it does not, and it appears from the past record of federal civil service that management has not indicated any particular pressing desire to abide by the regulations, management will not do so.

The Public Service Staff Relations Act, which controls a certain amount of the affirmative action program, exempts that area from collective bargaining. Consequently, that can be used for an excuse for less action than is adequate. Treasury Board guidelines were made to suggest the promoting of women to high management positions. There is a tendency for those guidelines to be used for token promotions in those areas and not to recognize the majority of the women who need to be recognized and who need jobs on an equal level with men in the community. The requirements of the Treasury Board guidelines can be fulfilled without effectively doing anything about the entire population of the workforce. The Government has taken no serious initiative to identify and eliminate systemic discrimination in the Public Service. The passage of Motion No. 8 will force the Government to study the structure and do something about it, because what it has and has not done will be publicly reported.

• (1540)

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the purpose of Motion No. 8 is to eliminate certain words from the Bill in order that the Government will not be exempt from complying with the intentions of this legislation. The legislation is so lacking in teeth, compliance, and requirements, that one wonders whether it is worthwhile continuing with debate unless the Government is prepared to listen to the people who are affected by this employment equity Act, and to provide the assurances for which they ask.

It is fairly obvious why we want the Public Service to comply with this legislation. Through the Charter of Rights and Freedoms, the Abella Report, and the *Obstacles* Report, a lot of work had been done in an effort to alert, study, sensitize, and act in order to ensure that people have access to the courts to enforce their rights. Despite the fact that we have laws on the books as well as the Charter of Rights, inequities continue to exist, even in the Public Service.

As recently as March 17 I made a statement pursuant to Standing Order 21 to call to the attention of the Government the fact that in 1984-85 the vast majority of disabled people hired by the Public Service Commission were hired on limited or term positions. When cut-backs come into effect, term positions are among the first to go, leaving many disabled as the first victims of unemployment. We cannot, therefore, look lightly upon this amendment.

We want to ensure that the Government is sensitized and forced to comply with the same standards with which it expects others to comply. Unfortunately, in addition to large parts of the Public Service, the House of Commons is not under the jurisdiction of this Bill. There is no provision to ensure that we practice employment equity in the House of Commons with regard to women, visible minorities, the handicapped, and native peoples.

We are addressing a serious matter. The Government should ensure that, by enshrining them in law, the provisions of this equity Act will apply to the Public Service. If another Minister, administration, or point of view comes along, these policies may be simply swept under the rug. There is no law to protect employment equity because it is simply a regulation at the present time. We are not confident that it is good enough to enforce it through regulation. It must be put into law.

We had the same argument with the Conservatives over the Constitution and the Charter of Rights. They argued that it was sufficient to leave it with British common law or tradition. We said that that was not good enough.

We have seen what happened to Japanese Canadians and what happened with the padlock laws. We have seen miscalculations and miscarriages of justice in the past. Therefore, this must be enshrined in law, in the Constitution, or in the Charter of Rights.

Now that it has been passed, our Conservative friends are hailing the Charter as part of their thinking. We had an awful battle trying to convince them that it is important to enshrine in law protection for people in order to secure their rights. Surely it is time to ensure that minority groups, the handicapped, native peoples, and women have guarantees by this time. Now that we have the guidance of the Charter of Rights and Freedoms, it is time to put into effect the legislation which makes the Charter something other than merely a piece of paper to which people resort in order to ensure their rights.

The Government has left the Opposition with no recourse but to fight at every level because this legislation is too weak and does not cover enough. How do we expect the provinces to pass legislation applying to provincial Public Services when the federal Government is unwilling to apply it to its own Public service? We have proposed dozens of amendments to the Parliamentary Secretary for consideration and revision. We have told him that we want a comprehensive Bill which will meet the needs of the people.

Today disabled people came to the Hill at great expense, with some pain, and with tremendous effort in order to express, in democratic fashion, their protest against the inadequacy of this Bill. They called it phoney and toothless. They are the ones who suffer. They do not want to wait for long processes to be undertaken only to discover that companies are not complying. That is not good enough.

Mr. McDermid: Where have you been for the last 20 years?

Mr. de Corneille: We must provide them with something which is concrete and immediate. My hon. colleague across the way in the Conservative Party asks what the Liberals did about this.

An Hon. Member: Good question.

An Hon. Member: We want to hear the truth. Don't lie.

Mr. de Corneille: He does not want to hear the answer. They are yelling and screaming over there. I have already cited what has been done. We had to fight them tooth and nail in order to get the Charter of Rights and Freedoms through to provide protection for these people and to ensure that at least they could go to court. The Conservative Party was kicking, screaming, yelling, attacking the Chair, and mounting every kind of obstruction to prevent the Charter of Rights and Freedoms from going through and to prevent the handicapped from having their protection and rights, at least in court. It is about time the Government straightened this out and came up with a Bill which shows its good faith and puts some action behind its pious words.

• (1550)

Mr. Neil Young (Beaches): Mr. Speaker, Bill C-62 purports to deal with employment equity. As you have heard from members of my Party, it does no such thing. One aspect of the Bill, which has given rise to this motion, points out one of its major weaknesses. The Bill excludes Government Departments from the protections this Bill claims to give minority groups. I will return to that, but I specificially want to address the inequities in this Bill as they affect disabled Canadians. They are really severe. This is especially so in light of all the things we in this Party, organizations of the disabled and individuals across the country have been saying to Governments at the federal level over the years, and particularly since 1980. It was then that the former Liberal Government established the special task force on issues concerning the disabled in preparation for the International Year of the Disabled. It was recognized very quickly that the key issue—in fact it was named as such by the UN—was going to be independent living for disabled persons. This Bill does not even touch on that key area.

As weak as the Bill is, including the fact that it has specifically excluded Government Departments from its coverage, we are not even practising what we preach. In other words, despite the recommendations made in the report *Obstacles*, in the Abella Report and by organizations of the disabled over the years, Parliament itself is not even prepared to give leadership in this area.

The argument has been made that leadership has to be given by the public sector to encourage the private sector to open up employment opportunities for disabled Canadians. Yet this Bill, as I said, specifically excludes Government Departments and Parliament. Parliament would not be required to bring in affirmative action programs to employ the disabled. What does that say to the private sector employer? We require them to hire disabled people but we will not do it ourselves. That in essence is what we are saying to the private sector. It flies in the face of everything that has been said to Governments for at least the last six years. We do not practise what we preach.

I know that you will be interested to hear that the Coalition of Provincial Organizations for the Handicapped, COPOH, sent a questionnaire to the candidates during the last election campaign. They asked those candidates whether or not they supported the recommendations made in the *Obstacles* Report. One of the candidates, the then Leader of the Opposition, now the Prime Minister of Canada (Mr. Mulroney), responded to that questionnaire and said specifically that he agreed with the recommendations in the *Obstacles* Report concerning employment opportunities for the disabled and the influence the Government should have on that process. Since the election, COPOH issued two responses to the Government's lack of response. They were called report cards. The first one was issued on August 14, 1985, and the second on March 14, 1986. The reason this organization was forced to issue those report cards was the lack of movement by the federal Government on promises it had made nearly 18 months ago. In the key area of employment, the COPOH report card gave the Government an F grade. On the key issue of income security, the Government got a D. On the special parliamentary committee, we got a B, and there are specific reasons why we are so high there. Human rights and freedoms got a D minus. Disabled refugees got a C. Independent living got a C minus. Transportation got a C plus. The average grade was D, for a very poor performance. That is an absolutely horrible reflection on a Government that promised so much during the election campaign while it was looking for votes. I do not think it should be satisified to respond to criticisms of the Bill by saying it does not have to do that because Treasury Board has its own affirmative action programs. Previous results from Treasury Board clearly indicate that the affirmative action program does not work.

It became very clear last month that some 76 per cent of disabled individuals hired in the federal Public Service were hired on term contracts. What that means, of course, is that when there is a shortage of work or a downsizing, when Government has made a decision to reduce the size of the federal Public Service, those term contract employees are the first ones to be let go. That is not my idea of affirmative action. For the disabled concerned, it is not simply a question of downsizing Government Departments and laying people off. For the disabled it means a threat to the security of their immediate and future income. A disabled person who has held a job for a period of time has tremendous problems earning an income after his release. Most disabled rely on a public pension, which requires that they have an income at a certain level in order to qualify. When they are laid off it could be several months before they requalify.

It seems that we, the parliamentary committee that was party to this *Obstacles* Report, did not do our job right the first time around. We should have policed what the federal Government was doing when it was hiring disabled individuals. I was not aware, and I know other members of the committee were not aware because I have discussed this with the members of that previous committee, that that is what the previous Government was doing. It was showing a large increase in the number of disabled individuals being hired into the Public Service. What it did not show was that they were all temporary employees.

• (1600)

I see my time has expired, Mr. Speaker. I have many more points I wish to make. By the way, one of the key players on that issue, Jim Dirkson, is sitting in the public galleries, I believe, and he also may have some things to say about this subject over the next several weeks.

Mr. Alan Redway (York East): Mr. Speaker, I appreciate the opportunity to say a few brief words with respect to Motion No. 8 dealing with an amendment to this Bill, Bill C-62, the employment equity Bill. The effect of the amendment, as you know, would be to delete a particular part of the Bill, and that would in effect mean that the Bill would apply then to Government Departments. The Parliamentary Secretary has quite rightly pointed out the fact that there is already in place, and has been since, I believe, 1983, an affirmative action program in federal Departments put in place under a Treasury Board regulation which does in effect require affirmative action and includes certain targets for Departments.

The Parliamentary Secretary, I am sure, has in his possession information relating to the way in which, to date, that program has been implemented and how it has worked in the Public Service.

As a member of the Public Accounts Committee I have, in my possession, as do all members of the Public Accounts Committee, a report from Madam Huguette LaBelle, the Chairman of the Public Service Commission, indicating what has happened with respect to the implementation of this program in the senior levels of the Public Service.

That report, to my mind, is rather shocking. This program has been in place since 1983. I must readily admit that there is some progress being made with respect to women. With respect to the disabled and visible minorities it appears that there has not really been much progress at all. I would like to direct my comments particularly to the visible minority category, because therein, as I understand it, lies a difficulty. In the past, all employment regulations, legislation, and all of the human rights legislation that we have had in place, have in fact said that you are not required to reveal the colour of your skin, your race or anything else. It has made it virtually

impossible, when you want to implement a program of this sort, to identify, other than by looking around and just by sheer personal observation, who falls into this category of a visible minority person and who should be identified for this affirmative action program.

Perhaps, as a result of that, the program so far does not seem to have been effective at all. In fact, the figures I have seen and have in my possession indicate that there has been virtually zip as far as progress is concerned in the visible minority category in the senior area of the Public Service.

That program was put in place, as I understand, in 1983. We are down the road about three years. It is interesting to note that the Bill that is in front of us, Bill C-62, has a provision in it that provides for review. I think this is an important provision. It says in the Bill that we are not going to be satisfied to just put the law into place, Bill C-62 on employment equity, but in five years time we are going to look at it and see how it works. Then every three years thereafter we are going to take another look at it to see how it works and make sure it is doing the job it is supposed to be doing.

As far as I can see, with respect to the Treasury Board regulations, three years down the line after they were put in place they are not working. At the end of five years I definitely hope the Government will publish, if it does not start publishing immediately, reports from the Public Service Commission as to how these affirmative action reports are working in practice, and that we will be able to judge for ourselves as parliamentarians whether affirmative action is working in the Public Service under the Treasury Board guidelines. It seems to me that five years is a good review period. It is enough for the Public Service to identify the problems, get the program working and make sure that it is starting to show some effective progress.

We are running out of time, as far as a five-year review is concerned, for visible minorities and for the disabled. Although women are making some progress, I am sure that much more should and could be made. I hope that we will have a commitment from the Government sometime during this debate that, whether or not Motion No. 8 is passed—whether or not the Public Service is included in the provisions of this Bill—the Government will publish reports from the Public Service Commission on how the existing Treasury Board guideline or regulation with respect to affirmative action is working. That would enable us to take some further action if, in fact, that is not the answer. Thank you very much, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Pornography—Request for tighter customs and excise laws; the Hon. Member for York East (Mr. Redway)—Consumer and Corporate Affairs—Request that warning label be placed on drug ASA; and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Trade—Canada-United States negotiations—Negotiator's views on water exports.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-62, an Act respecting employment equity, as reported (with amendments) from a legislative committee, and Motion No. 8 (Mr. Nystrom) (p. 12176).

Mrs. Sheila Finestone (Mount Royal): There seems to be some misunderstanding, Mr. Speaker. So perhaps it might be necessary, although not in the nature of a history lesson, to clarify and elucidate for certain Members across the floor the history of affirmative action and how we come to call this a sad day. In fact, it was a black day as the members of the handicapped community came in large numbers with black balloons and called it Black Monday. I think that is truly what it is. The Member for York East (Mr. Redway) put into focus quite well the fact that there was a need for affirmative action for women, the handicapped, native people and visible minorities. The Treasury, through the action of the Member for Windsor West (Mr. Gray) when he was head of the Treasury Board, brought in the guidelines in 1983. At the time that those guidelines were brought in, the question was so serious and the situation of such great concern that the Abella Commission was also set into motion.

That commission carried out a mandate to study what the real problems were around what was then called affirmative action, which Judge Abella then named employment equity, but only after having studied, at great length, the particular problems that faced these particular constituencies. If the Members across the way had read the Abella Report they would know that it became quite apparent that the Treasury guidelines were not enough. They were not acting quickly enough. As the Member for York East pointed out, although women have moved forward somewhat, there has been very little forward motion for those of the other three groups who are of concern to us. The employment equity report by Judge Abella followed the 1982 Charter of Rights and Freedoms being entrenched in the Constitution guaranteeing a series of equality factors for all sectors of our society, and in particular equality for the four groups concerned. Following that, in 1983 we had the Treasury Board guideliens; in 1984 the Abella Report; and in 1985 the Equality For All Task Force went out.

Again, we learned the discrimination and difficulty with which these particular target groups in our society must live.

• (1610)

I will remember today as Black Monday for a long time. Members on this side of the House posed questions with respect to the demonstration by the disabled community that was taking place outside of the House. They had come into the gallery to hear the proceedings. I was saddened, disheartened and turned off by what was, without a doubt, the most inappropriate interjections on the part of the Conservative Party both during the questions from this side of the House and particularly following the interjection from the gallery by Beryl Potter, who had made a most eloquent speech on the Hill. I can accept and understand differences in the philosophical approach, particularly with respect to the economic vision of how a society should be organized, but I never would have thought it possible to witness such lack of respect and unnecessary reaction on the part of members of the Conservative Party when it comes to misery and unhappiness. I find that most regrettable.

I have already given a short history lesson about what has been done for women, visible minorities and the handicapped and the fact that many of the recommendations in a series of six reports were put into action. Subsequently, the Prime Minister (Mr. Mulroney) issued a Blue Paper entitled *Declaration on the Decade of Disabled Persons 1983-1992.* The issue of integrating disabled persons into our society as full partners is a fairly new phenomenon. The Prime Minister decided to issue his Blue Paper which would bring to the attention of society—particularly during the electoral period when there is a constituency which he felt could be captive—a series of wonderful pronouncements and rhetoric which essentially mean very little.

In this declaration, the Government of Canada recalled the resolutions of the United Nations General Assembly, the declaration of the United Nations on the rights of mentally retarded persons and the rights of disabled persons, and also recalled Section 15 of the Canadian Charter of Rights and Freedoms which prohibits discrimination on the basis of any mental or physical disability.

The Prime Minister emphasized in this declaration the objectives of the World Programme of Action and bore in mind the distinction made between impairment, disability and handicap and the resulting conclusion that a handicap is a function of the relationship between disabled persons and their environment. He bore in mind a number of other aspects of the World Programme and recognized the significant loss to the Canadian economy when the full potential and abilities of persons with disabilities are not utilized, and recognized the real cost upon the economy due to segregation. I raised that point recently when I attempted to point out that it was in the best interest of the corporate sector to include people based on their ability rather than exclude them based on their disability.

The Prime Minister went on to enunciate 11 principles, all of which are laudable in words. However, nothing has happened. Let me cite Principles Nos. 4 and 7 for the record.

Principle No. 4 states:

Persons with disabilities shall be ensured involvement in decision making which pertains to the design and organization of programs and services considered necessary for the integration of disabled persons into all facets of society. In this respect there shall be a particular emphasis on rehabilitation.

Principle No. 7 states:

The development of self-help organizations of persons with disabilities shall be encouraged so as to provide those citizens with a means of self-development and a voice of their own to articulate their needs, views and priorities.

One would presume that action would follow the articulation of these *bons mots* and *bons voeux*. Unfortunately, that is not the reality.

Today there was a most eloquent demonstration on the Hill, at a time when we are debating an amendment to Clause 3 of the Bill which in effect exempts Government Departments, the House of Commons, the Senate and the Library of Parliament from the provisions of this Bill. Since these are places where disabled people could best find jobs, the Government should take the lead in this area rather than follow.

I want to read into the record what Beryl Potter said during her eloquent speech calling for understanding. She said:

When Flora MacDonald was appointed Minister of Employment, we thought things might get better. When discussions were started to legislate an Employment Equity program we were very encouraged. But that's as high as our hopes went. What came out of those talks and meetings was Bill C-62, a condescending piece of paper that has no strength—no teeth—no proper enforcement mechanism for non-compliance—no penalties. It is simply not worth the paper it is written on.

Two weeks ago, we came to Ottawa to confront Brian Mulroney. We took him by surprise and held on to his hand till we told him what we were driving 600 miles to tell him—that Bill C-62 was far too weak and could even be detrimental to disabled persons.

We asked him to take a close look at the Bill before it went through for its third reading in the House. He told us he was very open to our comments and to prove it he introduced us to his Chief Policy Advisor, Geof Norquay. He directed Mr. Norquay to have an immediate meeting with us and to report back to him. This was even brought up in the House that afternoon. He even waved to us and gave us that big smile of his as he went into the House for Question Period. The meeting lasted for half an hour. All of our concerns were recorded by Mr. Norquay, and he promised to get back to us within two weeks before Bill C-62 went in for the third reading.

We have heard nothing, they even refused to return our phone calls this week, but the Bill had its third reading last Thursday. Are we going to stand for this?

He promised to keep an open mind. He promised to take a serious look at the Bill. They promised to get back before third reading.

These promises have been broken. The Bill is nothing more than an information Bill for employers. Are we going to leave it at that or are we going to keep fighting for what we know are our rights? We must stand together and fight for a repeal of the Bill so that the necessary amendments can be made.

The disabled must stand and be counted in this country.

I finish with her last words:

So let us fight, fight, fight for our rights.

I hope that the Minister, the Parliamentary Secretary and those who have a possible role in the decision making will listen to that group of people in our society who need the

opportunity to demonstrate how much they can help us grow, develop and become economically more viable.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this amendment is simply designed to ensure that when the federal Government enacts legislation to apply to corporations in the federally regulated private sector—even if it is weak legislation like this—it should apply to the federal Government itself.

There have been many criticisms about the mechanisms in this Bill. For example, it does not ensure effective action but simply proposes to measure what has been done. It does not even require the setting and achieving of targets.

However, the Government has told us on many occasions that it intends to follow this course of action because one must walk softly in order to achieve affirmative action for women, the handicapped, the disabled, natives and minorities. If the Government is convinced that this is the proper policy, it seems to me that at the very least it should demonstrate its conviction by ensuring that the provisions of this Bill apply to federal Government Departments. We are not talking about an insignificant number of people.

[*Translation*]

There are about 250,000 people in the Canadian public service, and in many cases these are women, native people, disabled persons and members of minorities who are all supposed to be covered under Bill C-62.

Now then, if the Government really intended to show it is committed to affirmative action we might suppose that the Government would want to make sure that the measure applies equally to public service employees and to other private sector employees who come under federal Government jurisdiction. Such is not the case, unfortunately.

Mr. Speaker, in this respect perhaps I might quote some of the answers given to the Saskatchewan action committee on the status of women. During the last election campaign they sent the three Party leaders a questionnaire containing eleven questions concerning women.

[*English*]

In response to the the questionnaire from the Saskatchewan Action Committee on the Status of Women the New Democratic Party talked about affirmative action in the Public Service in very explicit terms. I would like to put that on the record and then go to the promises made by the Conservatives and compare that with what they are doing in this particular case. We said, and I quote:

> The New Democratic Party is committed to an aggressive affirmative program within federal Government departments and Crown corporations.

This was in response to a question addressed to each Party Leader which was:

> Would you, as Prime Minister, implement and monitor for effectiveness, an aggressive affirmative action program with the Federal departments and Crown corporations?

The New Democratic Party said, and I quote:

> The current affirmative action program in the Public Service must be strengthened and subject to rigorous monitoring. The mandate of the program must be expanded beyond its focus on women already in senior management positions. We would revise the guidelines of the program to make it relevant to the 95,000 clerks and secretaries in the Public Service by including measures such as bridging positions, comprehensive skills training and a non-traditional occupations program.
>
> The affirmative action program for Francophones in the Public Service under the Official Languages Act resulted in equal representation for Francophones in all job categories, at all wages levels proportionate to their presence in the population—

If that is the case, why can the Government not do the same thing with respect to affirmative action for women, and in this debate I would extend that to the other groups covered by Bill C-62? We had indications that the Government saw results coming from the affirmative action program for women by the year 2000. We said that that was unacceptable and that is why we would seek to have the same results for women as have been achieved for Francophones in the civil service.

• (1620)

We called for the extension of mandatory affirmative action to Crown corporations as well as to companies in the private sector under federal jurisdiction. But all we have here is mandatory counting, nothing more. We called for the support of the establishment of targets for all affirmative action programs and stated that that should also apply to appointments to federal boards, commissions and agencies. Those were the promises the New Democrats were prepared to make and we have stood up for them during the course of this debate on Bill C-62.

The response to the questionnaire from the Prime Minister (Mr. Mulroney) was, and I quote:

> The P.C. Party has had a long commitment to an effective affirmative action program within the federal Government to provide equal opportunity to women.

That is a laugh, given the way in which women are finding themselves turfed out of the Public Service because of the layoffs now taking place. The Prime Minister continued, and I quote:

> Our Government will make sure that hiring and promotion practices give women the opportunities they deserve.

Women feel, Mr. Speaker, that they are getting the short end of the stick right now and I suppose they have to conclude that those are the opportunities they deserve as far as the Progressive Conservative Government is concerned. The Prime Minister continued:

> We will carefully and regularly monitor those practices because too often in the past, women have not been considered, even though there are competent and capable women available.
>
> We support the need for effective human resource planning within the federal bureaucracy which includes goals and objectives to achieve parity for women at all levels if Government operations commensurate with thier skills and expectations. Numerical goals are one of several measures required. Training and retraining are others.

That policy left a fair amount to be desired. Nevertheless, it is a lot more explicit than what is occurring in Bill C-62. What it comes down to is that not only does Bill C-62 not involve setting goals and objectives that the now Prime Minister

promised during the election campaign, but it does not even apply to federal Government Departments unless the Government is prepared to accept the amendment which is now being proposed and which is currently under debate. I find that disillusioning and disappointing. Of course, what applies with respect to women, applies equally to the other minorities which are affected.

Experience has shown that we cannot achieve equality with respect to disadvantaged groups just by means of pious wishes, nor can we achieve it by pious counting, which is now the current Government's position. I would like to suggest that this question is going to come back and haunt the Progressive Conservative Party, as will many other things, in the course of the next federal election campaign. The Government made promises because of the commitment, which I think is genuine, of the wife of the Prime Minister, the wife of the Minister of State for External Affairs (Mr. Clark) and some other people in the Conservative Party. There was an impression that the Conservatives were serious about affirmative action. Now we know it is not. I say to the Minister of State for External Relations (Mrs. Vézina) as well as to other Conservatives, this is going to come back and haunt their Party.

[*Translation*]

This is going to haunt you in the province of Quebec, because people were under the impression during the last election campaign that the Conservative Party would not be satisfied only with making broad statements on the status of women, as private companies were doing, but would fully support affirmative action, would implement and enforce equality legislation for visible minorities which are discriminated against, such as women in the Public Service and the private sector.

I will tell the Minister directly and openly that this Bill is doing nothing in this respect. The fact that it does not apply to the federal Departments which are specifically excluded, as opposed to Crown Corporations, which are included, is a clear proof that the Government has forgotten its commitments of the last election campaign.

[*English*]

I must say, Mr. Speaker, that encouragement, incentives, good wishes and those kinds of things are simply not good enough. Today, at a time when we are suffering enormous cutbacks in the Public Service, it is the people who are in the disadvantaged groups who are most likely to be victimized by the cut-backs. They are the term employees who cannot get full-time employment. They are the people who, for various reasons, are judged to be lacking in merit and, therefore, are dumped because of the reverse order of merit system which is applied within the Public Service. I note that the Minister of State for External Relations is making some notes. I hope she will rise and try to defend the indefensible with respect to this particular Bill. I hope she will explain.

[*Translation*]

Why is the Government not making sure that this Bill applies to Public Service employees? Why continue to discriminate against people in the Public Service? Why is not the Government showing leadership to the private sector by making sure that this Bill, however weak it may be, applies both to the Public Service and the private sector?

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 8. Mr. Nystrom, seconded by Mr. Althouse, moves

That Bill C-62; be amended in Clause 3 by striking out lines 13 to 15 at page 2.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The next question is on Motion No. 11A.

Mr. Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

That Bill C-62, be amended in Clause 3 by adding immediately after line 24 at page 2 the following:

"reasonable accommodation" includes, without restriction, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.

He said: Mr. Speaker, the purpose of this amendment is to add to the Bill a definition of "reasonable accommodation". The Bill already uses the term "reasonable accommodation" in line 37 of page 2 in the section which deals with the obligations of the employer with respect to employment equity. In summary, Clause 4 states that an employer shall implement employment equity by:

(b) instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation—

In the Bill there is already an imposition on employers to implement reasonable accommodation. However, nowhere

does it state what "reasonable accommodation" means. When witnesses appeared before the legislative committee, in particular those from associations for the disabled, they argued strongly for a definition of reasonable accommodation. They said that if there were not such a definition included then it is likely that the type of employment equity for which they are looking would not be achieved. The definition is almost verbatim to what was recommended to us by COPOH, and other organizations of the disabled in committee. It reads as follows:

"reasonable accommodation" includes, without restriction—

The words "without restriction" are very important because they mean that the definition is not limited to what we are suggesting. It continues:

—the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.

It is my understanding that disabled groups have recommended to other parliamentary committees, in particular the Subcommittee on Equality Rights and the Special Committee on the Disabled and the Handicapped, which sat in the previous Parliament, that this definition of "reasonable accommodation" be accepted in our legislation and that a policy with respect to it be adopted.

• (1630)

While this amendment is a rather technical one, it is extremely important for the target groups, in particular the disabled people who are supposed to be helped by this legislation. So when it is said in Clause 4 that an employer shall implement equity by "instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation" we will then know what is meant and progress will be made.

There are others here, including members of my own Party, who are more *au courant* with the technicalities involved. I plead with the Government to accept this definition. I cannot understand why it will not accept it since it is so important. When the amendment was made in committee and the Conservatives voted against it, they said it was too limiting. The words "without restriction" have now been added. Thus members of the Conservative Party can no longer use that argument. It will not limit. It will give guidance to employers, to the Government and to the Canadian Human Rights Commission when it makes judgments as to whether or not progress is being made in terms of employment equity.

I hope that the Parliamentary Secretary will take this request seriously. I wish to repeat that many of these amendments are not amendments which we in the Opposition have drafted simply to embarrass the Government. Nearly every one of these amendments come from the target groups which are supposed to be helped by the legislation. They come either from the disabled, the visible minorities, natives or women's associations. They are the ones who have told us time and time again in committee that they want amendments such as this. They are the ones who have told us that they will not be happy with the Bill unless such amendments are made to it. When I put forward amendments such as this I am not doing so in a partisan way. I am doing so in order to achieve something that is required and needed by the target groups.

I ask that the Parliamentary Secretary and the Minister, who was here earlier but who is no longer here, take this into consideration and not respond in a defensive or partisan way to our amendments. The amendments have been made with great feeling, sincerity and intelligence by the very people who are suffering from discrimination. We are their instruments in putting them forward. I hope that they will be listened to by members of the Government.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wish to say a few words to support the motion moved by my colleague the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). It is a very important motion for handicapped people in this country.

Motion 11A provides a definition of "reasonable accommodation", Mr. Speaker.

[*English*]

This is very important for disabled Canadians. As the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has already pointed out, under the definition of employment equity there is a reference to "reasonable accommodation". What the motion before us calls for is a definition of "reasonable accommodation". I wish to read to the House and to members of the Conservative Party the definition of "reasonable accommodation" which is so important to disabled Canadians. I plead with them to include it in the Bill. It states:

"reasonable accommodation includes, without restriction, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.

This is what disabled Canadians want. This is what they have said to us as parliamentarians. This is what they have said to members of the Conservative Party. It seems to me that members of the Conservative Party said in September of 1984 that if they were elected they would listen to the people of Canada.

Bill C-62 was designed with four different target groups in mind. Why does the Government not listen to disabled Canadians? I am sure that a long-time Member of this House such as the Hon. Member for Bow River (Mr. Taylor) must be getting pretty restless with his own Cabinet and Government when he sees disabled Canadians come to Parliament Hill asking for things such as this and the Minister says no. He must get pretty frustrated when he sees, as we saw today, 100-

plus disabled Canadians come to Parliament Hill. In this very institution they found out that accommodation is not as great as it should be. There are only 10 places for wheelchairs in the galleries. Some people who were in wheelchairs had to be helped by the guards into seats in order for them to be able to watch the proceedings of this place. The Bill before us does not even include Parliament Hill. It also excludes the Public Service of Canada. Is it any wonder Beryl Potter interjected from the gallery today during Question Period to say that the Government had not done enough? Is it any wonder that she feels betrayed by her politcal Party? She has said publicly that she is a supporter of the Conservative Party. There are not washrooms on the same floor as the galleries to accommodate persons in wheelchairs. That is not reasonable accommodation. In the House of Commons, there are washrooms with doors that are not wide enough for people in wheelchairs to get into them. We do not have enough ramps, wide enough elevators or the facilities required.

• (1640)

Mr. Thacker: Why did you keep the Grits in for so many years?

Mr. Nystrom: That is a very good question. That excuse is wearing rather thin. That is the only excuse members of the Conservative Party have been able to come up with in the last 18 or 20 months. They blame everything on the Liberal Party.

Mr. Merrithew: Blame it on you.

Mr. Nystrom: I'm not a Liberal. The people of Canada voted for the Liberal Party just like they voted on September 4, 1984, for the Conservative Party. In fact, some of those disabled Canadians worked and organized campaigns for the Conservative Party of Canada, but when they come here they get snubbed by the Conservative Party of Canada. The Hon. Member from Alberta may laugh if he wants, but he is not a disabled Canadian. Perhaps he does not understand what some of those people go through.

Mr. Thacker: Why so late? Where were you in the last 15 years? You haven't said a word in 15 years.

Mr. Nystrom: Where were we? We were proposing amendments on behalf of disabled Canadians. Motion 11A contains their definition. In a smart—I had better watch my language in the House.

Mr. Gauthier: Smart-ass.

Mr. Nystrom: It was said by an Hon. Member back there. Perhaps old loose lips across the way can rise to say why he is saying no to disabled Canadians. He could tell us why he is saying no and why he is laughing at them.

I was just saying that today was a good example of why we need "reasonable accommodation" defined in law. Right here on Parliament Hill we do not have reasonable accommodation for disabled Canadians, and a Tory from Alberta laughs about that. It is utterly disgusting and disgraceful that that could happen in this country in the 20th century.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I just happened to be in the Chamber listening to the Hon. Member, who usually understands the appropriateness of relevancy in debate and obeys that particular constraint on us. He is making reference to the facilities of the precincts of the House of Commons. As the Hon. Member and you will know, Your Honour, the Board of Internal Economy is in control of the facilities and operates the budget for the House and is composed of representatives from the New Democratic Party and the Liberal Party under the new arrangement. It seems to me that if the Hon. Member has complaints about the facilities in the House, he might use the appropriate opportunity to bring those complaints forward through his caucus representative and make sure that these matters are addressed in the proper forum.

The legislation is one thing, but the precincts of this place are a matter for the Board of Internal Economy. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has long been a proponent of having all-Party representation on the Board of Internal Economy. Because the matter has not been raised as yet, to my knowledge, by the Hon. Member's Party except on the floor of the House of Commons, perhaps he will bring it to the attention of the proper forum so that we can take a legitimate look, through the chairmanship of the Speaker of the House, at the facilities here in the House of Commons and Parliament generally. As the Hon. Member will admit when he recommences his remarks, no one has been more forthcoming and supportive of facilities for the disabled than the Progressive Conservative Party which has shown leadership in this area.

Mr. Deputy Speaker: The Hon. Member for Yorkton—Melville (Mr. Nystrom) has the floor.

Mr. Nystrom: I do not disagree with my colleague from Saskatchewan whatsoever. Obviously we need to try to improve this place through our Parties. However, the point I was making that is very relevant to the legislation is that this legislation does not pertain to Parliament Hill or to the federal Public Service. Handicapped groups have asked us to pass an amendment that would make this legislation pertain to Parliament Hill and the federal service. I think that my approach is a fairly relevant one to use in this debate.

I was pointing out that we saw a good example of why this legislation should be applicable to Parliament Hill today when over 100 handicapped people from across Canada came to Parliament Hill to demonstrate and to tell us why they wanted this Bill improved. I ask Members of the House to listen to disabled people and accept an amendment that would call for "reasonable accommodation" to be defined in the legislation and to make sure that this legislation is applicable to the 3,000 employees on Parliament Hill and the several thousand employees of the Public Service of Canada. I do not think that that is asking too much.

The disabled people who came here today made three requests. One is that this legislation be applicable to federal Government Departments. The second is that the penalties in the legislation be made broader and more all-encompassing. The third is that "reasonable accommodation" be defined in the legislation. I do not think it is asking too much to implement that.

In the few minutes remaining, I would like to read to you, Mr. Speaker, an excerpt from the testimony given before the legislative committee on Bill C-62 by Beryl Potter, the lady who interjected from the galleries today. She was one of the most articulate spokespeople for disabled Canadians and really objected to the answer the Minister of Employment and Immigration (Miss MacDonald) gave to my question in the House. She appeared as a witness before a special committee on Bill C-62, and I would like to read to the House what she says about "reasonable accommodation", which is as follows:

Reasonable accommodation is essential to job accessibility for disabled people.

This is recognized by the Government in s. 2, the purpose section, which states "that employment equity means more than treating persons in the same way, but also requires special measures and the accommodation of differences." Accommodation means the reasonable adaptation of the workplace or the job description to accommodate the special needs of a qualified disabled person. Let me give you an example of reasonable accommodation:

Let's suppose I am hard of hearing and wear a hearing aid. I am well trained as a secretary but will not be able to use a telephone unless it is compatible with hearing aid equipment. If I apply for a secretarial job and am qualified in all ways except for my limitation in using the phone, the employer could be required as part of employment equity to make his telephone hearing aid compatible. All this requires is the insertion of a small, very inexpensive coil into Bell Canada receivers. But many employers do not know this and without a requirement to provide this accommodation, might not be willing to hire me because of my disability.

Reasonable accomodation is so crucial to employment equity for disabled people, that it should be adequately outlined in legislation. Section 4(b) make reference to reasonable accommodation but does not define it.

We recommend that reasonable accommodation be spelled out in the Bill to include provision for physical accessibility, assistive devices, flexible job design and modification, and human support services. Since reasonable accommodation is so central to employment equity for disabled people and since disabled people themselves and others can assist in devising creative approaches to accommodation, we recommend that employers be required to have in their workplaces employment equity committees consisting of representatives of management, labour and the designated groups.

That was an excerpt from the testimony of Mrs. Beryl Potter of Scarborough and the Scarborough Action Awareness Group of the Organization of Disabled Canadians. I think she summarized very well why Parliament should include a definition of reasonable accommodation in the employment equity Bill.

This is not an economic matter that should be dividing socialist, Liberal and Conservative Members of Parliament. This is an issue that deals with human hurt and human misery. Surely to goodness we should be united on this kind of question. It does not matter whether one is a neo-Conservative like my friend from Alberta, a social democrat like me, or a Liberal like others. This is the type of thing that should unite us.

I appeal to my Conservative friends to listen to those disabled Canadians who came here today in their wheelchairs or with their crutches. They came here at considerable expense. Many of them had to use specially designed vehicles and buses for the handicapped to get here. Some of them had to come here last night and stay at very expensive hotels because some of the hotels in Ottawa with more reasonable rates do not have reasonable accommodation for wheelchairs. I was not aware of that until it was pointed out to me outside of the Parliament Buildings this afternoon.

• (1650)

Most of us are very fortunate in this House not to be disabled. We do not realize these kinds of problems, but when you start talking and dealing with these people, you start to understand why it is necessary to say in the law of Canada that we have to have a definition of "reasonable accommodation", otherwise those of us in the vast majority will tend to ignore their problems, hoping that the problems will go away. The problems will not go away because that is the way they are. The handicapped are asking us to listen. I plead with my Conservative colleagues to do that.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is right. This is not an issue that divides us. We are together in our understanding of what the Member is attempting to do. All of us want to be as helpful and as useful as we can. My colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), says the purpose of the phrase "without restriction" is to give guidance. That, I will say, will be done through the guidelines and the regulations.

All Members of the House accept the principle of reasonable accommodation. The only question is, what is the most effective place for this definition? For reasons discussed, we believe the best place is not in the legislation itself. I know that we had a discussion on whether or not it is limited.

Certain target groups are already left out in what has been placed before us, but that is not what we are trying to do. We understand the process. I think we can do all that with the guidelines. We have an evolving process here. We have a definition that through technology we will undergo rapid change. The Bill itself, while cast in a little more firmness, can have guidelines that may have to change from time to time. I think all of that is understood. We know those are essential elements in implementing any employment equity program.

There are measures that have to be put into effect, remedial measures, special training programs, support measures, things like career counselling, internships, day care and flex time. All of these things will be essential in carrying out employment equity programs. Those are still matters of process. Philosophically we can spend days, weeks and months going through a definition. For practicality, we want the Bill and we want the Bill now. A lot of those matters can be tackled in the guidelines and in the regulations.

I might say that the Department of Justice is presently reviewing the Canadian Human Rights Act and, in view of recent Supreme Court of Canada decisions, will be considering the best way to amend the Act to include the concept of reasonable accommodation. However, there is a body of application for the term "reasonable accommodation", including the results of Human Rights Tribunal decisions. The Canadian Human Rights Commission provides an interpretation of the meaning and application of the term in the *bona fide* occupational requirements guidelines with regard to employment practices.

To insert a definition of "reasonable accommodation" in legislation at this juncture I think would not be helpful and would probably be inappropriate.

We have certainly listened. We share the concerns of all Members. All I can say very positively is that those concerns will be addressed in the guidelines and regulations.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak to the amendment on reasonable accommodation. It is a very important amendment if the wishes of the Minister are to be met. I think I have said from the very beginning that I know the Minister is of good will and that she would like to see this Bill have the needed impact. Although the Bill has a number of holes and a *lacune*, this is a particularly serious one on reasonable accommodation.

Reasonable accommodation is very important for religious minority groups as it is for the handicapped. The whole concern was expressed in a case which came before the Supreme Court. A decision has been rendered. What is sad is that the Conservative Government cares to move only when the court decisions are rendered. The decision was rendered. There is no reason not to meet the wishes expressed by the disabled.

The Government can just follow the court's expression on reasonable accommodation and how it is used as a *bona fide* occupational undertaking. I do not think it takes very much creativity to have the lawyers in the Department of Justice develop the language required to define what reasonable accommodation is all about. The Government has had the landmark decision rendered by the Supreme Court. I think that that should be good enough to direct the Minister and her staff.

When you do not apply "reasonable accommodation" and define it, you economically deprive people who have a handicap from the potential of having the workplace make small adjustments to accommodate their differences. They are not necessarily major. The Bill can accommodate that because the human rights code covers the aspect under what would be considered a *bona fide* or a justifiable occupational change.

As disabled people suffer from an extraordinarily high unemployment rate, and as it is against our principles and practices as Canadians to discriminate based on religious preference, that clause on reasonable accommodation becomes even more important.

I want to bring to your attention, Mr. Speaker, our own *Equality for All* Report. The committee listened to many groups and supports one of the wishes the Prime Minister (Mr. Mulroney) outlined in his promises to the disabled. It was during the course of consultation with many of these groups that they pointed out the need to adapt that phrase, "reasonable accommodation" to serve them best.

I bring to your attention, Sir, that the Canadian Human Rights Act does not now impose a duty of reasonable accommodation in so many words. Mr. Fairweather pointed out that the Canadian Human Rights Commission has introduced the concept as part of its guidelines on the application of the *bona fide* occupational requirement defence to a complaint of discrimination in employment. Essentially it says that if you cannot be unreasonable in your quest to serve the disabled in society, there are reasonable barriers that can be removed, escalators, elevators, the height of the toilet seat, the size of the bathroom, the accommodation of the rails, the hearing aid and certain accommodations for the handicapped who have a visible disability. They are in many instances small and insignificant, but even in one of the Minister's programs she offered a $10,000 subsidy. If you wanted to accommodate a handicapped individual, you could ask for renovation funds in your building. What a nice incentive. Too bad the Bill is not prepared to back it up in a more substantive way.

As I said at the time we were hearing the 250 groups who came before us and spoke in the name of 1,000 signatures and for tens of thousands of people, the Binder decision had not been rendered on the Canadian National Railways Company. It has now been rendered.

Reasonable accommodation is an important way of according the full benefit of the law to disabled people as well as to religious minorities. If you want positive action, employment equity, affirmative action, then we need to respond to the special needs of disabled people in the workplace. Our *Employment for All* Report in Recommendation No. 80 reads:

> We recommend that the Canadian Human Rights Act be amended so that employers are obliged to make "reasonable accommodation", that is, such special provisions as would not cause undue hardship to the employer—

You can see how considerate we were of the employers. Too bad we do not have contract compliance in this Bill as well. It continues:

> —in response to the needs peculiar to those classes of employees that are protected from discrimination by the terms of the Act.

• (1700)

In essence, I have been trying to say that we have a moral and legal responsibility to put "reasonable accommodation" into this Bill. It is inherent and implicit in the application of Section 15 of the Canadian Constitution. That section, in essence, defines the character which we wish to see in this wonderful Canada of ours. If we want to have the multicultural and bilingual nature of Canada expressed equally by men and women in such a way that all members of our society can

participate, we must insert "reasonable accommodation", keeping in mind the *bona fide* occupational justification.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I would like to appeal to my Conservative colleagues with regard to the suggested amendment which calls for some definition of "reasonable accommodation". We discussed this in committee. The Parliamentary Secretary has again expressed his misgivings about this matter. He feels that there may be problems with the legal aspects, that if we define "reasonable accommodation", it may restrict other factors. This resolution was modified in order to meet that objection. He may say that if it is too defined it may put too great a burden on a company or organization and, therefore, we should not be too precise. There has been some effort on the part of the courts to begin to define this matter. With the assistance of the Department of Justice, such a modification could be worked on before this Bill is passed.

Some people may see this legislation as a vehicle to ignore its real intent. One could provide reasonable accommodation for a person who has lost part of one finger and call that person disabled. One could look after a large number of people with very slight disabilities and then claim to have dealt with a lot of disabled people. That would make one look good, but one would not really be dealing with disabled people.

This amendment is really only providing examples and guidelines. It would provide, in the legislation, an indication of the direction in which Parliament wants to go. It wants to deal with genuine disabilities. Numerous reports over the years have indicated a requirement for clarification as to what is meant by "reasonable accommodation". That is in the spirit of what is intended by the Government. Some will say that it will cost lots of money. Specifying the requirement for very expensive equipment would put an organization into jeopardy.

A very high percentage of disabled people are on welfare or out of work. Is it not a good idea for the Government to assist companies to provide facilities for the handicapped so that they may work? When the handicapped were on the Hill today they chanted that they wanted jobs. They do not want welfare. They want equity, employment, jobs.

Instead of passing a Bill which says that companies should do something about this, why does the Government not put in place a financial program to give support to companies and organizations to provide those facilities? The Government should provide incentives to companies to make them feel it is worthwhile to use the skills and resources of the handicapped.

We are told that one in every eight Canadians has a disability. That amounts to millions of Canadians. We are not talking about a small or insignificant group of people. This is a major need in the country. One in eight potential workers has a handicap. A high percentage of that group cannot hold a job because of a lack of the required facilities and access. They do not have reasonable accommodation.

I plead with the Parliamentary Secretary to attempt to have his Department and the Department of Justice work out a solution for this concern. The Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) gleaned his definition from handicapped groups which have given a great deal of thought to the matter. Perhaps it can be improved, but to ignore this request, which provides a direction or guideline, seems to me to be most unfortunate.

Clause 4 of the Bill says that:

An employer shall implement employment equity by

(b) instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation—

It does not say what kinds of handicaps and needs must be fulfilled. What does this refer to? Unless we have an indication that we are talking about provision of physical accessibility, assistive devices, flexible job design and modification and human support services, it will not be implemented. This Bill is so vague that it is hard to even talk about it. It contains too many vague good wishes and too little in terms of specifics. I would once again like to ask the Parliamentary Secretary to reflect on this with his colleagues and determine whether "reasonable accommodation" could not be specified more clearly.

• (1710)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the right of the disabled to equal employment opportunities has a necessary prerequisite. This amendment will put that prerequisite into the Bill. Although the Bill recognizes the need, it does not make it a requirement and does not define it in such a way that people covered under the Act will know exactly what they have to do. Again I ask the Parliamentary Secretary to look at the need. It makes much more sense to put it in the Bill than leave it to the guidelines. That often means leaving it to the bureaucrats to decide.

Over the years, and I am sure the Hon. Member recognizes this, regulations have often been used to weasel out of the commitments made in the Bill. Regulations are worded in such a way that some of the best legislation loses its effectiveness. We as parliamentarians only get a marginal look at the regulations and very little opportunity to make sure their wording is acceptable. In the end they do not have the weight of law. They can be changed in many cases by Order in Council. In some cases that is not a bad thing, but they are interpreted by the bureaucrats rather than the courts.

This amendment says we should define reasonable accommodation and put it in the law so that everyone will know what it is. As was expressed on many occasions, particularly by a number of witnesses who came before the committee, although Clause 4(b) makes reference to reasonable accommodation, it does not define it. The report *Equality for All* makes specific recommendations but they were not taken into consideration when the Bill was drafted. I guess it was not even in place at that time. However, that is no reason for not using it now. Recommendation No. 80 says:

We recommend that the *Canadian Human Rights Act* be amended so that employers are obliged to make "reasonable accommodation", that is, such special provisions as would not cause undue hardship to the employer, in response to the needs peculiar to those classes of employees that are protected from discrimination by the terms of the Act.

We are in the process of passing a Bill which is supposed to require certain groups to put in place affirmative action and in some cases we should require that the necessary facilities for the hiring of disabled people be put in place so that the job is not beyond their reach. It is too late to provide the facilities and accommodations after the person has been turned down.

It is very discouraging for disabled persons to apply for job after job and then find that the reason they are not being hired is that the particular office or plant is not able to accommodate their particular disability. Therefore, it seems quite logical to require by law reasonable accommodation facilities in those companies that are or should be able to hire the disabled. We call on the Government to make the necessary changes to put this into law so that the disabled can apply for a job with some hope of being accepted.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I would also like to support the amendment of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). Unless you add a definition of reasonable accommodation, the term is hollow. Everything needs to be defined. That is why we have dictionaries. Even the job of Parliamentary Secretary needs to be defined. If we did not have a definition, then Parliamentary Secretaries would not know what they are supposed to do. You must have a definition of everything that is meaningful. If not, you have something that is meaningless. I think it would be beneath Parliament to allow a law to go through when it has meaningless terminology.

My second point is that if we do not define the term, the courts will. If we allow that to be done, we will be dropping out. We were sent here to legislate thoroughly and define legislation accurately so that we say clearly what we mean. It is not the job of the courts to define legislation, it is their job to refine legislation, to reflect on nuances and rule on them, but certainly not to rule on the primary definition of what we mean.

I want a definition of that term because this Parliament and this country has a record known around the world. We are well known and well respected simply because we are able to reach accommodation in our legislation. That is the secret of our success. Canada is successful because it has a record of reaching accommodations or compromises between minority groups and regions. Surely if we have been good at anything, it has been tha,t and people around the world know it. Whether it is bilingualism, accommodation of language groups, disadvantaged minorities or disadvantaged regions, Canada has a record of dealing with the problem. I say to my colleagues here that unless we continue that record in this legislation presently, we will not be living up to what I believe is a very enviable reputation.

• (1720)

The time allotted to us is very short, but I was struck by the words of the Member for Yorkton-Melville (Mr. Nystrom), that we do not really understand what it is like to be disabled. We do not understand because most of us in this Chamber have been blessed with good health. He said, and I agree with him, that we should listen to those people who fully understand what it is like. When they say that this phrase does not suit their purposes, then we must give some credence, some credibility and some weight to what they say. I agree with him that in light of our limited experience in understanding this situation we should, indeed, listen to what they say. They have asked for a clear definition of what that means.

Is the cost too great of defining that and putting some responsibility on the private sector and the public sector? Has the Government costed out pride? Has it costed out dignity? Has it costed out fulfillment? Has it costed out all those things? What is the price of human life? What is the price of self-fulfillment in this country? I do not think that the cost is too great. More than that, I think it is incumbent on us today to listen to the request of the disabled community and to accede to the amendment of the Hon. Member for Notre-Dame-de-Grâce—Lachine East, and to define very clearly what we mean by reasonable accommodation. We have a chance now in this Parliament of living up to what I believe is a great record throughout the world. If we lose this chance I think we will be casting a blot on this Parliament.

Mr. Alan Redway (York East): I am pleased to have the opportunity to say a word or two in connection with Motion No. 11A, the motion to move a definition for the words "reasonable accommodation".

I have been listening very carefully to the comments and interventions of Members this afternoon with respect to this whole issue of reasonable accommodation. In particular, I listened very carefully to the words of the Parliamentary Secretary on this Bill. I heard him very clearly say that there was going to be a definition of "reasonable accommodation". It was going to be set out in the regulations to the Act in accordance with the provisions of the Act. That is not the only thing that is going to be set out in those regulations. It has been said in this House on debate on second reading—and I am sure it was said in committee many times—that there would be other things in those regulations, particularly the specific goals, the specific requirements and time limits for meeting the whole purpose of this Act.

The reason they were going to be in the regulations and not set out in black and white as part of this Act was so there would be flexibility, so we could make changes when it was shown they were needed. The debate on this Bill has proved very clearly that legislation is very inflexible. It is virtually impossible to make changes without going through a debate that has lasted from June of 1985 to April 14 of 1986 on this Bill. If you call that flexibility then there is something strange going on.

When you put it in black and white in the legislation in the Bill, there is no flexibility, there is no way of making those changes. When you put it in the regulations, there is. That is what the Parliamentary Secretary said and that is why I expect we are going to see flexible regulations or regulations in a way that are flexible and can be changed to accommodate the needs of disabled people, and can be changed to deal with this whole question of reasonable accommodation in a logical way.

When municipalities start defining the requirements for reasonable accommodation for disabled people they do it in a very detailed way. They tell you how many inches or how many metres or centimetres wide the opening has to be in a washroom, they tell you about the slope on a ramp and they tell you the kind of lock you should have on a door. All of those things are set out in municipal by-laws relating to the sorts of accommodation to be made for disabled people.

I am sure the Hon. Members in the Opposition, whether they be the Official Opposition or the NDP, would not expect to have all those things set out in this Bill in such a way that it would take almost a year of debate and another amending Bill to get them changed. They want to see some sort of flexibility, and that, of course, is what the Government has said.

What I personally would like to see is more evidence of commitment to make changes, not only in the physical accommodations in this House on Parliament Hill, but also in all of the Government offices that we have in every part of this country.

When I was serving in my municipal previous life 1980 was the International Year of the Handicapped. In 1980 various provincial Governments put in place funding for municipalities to make changes in their physical accommodation to make sure that they were accessible to the disabled. That happened back in 1980. As far as I can see, a vast number of local Government buildings were changed to accommodate the disabled that far back. The same has happened with provincial Government buildings. What astounded me when I came to Ottawa and what I wondered about was why we have not moved along as fast as municipalities. Why have we not moved along as fast as the provinces with federal Government action to change the accommodation for the disabled?

I see that the Parliamentary Secretary for the Minister of Public Works (Mr. Stewart) is in the Chamber at the present moment, and I know he is committed to making those changes in Government buildings and in Government locations to accommodate the disabled. I am sure he is going to take that message back to the Minister and before very long I am sure we are going to see those changes because I know that both the Minister and the Parliamentary Secretary are committed to it.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to support this amendment put to us by the Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), which asks the House to add a definition to line 25, page 2 where we will define "reasonable accommodation" as follows:

Reasonable accommodation includes, without restriction—

I say this to my friend from York East. It goes on as follows:

—without restriction the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.

That is a clear definition, without restriction. I fail to understand the logic of my friend from York East, who has great experience in the municipal field and is a good politician but cannot tell the difference between a regulation and a policy. We are talking policy here, we are talking politics. We are talking objectives. We are not talking regulations. The Member for York East (Mr. Redway) said that regulations should be flexible. Well, damn it, they should not be flexible. Regulations have to be specific, they have to be directed to a specific case and they must say black on white what is right, what is wrong. A policy can be almost anything we talk about around here, it can have just about any objective you want to set. That is what a policy is all about, and that is what politics is all about. We talk about objectives to be set. Anybody in this room who can tell me that he knows all about regulations in any subject matter is incompetent, unless he specialized in one field some time ago. As politicians we have never applied ourselves to being specific about regulations.

As a matter of fact, we adopted a metric policy a year ago. We have not got those regulations as yet. Who is complaining? Nobody that I know of in this House because the policy was set by the politicians. The regulations will come because they are the work of the professionals in the trade, the professional public servants. Those are the ones I want to address because they have been leading the pack in terms of accommodation and in terms of reasonable accommodation.

I had a conversation not very long ago with Madam Suzanne Azzi. Madam Suzanne Azzi, for those of you who do not know who she is—

[*Translation*]

—she is co-ordinator of the Public Service Commission employment service for the disabled in professional positions. Under federal programs which have been in place for many years, she finds jobs for people with physical or other handicaps who sometimes need special assistance to find paid employment in our Canadian Public Service.

Mr. Speaker, I could give you a multitude of examples of problems, beginning with the lowering of the buttons in the elevators. Even here in Parliament, we cannot receive physically handicapped people because we do not have the necessary facilities yet, but we have lowered the call buttons in the elevators even though we have not yet put in sound for the blind. There are many things to consider as concerns physical accessibility to a building.

I remember a case in my constituency where the Department of Public Works finally had to do something after being told that the handicapped need a ramp to have access to a building. Otherwise, they had to use the backdoor, not because the authorities did not want to accommodate them, but because no one had thought about it. Telephones have now been installed for the handicapped. I invite other Members to visit as I did seven or eight years ago the National Research Centre to see what the federal Government is doing to help give the handicapped access to an adequate working environment. Research has been done to provide transportation and technical or physical assistance needed by the handicapped, such as typewriters. I even saw a mouth- operated typewriter. This typewriter would work rather well in this House because there was a little mouthpiece in which to blow to operate the keys. I saw things which surprised me because I was not more aware than anyone else about the needs of the handicapped. It is essential for politicians who want to be understood and heard by the Canadian public and by the people who will be affected by Bill C-62 that there be a definition of the term "reasonable accommodation". It seems to me very important that the employer meet these requirements.

Mr. Speaker, I do not want to take too long because I know that this matter concerns other Members of this House who also want to speak. Regarding access to employment, I just want to say that for the disabled it may be humiliating at times. I remember I once had to accompany a person on the Hill because the elevator doors closed too quickly and she didn't have a chance to get in before the doors shut.

We will have to be more sensitive and we may have to be more specific about what we want in the way of facilities and adequate job environments for people. I know some people have back problems, and as a chiropractor, I certainly know what I am talking about. There are an incredible number of people, even Members of this House, who have bad backs because they are not sitting properly, either too low or too high, or the chair is too soft. Well, if someone has a bad back and cannot function properly, we must do something. Mr. Speaker, I would say to these people: You should remember that the job environment is important, including the height of your desk and the height of your chair. For the physically disabled it is even more important, because they cannot work if the job environment is not adapted to their needs, and that is why this Bill must be amended, and why we insist there must be a definition, not because we want it to be more specific than a regulation, but because we want a clear and specific policy aimed at a group of people who have special needs and who naturally need special assistance.

I may remind the House that in five years nearly 400 people have been hired by various departments and agencies here in the National Capital. That is a lot, and these are people who in the past had been unable to find the right job or the right job environment.

Mr. Speaker, I therefore support the Hon. Member's amendment, and I hope that this House will not concentrate on drafting regulations but on more careful definition of a term that is important within the context of this Bill, namely, reasonable accommodation in the job environment including all the "adaptations" that are necessary to enable the disabled to have access to their place of work.

• (1730)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the amendment which I hope the Government will accept proposes to provide a more adequate definition of reasonable accommodation in Bill C-62. The Government has said that this has been left to the regulations.

I have had an opportunity to read the Government's discussion paper on information and proposed contents of regulations. One of the proposed definitions that has not been implemented is that there should be a reference to making appropriate accommodation for members of designated groups to enable entry to areas from which they have previously been excluded. That concerns accessiblity rather than reasonable accommodation. For example, does someone who is disabled because of a hearing loss have the right to have a simple device to carry out a job or will that person in fact be denied a job because the employer is not prepared to pay $500 to provide that device that is required to do the job properly? It is situations like that which are covered under the definition of reasonable accommodation.

We know that access is still a problem in many areas under federal jurisdiction. It is my personal experience, and I am sure that of other Members in the House, that we are the most likely culprits in terms of providing reasonable accommodation for handicapped people who wish to see us in our constituency offices. Now that the weather has changed, we are about to build a ramp and install a communications device at our constituency office. Unfortunately, my riding office has rather high steps at the front and disabled people will have to use a ramp at the rear in order to enter the building. However, although it has been a year since we moved into those premises, we are aware of the problem and are rectifying it this spring.

I suspect that more than half the Members of the House have constituency offices which are not physically accessible to many handicapped people. I suspect there are virtually no Members who have communication devices that enable them to communicate with the hearing impaired. While improvements will be made as our awareness of these problems increases, it will take more than increasing awareness on the part of many employers in the private sector and the federal Government itself, I suggest, that has shown itself to be incredibly obtuse in the past on this particular issue.

I return to my point that I believe we have great human potential. Many people who are disabled or otherwise suffer from employment discrimination could be doing a good job. Charlotte Whitton and many other women have said that women succeeded when given employment because they had to

be twice as good as the men with whom they were competing in order to get there in the first place. It is a sad fact that such a comment was probably true.

Ms. Copps: It is not too difficult. That is what Charlotte said.

Mr. Cassidy: The Hon. Member for Hamilton East (Ms. Copps) says that it was not too difficult, but it is a sad commentary on the loss of resources and human potential as a consequence of discrimination which still takes place.

The proposed amendment has been developed carefully and thoughtfully by the Coalition of Provincial Organizations for the Handicapped. They have given some thought to it, and I believe it is a reasonable proposal. Instead, we are told that this will be dealt with in the regulations.

Furthermore, the Government's document dealing with what the regulations might say does not speak to that question at all. We are basically left to trust the Government on this particular question. I have no grief for the former Government with respect to this issue because the only thing worse than this particular Bill on employment equity is having no Bill on employment equity. It is a sad fact that the previous Government did not even try introducing legislation in this particular area. However, now it is being done and surely it is possible to do it right. It does not necessarily mean that we can cross all the "t's" and dot all the "i's". I am sure there will be some experimentation, evolution and development in this particular area.

• (1740)

I read the very excellent report called *Obstacles*, which was put together by a House of Commons committee over the course of the last three and a half to four years, with a great deal of interest because I thought it was one of the most thoughtful and constructive documents at a parliamentary level or otherwise in terms of what needs to be done in public policy with respect to the physically handicapped. In that report—and I do not have the citation in front of me—the concept of reasonable accommodation recognized that different people have different needs and employers should not discriminate against someone because in order to do their job they have to have some instrument to help them. Employers, unfortunately, have been very obtuse about this. For example, it would be extremely difficult to work at a lathe, which is designed for a man of a minimum height of five-foot-six or five-foot-seven, if one is a woman and less than five-foot-six, unless she uses a small platform to enable her to reach the required height. Yet, because that platform would interfere with the sweepers, something as simple as that is resisted by the foreman and senior management because it disrupts the way things are done.

"Reasonable accommodation", in many cases, is as simple as putting down a small platform so a person of either sex who happens to be short would be able to work at a lathe. I have worked at a lathe. I know that the work, while demanding, is not physically so exhausting that it cannot be done by a wide variety of people. One does not have to be a 200-pound male in order to do the kind of work which is done at a lathe with the increasing use of computer controls, numerical control and that kind of thing. So why the devil would the Government resist a provision to ensure that in federally regulated businesses there is resasonable accommodation in that particular area?

I would like to say that I think the Government is hypocritical on this issue as it is on so many other aspects of the question of employment equity. I suggested earlier that this Bill would probably be just as useful in delaying equity as it would be to advance it. It gives us numbers and nothing more. It asks employers to comment or report, and then relies on public opinion. For God's sake, we know what public opinion says in terms of employment equity. The people of Canada want it. There is something wrong in the structure of our society when employers in the private sector, the people who own capital in many cases, are not prepared to implement what the people of Canada want.

I would like to say that when we get to the kind of economic democracy which I would like to se in our country, we would be in a position where working people would be involved directly in making those kinds of decisions rather than having arbitrary and thoughtless decisions made on their behalf by those persons who happen to be the managers or owners of capital. I note as well that what is regrettable about our society is that in certain cases the people who are the owners or managers of capital will be very busy in their private lives working for the Diabetes Foundation or for some other group which raises funds for some particular critical and disabling disease, but they will not see the inconsistency between that and the fact that at the workplace the company for whch they are responsible in setting policy does things which involve systematic discrimination against people who are physically handicapped.

The reason we bring in laws in this particular area is that we now have generations of experience which indicates that of its own volition, the private sector, whatever other benefits or costs it may have, has been prepared to do those things voluntarily. One of the reasons, quite simply, is that the private sector wants a level playing field. It asks why it should spend $5,000 to ensure that a job will be available for a particular handicapped person when the company down the street is not required to do the same thing. When we put in a definition of "reasonable accommodation" which covers everyone, we create that kind of level playing field.

So I appeal to the Government in the kind of a language which perhaps it can understand, because we are hearing it from the businesss community, to create a level playing field and ensure that all private sector employers are covered by Bill C-62 so that they will be required to provide reasonable accommodation rather than possibly disadvantaging one employer who wants to do justice and eliminate systemic discrimination while the employer down the street does not.

God knows, the Bill is weak as a whole and this would be one way to strengthen it. I hope the Government listens to the coalition of the physically handicapped and for once stops listening to the people who pay election contributions to the Conservative Party. Listen to the people of Canada on this particular issue.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am also pleased to rise to join in on the debate and the request to the Government to reconsider its rather narrow view of "reasonable accommodation" as it relates to this particular amendment. I know the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) had an opportunity in committee to suggest a number of changes to the Government. Unfortunately, for some reason the Government chose not to be more specific about the issue of reasonable accommodation.

We can look at the question of reasonable accommodation within this Chamber itself. It was clear today that the potential for participation in the democratic process of the Parliament of Canada was impeded because this Chamber does not have reasonable accommodation. I hope that in the next election campaign, we will be forced into reasonable accommodation by the very fact of electing a person to Parliament who may in fact fit into one of the categories of the disabled, that is, a person in a wheelchair. The ruling of the Chair was to allow 10 wheelchairs into the Chamber following the demonstration this afternoon. I appreciate the logistical problems with which the staff is faced in either removing chairs or permitting more people into the House. But we know that one Canadian in eight has some kind of a handicap. Granted, all of those people are not in wheelchairs. However, if we take that as given, we can estimate that there are hundreds of thousands, indeed millions, of Canadians who suffer some kind of handicap. Yet we only had ten chairs availalble in the House of Commons on an extraordinary day when there were literally over 100 pepole from across Ontario, Quebec and other parts of Canada who were demonstrating in front of Parliament.

Quite clearly, we cannot leave the issue of "reasonable accommodation" to the regulations and to the bureaucrats because it speaks to the fundamental issue of access. If we in our own Parliament, in these hallowed halls, do not permit access to the physically disabled who happen to be in wheelchairs, and when we do permit it, it is in such limited numbers, then we must realize we cannot leave the job of that definition to a bureaucrat. I think the other reality—

[*Translation*]

—the other reality is that if we really believe in regulations that will accommodate everyone who wants to work in the community to the best possible extent, if we only want to give the right to regulate, regulations can be changed overnight, without prior notice to the Parliament of Canada. I think that if the Government is really serious about integrating the disabled in the Canadian labour market, one of the fundamental principles is to accommodate them with respect to access to buildings and to certain guides and tools they need in order to work.

[*English*]

Without reasonable accommodation, all the greatest wishes and good intentions in the world are without purpose. For example, the amendment before us deals with the issue of how many people we can integrate into the workforce. If one works in a building which is not accessible by wheelchair, as is the case in the House of Commons, then a Member who is elected who happens to be in a wheelchair would have to have the system changed around in order to accommodate him or her. We would have to make reasonable accommodation. More often than not employers choose to turn a blind eye to those people from the handicapped community because they do not want to be put in a position of having to make even the most minimal of accommodations. Unfortunately, in many respects, society is still deeply embedded in the prejudice which says that people who have a handicap may not be as productive as other working people. We know that the converse is exactly true. In fact, when handicapped people are given a chance, the only handicap they have is in the way they are viewed by their fellow men and potential employers. We have heard a number of good arguments this afternoon for having a more precise definition of "reasonable accommodation". The defintion as suggested by COPOH is fairly broad in that it does not restrict. It states:

> "reasonable accommodation" includes, without restriction, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.

Motion No. 11A is an attempt to clarify a principle which the Government claims to already endorse. The Minister, the Parliamentary Secretary and other representatives of the Government have stated that they endorse the principle of reasonable accommodation. If they endorse it then they should have no hesitation in including it in the law. They should not leave to regulation more precise definitions which would ensure, for example, that accommodation includes the notion of physical accessibility. We too often say that these things take time. I know they take time.

• (1750)

In the context of Governments, I saw not too long ago in the Province of Ontario a detention centre that was opened in the riding of Hamilton—Wentworth. When I asked about accessibility I was told: "We have no need for accessibility. People in wheelchairs are in hospitals". I asked whether or not it was conceivable that somebody in a wheelchair could at some time commit a crime which could necessitate him or her being put into prison. In the mind of the official to whom I was speaking this notion seemed incomprehensible. It was felt that if one is in a wheelchair then one is supposed to be in a hospital. This official just could not make the connection that one can be a productive and competent person in society, also be a criminal and be in a wheelchair. In order to be a criminal

one does not have to be necessarily robbing a 7-Eleven store. It seems that where Governments are concerned we too often ignore the potential for accessibility, as is the case with the Chamber itself. Without a more precise definition of "reasonable accommodation" handicapped persons will continue to be denied jobs simply because they do not have access to them.

It was mentioned by the Hon. Member for Ottawa Centre (Mr. Cassidy) that many Members of the House have offices which are not able to be entered by people in wheelchairs. It seems to me it should be a prerequisite in constituency budgets of Members of Parliament to make constituency offices accessible to those who are in wheelchairs as well as to those in the general population. If there is not reasonable accommodation in the context of constituency offices then, quite clearly, two-hundred of the constituents in one's riding do not have the right to come and visit his or her Member of Parliament. They are not able to lay out their grievances in the same way as grievances can be laid out by every other Canadian.

Let us first start in the context of our own backyard, here in the Chamber of the House of Commons, as well as in our constituency offices. We must ensure that reasonable accommodation is more than a principle. It must be laid out in practice in the precise definition suggested by COPOH which speaks to some of the concerns raised by government Members. Let us not leave it to regulation. We know that regulations come and go. We are the ones who have to decide that accessibility is a right and not a privilege. By including this particular definition in the Bill we will ensure accessibility to jobs. We must have a level playing field. The opportunity to compete equally must be available to all. The fact that one person happens to enter employment premises in a wheelchair and another comes in on his or her own two legs should not be a factor in obtaining a job. At the moment it is a key factor. It should not be one. The only way to eliminate it as a condition of employment is by including this definition of "reasonable accommodation" in the Bill.

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the five minutes remaining I would like to express my own wish that the Government adopt the amendment and make it part of the Bill. Our attempts are to bring to the attention of the country the significance of this point. The failure to add such a reasonable and sensible amendment on a day when the disabled have come in such large numbers to plead with the Government for legislation that has teeth in it and clear definitions gives us the greatest suspicion that what the disabled and other critics of the Bill are saying is true. The fact is that the Government has failed to respond legislatively.

As the justice critic for my Party I have tried again and again to bring to the attention of the Government and the country that we are not here creating rights. What we are doing with our legislation is implementing, or trying to implement, the Charter of Rights and Freedoms which has been established as the basic law of Canada. In my opinion, Bill C-62 falls short of delivering the rights established in the Charter. We are going through the motions here of producing legislation which will not fill the bill. It is legislation that will be challenged, as we already know, by the very people whom it was intended to help. The Government is bringing forward inadequate legislation. It is making pious statements instead of implementing legislation. It is turning over to the courts of the land the responsibility for giving rights, in this case to the disabled and other designated groups. I am disappointed that the Government is taking this position. Of course, in the Opposition, being disappointed is almost a way of life, especially with the present Government. For disabled Canadians it is far more serious.

I have noted the important impact that the Charter has had in our country in creating a feeling of dynamism in a great many places where it has never been felt before. For example, the women's movement was very much a motivating factor in the process of creating the Charter. The Charter has given a new sense of legitimacy to groups which are receiving less than equal treatment, groups which feel the Charter is there for them. They are calling on us in this place to try to do justice here and not leave it to them to take their cases to court to fight for the funding which the Government has promised. After seven months those funds are still not forthcoming to groups which want to challenge present legislation. Instead of doing that as legislators, why can we not address ourselves to what we really owe the disabled and disadvantaged groups under this legislation and do it? It is not that difficult.

In criticizing the definition which is before us, members of the Government are saying that it adds nothing to the legislation. They are saying it does not mean much more. I would point out to them that that is an argument for adopting the definition. If they do not feel that they are giving away anything by putting the definition into law, and if the disabled out there in front of the House of Commons are saying that they want it, then what is the problem? I urge members of the Government to think again and to let us have this important amendment.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PORNOGRAPHY—REQUEST FOR TIGHTER CUSTOMS AND EXCISE LAWS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a few weeks ago, I asked the Minister of National Revenue (Mr. MacKay) when the customs and excise laws were going to be tightened to prevent hard-core, violent pornography involving women and children from entering Canada. Almost all pornography in Canada is imported; 85 per cent from the United States and 12 per cent from Europe. Only 3 per cent of

it is domestic. These figures make it obvious that tighter customs and excise laws are required to keep this filth from entering Canada.

Police estimates have placed the annual Canadian market in pornography at $300 million. There is increasing concern in Canada that more pornographic material is available than ever before and that it is in character more explicit and violent than it has been in the past. Another estimate is that 30 per cent of all Canadian news-stand sales consist of periodicals which would have been illegal 20 years ago, so relaxed have community standards become.

The Fraser Committee, the special committee on pornography and prostitution, was established by the Department of Justice. Its mandate was to investigate the current system in Canada with respect to pornography and prostitution and make recommendations for legal and social reform. The committee made several significant findings about pornography in Canada. It strongly submitted that there is a definite harm associated with much of what is pornographic, that it exhibits and encourages attitudes and activities which are detrimental to the quality of the lives of men and women and that it presents demeaning images as being normal. The concerns of most witnesses at the committee hearings were that pornography degrades women, that male violence against women is treated as socially acceptable and viewers are desensitized to suffering and that there is a strong negative influence on children and the family.

The Fraser Committee also conducted research in several countries with social and cultural traditions similar to Canada's. Their research revealed three trends: first, in all jurisdictions, there is a movement toward a less restrictive approach to sexually explicit material; second, there is a growing concern about child pornography; and third, there is a growing concern about the video explosion and the introduction of legislation to regulate the distribution, sale and rental of videos.

The Fraser Committee proposed a thorough revision of the criminal law in relation to obscenity. The term "obscenity" and the offences related to it in the current Criminal Code would be dropped to be replaced by a three-tiered system of prohibitions to define and categorize pornography. This would replace the subjective community standards test now used by the courts to determine obscenity.

The first tier, under which offences would be the most seriously punished, would involve the making, printing, publishing or distribution of visual pornographic material which was produced in such a way that actual physical harm was caused to the persons depicted. This tier would also include visual representation of persons under 18 participating in explicit sexual activities or material which presents as normal the sexual abuse of children. This offence would be punishable by 10 years imprisonment.

The second tier would apply to sexually violent and degrading pornography, including sexually violent behaviour, bestiality and the like. Its production or distribution would be punishable by five years imprisonment. The third tier would involve the display of pornographic material in a public place. It would be an offence to sell these materials to persons under 18 years of age. This tier might perhaps be an appropriate one in which the test for community standards apply.

Since most of the pornographic material in Canada is imported, it is important to note that Canada Customs has jurisdiction to examine all goods entering Canada. If, in the judgment of the examining customs officer, the materials constitute explicit pornography, they are so classified and are prohibited entry. The importer is advised of this and can appeal this decision. If the appeal is denied, the importer can appeal further.

At the Fraser Committee hearings, concern was expressed about the increased availability of pornographic material and an implied increase in the number of people who are exposed, willingly or unwillingly to such material, and the resulting harm to individuals and society. This trend is truly cancerous in so far as its impact on the morals of the country and the quality of life in which we take so much pride. A recent poll by two leading U.S. experts found that people who have repeatedly been exposed to non-violent pornography develop a preference for more exotic material, and that includes violence. In other words, it is addictive. Hard core comes from soft core and this process goes on until we completely desensitize people who are afflicted by this problem.

• (1805)

There are, however, a few positive actions being taken. The 7-Eleven convenience stores have recently announced that they will stop selling magazines such as *Playboy, Penthouse* and *Forum* after the May issue. We applaud the management of that company for such action.

In my riding of Don Valley East, hundreds of people are extremely concerned about this issue. Many have written to me, including Mrs. Michaeline Bennet, M. E. Ward, H. C. Frawley, J. Looby, Mary B. Desautels, Mrs. C. Kennedy and Clare McKee. On Saturday, April 26, we will convene a policy conference at which we expect 100 to 200 people. Sergeant Wendy Leaver of Project P, Metropolitan Police, will lecture and show us the type of garbage and filth that is now all too readily availabe in different stores.

I look forward to obtaining the views of the residents of Don Valley East and their recommendations. I intend to come back to Ottawa and recommend those thoughts, whatever comes out of that meeting on Saturday, in the strongest possible terms to the Minister of Justice (Mr. Crosbie) so that we do not commit the crime of inaction of not taking this subject seriously enough.

We honour and take very seriously the responsibility we have as legislators to protect society from these insidious trends that we have seen eroding the quality of life in Canada, eroding the values of people and eroding family life. It is one

of the most important topics I have ever dealt with. I hope and pray that we are successful in our recommendations and that a proper piece of legislation will be forthcoming from the Minister of Justice.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am pleased to respond to the Hon. Member's concerns regarding obscene material entering Canada which depicts women and children in a sexual context and the proposed reduction of person years within the Department of National Revenue, Customs and Excise, as some people link both issues. I can advise Hon. Members of the House that the Department of National Revenue shares their concern with regard to the importance of prohibiting child pornography and material which appear to degrade and dehumanize women.

The Department of National Revenue is responsible for administering tariff Item 99201-1 of Schedule C to the Customs Tariff which prohibits the importation into Canada of certain materials. Materials suspected of being treasonable, seditious, obscene or hate propaganda is inspected thoroughly by customs officers, and if it is judged to come within the terms of tariff Item 99201-1, it is prohibited from entering Canada.

Regarding the matter of cut-backs within the Department and the control of pornography, I can assure Hon. Members that measures have been selected to allow the Department to streamline its operations, improve productivity and, at the same time, maintain its level of service to the public. None of the reductions will affect the Department's capability to carry out its mandate, including the interception of pornography.

One of the measures is the centralization of the examination of international mail in order to improve service to the public while substantially reducing costs. Customs' ability to screen the mail entering Canada will not be affected by this centralization. Customs inspectors will be concentrated in 12 screening centres. Their functions will not change. Customs inspectors will continue to examine the mail, assess duty and taxes owing, and prohibit the entry of such goods as drugs, pornography, and firearms.

• (1810)

The prevention of such contraband will be aided by the use of X-ray systems in the primary screening centres. Furthermore, sophisticated detection equipment now being developed by the Department will be utilized to screen incoming international mail for drugs. Customs' efforts to intercept pornography, both through the mail and at border crossings, will not be diminished by the person-year reduction.

[*Translation*]

Mr. Speaker, with respect to the general question of control of such materials, Hon. Members will be interested to learn that department officials have been meeting ever more frequently with the various groups that have expressed great concern about this matter. As a result of those meetings, we are now considering a number of procedures designed to tighten up control of this kind of imports.

In addition, the Government's legislative response to the Fraser/Badgley reports will give customs officials more power to control pornography.

Finally, Mr. Speaker, I might emphasize that the department will maintain its essential role in preventing imports of child pornography and materials which degrade and dehumanize women, materials which are unacceptable in Canadian society.

[*English*]

CONSUMER AND CORPORATE AFFAIRS—REQUEST THAT WARNING LABEL BE PLACED ON DRUG ASA

Mr. Alan Redway (York East): Mr. Speaker, as you are aware, at the end of February or the beginning of March of this year, a 15-year old girl became ill with what her mother thought was either a cold or the flu. She was treated with a drug such as Aspirin or Anacin which contained acetylsalicylic acid. It has been a long time since I have had classes in chemistry, Mr. Speaker, but we know that drug as ASA. About 10 days after the girl took this type of medication, she died. The cause of death was identified as Reyes syndrome.

That girl was the daughter of a well-known citizenship court judge. That highlighted the problem and put the spotlight on a concern which people around the world have been aware of for the past three years, that is the concern about the possible link between ASA and Reyes syndrome. In spite of the fact that that concern has been known for the past three years, the manufacturers of drugs containing ASA have not put a warning label on their products. They have not indicated on their labels that there is a potential problem connecting ASA with Reyes syndrome.

I understand that the Department of National Health and Welfare has been carrying on discussions with the pharmaceutical manufacturers for the past several years about this problem. The industry has now voluntarily agreed to place a warning label on their products. I have a letter from one of the well-known drug companies in the country dated May 30, 1985, indicating that it is going to put a warning on its labels in the following terms: "Consult a physician before giving this medicine to children or teenagers with chicken pox or influenza". They indicate as well in this letter that they will have these labels in place by the fall of 1985.

That did not happen, as you know, Mr. Speaker. The labels were not in place by the fall of 1985. There is nothing in the letter referring to the potential problem with Reyes syndrome. In spite of the fact that the industry indicated it was going to do this last fall, in spite of the fact the industry indicated it had nothing to do with Reye's syndrome, the Department of National Health and Welfare has not moved in any way to make this sort of warning compulsory and the fact that it refer to Reye's syndrome. The U.S. has made it compulsory to have such a warning on the labels in this situation and it has made it compulsory to refer to Reye's syndrome and that problem.

• (1815)

What is Reye's syndrome? It is becoming more and more well-known to us. It can attack all of us, but generally speaking it attacks children 18 years of age or under. It occurs equally in boys and girls. It usually occurs toward the end of an illness such as the flu or chicken pox. After a brief period of what appears to be recovery, the patient develops certain symptoms. They start to vomit violently, their hands and feet become cold and clammy, they suffer from extreme sleepiness, disorientation and hostility toward those who are looking after them. They are combative. Then they lose consciousness and lapse into a coma. This disease can be fatal or it can leave people with various degrees of learning disability.

I understand that somewhere between 30 and 300 out of every 100,000 children infected with influenza B will be stricken by Reye's syndrome. About 20 per cent to 30 per cent of those do not survive. About 10 per cent to 25 per cent suffer either minor or major disabilities due to brain damage. The disease requires hospitalization and treatment in intensive care, either in a children's hospital or university medical centre. The cause of Reye's syndrome is really unknown, but it has been suspected for the last three years that there is a link with ASA. It seems to me that, given that suspicion, we should not just be sitting calmly and coolly and urging the industry to voluntarily put some sort of warning on their labels, that we should require them to do it. We should require them to refer to the problem with Reye's syndrome.

I hope that tonight the Parliamentary Secretary will tell us that at last the Government is committed to doing just that and will announce that this sort of warning and reference to Reye's syndrome is going to be made compulsory in this country.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I must tell you that I understand the concerns of my colleague. I want to assure him that the Department of National Health and Welfare has continuing concern over the safe and wise use of all drugs, including analgesics or pain-killers.

The Department has consulted widely with members of the health professions and the pharmaceutical industry in order to bring about changes to the way that analgesics are presented to the public, including changes to labelling and advertising. Most of the improvements result from the recommendations of a non-governmental expert advisory committee established by the Department. These changes are being introduced so that consumers can make more informed decisions about how and when to use analgesics.

[*Translation*]

For security and efficiency reasons, a number of analgesic products can no longer be sold without a physician's prescription. They have to be prescribed by a physician. The concentration of analgesic drugs sold over the counter has been standardized at 325 miligrams per tablet to enable consumers to compare products more easily and avoid taking overdoses or underdoses.

Advertising concerning nonstandardized drugs is now subject to stricter regulations.

The provinces have been urged to ban the sale of large-size or nonstandard concentration analgesic tablets outside drugstores so that the consumer may consult a health specialist before buying large quantities of such products.

The labels of drugs containing acetylsalicylic acid must warn the consumer to consult a physician if the product is to be used during more than five days. These drugs sold without prescription are intended only to relieve temporary symptoms. All salicylate-based adult products must bear a label urging breast-feeding women or women in their last three months of pregnancy to consult a physician before use so as not to endanger the health of the fetus or newborn child.

The Department of National Health and Welfare is concerned about the security of our children, just as we all are. That is why bottles of analgesics for children which are sold over the counter cannot contain more than 24 tablets. Under recently implemented regulations, analgesics for children are sold in containers which children cannot open. Moreover, the pharmacist who sells salicylate-based products for adults must offer them to the public in containers which children cannot open.

The Department is aware of the possible link which may exist between the use of acetylsalicylic acid, also called ASA, and the development among children and teenagers of a rare and serious illness, often fatal, called Reye's syndrome. In October 1983, as a warning to the parents, we sent to all Canadian households, together with the family allowance cheque, a guide to the treatment of fever. Methods other than medicine were suggested to treat fever among children, and the possible link between the use of ASA and the subsequent development of Reye's syndrome was emphasized.

This guide was published again in 1985 for distribution among consumers. The Department and the manufacturers of over-the-counter pharmaceutical products in Canada have studied together the issue of warnings printed on salicylates' labels. These changes of course compelled manufacturers to change their products' labels and packages.

• (1820)

[*English*]

The Acting Speaker (Mr. Attewell): I wonder if I could ask the Parliamentary Secretary to summarize.

Mrs. Bertrand: Yes, Mr. Speaker. I just want to say that the Minister of National Health and Welfare (Mr. Epp) recently stated that the Government will certainly consider the mandatory labelling of products should the industry fail to comply with its voluntary program.

TRADE—(A) CANADA-UNITED STATES NEGOTIATIONS—NEGOTIATOR'S VIEWS ON WATER EXPORTS (B) GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want to follow up on the question of the Government's stand with respect to the Grand Canal project, a matter which I have raised in this House on a number of occasions. Most recently I became concerned about the Government's attitude toward the project when I heard the words of the Minister of the Environment (Mr. McMillan) a week ago Sunday on the program *Question Period*. With respect to the question of massive water exports and diversionary schemes like the Grand Canal project, he was asked whether he was fighting these kinds of plans. He said he was fighting them now. I wonder who he is fighting.

The Secretary of State for External Affairs (Mr. Clark) has indicated a number of times—in fact, he has become irritated with me on occasion as he has had to indicate it more than once—that the question of water exports is not on the table in the controversial free trade negotiations. However, the Minister of the Environment indicated that he was fighting to keep them off the table. Who is he fighting? Is the Government's decision not as firm as the Secretary of State for External Affairs indicated to the House on occasion, or is the Minister of the Environment simply trying to make an impression? That was my most recent question.

• (1825)

I have another concern with respect to the Grand Canal project. It involves a dimension of this project that I do not believe has received enough attention. It coincides with another long-standing interest of mine in the House dealing with the whole question of nuclear energy.

I wonder how many Canadians are aware that this Grand Canal scheme to move water uphill from James Bay to the upper Great Lakes would require 10,000 megawatts of electrical power for the pumps, according to the originator, Mr. Tom Kierans. That demand for power equals half of the demand of the Province of Ontario at peak hours.

Let me illustrate what is involved with this project. In order to supply 10,000 megawatts, it requires approximately 12,500 megawatts of generating capacity, which is more than that required for the entire James Bay project. It appears that the originators of this project contemplate supplying this power through nuclear powered generation.

Indeed, AECL indicated in an article in the Ottawa *Citizen* on Tuesday, January 14, that it is studying a proposal that calls for the use of nuclear powered pumps to lift water from James Bay for export to the United States. Of course, I am not surprised that AECL is in cahoots with the Grand Canal project originators. AECL is always looking for a reason to justify its nuclear reactor program, and I am not surprised they would see this as a great opportunity.

Let us be clear about this. According to a researcher at Energy Probe, the proposal would require 17 Bruce-sized nuclear reactors. The scheme would also require a major transmission system that would be a megaproject in itself. In almost every respect, this Grand Canal project should be regarded as it was a number of years ago—an environmental Frankenstein. I believe that is an appropriate description. Until recently it has been regarded as an idea held by kooks. Now it has been given a sense of credibility by the Prime Minister (Mr. Mulroney), the new Premier of Quebec and others who I believe have the responsibility of saying that this is not an option. Instead, a grant under the auspices of the NRC has been given to a group to study the feasibility of this project. Indeed, it is the very group that is interested in carrying out this project. Rather than an independent objective study, the money is going to the very people whose objectivity is suspect in this regard.

I am very concerned that the Government has been ambiguous in saying that this matter is not on the free trade negotiating table. I have given the Prime Minister and the Government a number of opportunities to say that it is against this proposal and that it is not part and parcel of any future Conservative Government policy for Canada.

This is an opportunity for the Government to say so. Perhaps it would help if I pointed out that this project is backed by a lot of high powered Liberals, both in the private and public sector. Perhaps, for no other reason than partisan concern, the Government might be more suspect of this proposal than it has been to date.

Surely, when it comes to a proposal that has such alarming environmental and economic consequences, the Government has an obligation to be honest with the people of Canada and state its real attitude toward this project.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in recent months a number of attempts have been made to link the issue of massive water exports by means of river deviations, with the Canada-U.S. trade talks. Many a time the Government has emphasized its position on the matter. As early as September 30, 1985, when the federal water enquiry commission published its report, the so-called Pearse Commission, the Minister of Environment (Mr. McMillan) indicated he saw no relation between water exports and free trade.

Mr. Speaker, I hope you will please let me have a minute to conclude, because I think the issue raised by the Hon. Member is important.

Since then, the Government has repeated that the Canada-U.S. trade negotiations would deal with nothing else but trade and were not aimed at relinquishing any part of Canada's sovereignty on our own natural resources. The Government of Canada has received no representations from any American state or federal Agency on the issue of water exports, and neither does it expect to raise that issue in the context of the

free trade negotiations. Much has been said recently about Mr. Reisman's ideas on the subject of water exports to the United States. Mr. Reisman clearly stated he made no comment and proferred no statement concerning water exports since his appointment as negotiator. Mr. Reisman will be following Government instructions, and this Government has clearly stated that Canada will always retain control over its natural resources.

• (1830)

[*English*]

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

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Tuesday, April 15, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMISSIONER OF OFFICIAL LANGUAGES

TABLING OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the table the annual report of the Commissioner of Official Languages for the calendar year 1985.

[*Translation*]

May I remind Hon. Members that, pursuant to Standing Order 96(4)(a), this report is deemed permanently referred to the Special Joint Committee on Official Languages, and that Hon. Senators will be informed accordingly.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSES

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government responses to petition Nos. 331-24 and 331-42.

* * *

INTERPARLIAMENTAY DELEGATION

PRESENTATION OF REPORT OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Commonwealth Parliamentary Association's 35th Seminar on Parliamentary Practice and Procedure, Westminster.

[*Translation*]

PETITIONS

REQUEST FOR GOVERNMENT CHANGE IN POLICY ON ASBESTOS

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, today, on April 15, I wish to present to the House a petition signed by several dozen workers in the asbestos industry, who are asking the House of Commons to review the entire asbestos question. Petitioners claim, and rightly so, that to market this natural resource outside Canada, we will first have to learn to maximize its use in this country.

I have a second petition, Mr. Speaker, signed by people from all over the Eastern Townships, and these petitioners respectfully ask the House to review the policy on asbestos.

I have a third petition, Mr. Speaker, where again, several dozen families are asking the House, for the sake of the welfare and economic survival of the Eastern Townships, to provide a new, sound and sensible policy on asbestos.

Mr. Speaker, all three petitions were duly certified.

[*English*]

ASSESSMENT OF CN MAINTENANCE FACILITIES—MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the duty to present a petition which has been duly certified by the Clerk of Petitions of the House of Commons. The petition is from constituents throughout the Province of New Brunswick who are expressing their concern with regard to the assessment being currently conducted by Canadian National and the possible effect that may have on the largest single industrial employer in the Province of New Brunswick, that being the shops located within the City of Moncton.

* * *

MOTION TO ADJOURN UNDER S.O. 29

U.S.-LIBYA CONFRONTATION—SAFETY OF CANADIAN CITIZENS

Mr. Speaker: I am in receipt of an application under Standing Order 29 from the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, consistent with the requirements of Standing Order 29, I informed Your Honour today of my intention to call for an emergency debate

on an extremely important matter. Also consistent with that Order, I will read to you the letter I sent to you earlier this morning. It reads:

The reason for the motion concerns the critical situation in Libya which potentially affects the lives of an estimated 1,300 Canadians.

In response to terrorist attacks, the Government of the United States launched an air attack yesterday against a number of locations including the capital city of Libya. The situation in the area, which has potential risk for Canadians, remains critically serious.

For this reason, I believe an emergency debate is required.

Mr. Speaker: I should advise the House that I have examined the Standing Order and the application has been made in conformity with procedure. I am, therefore, prepared to find that the application meets the requirements of Standing Order 29.

Does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Some Hon. Members: Agreed.

Mr. Speaker: The House having given its consent, leave is granted and debate is set down for eight o'clock p.m. this day.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 528.

[*Text*]

QUALITY OF DRINKING WATER

Question No. 528—**Mr. Caccia:**

1. Since the publication of the 1978 drinking water quality guidelines, what new drinking water standards have been developed and/or implemented in Canada?

2. By the end of 1986, what standards will be developed and/or implemented for chemical substances?

3. Does Canada subscribe to the drinking water quality guidelines developed by the World Health Organization and, if so, for what substances?

Hon. Jake Epp (Minister of National Health and Welfare): No national guidelines or standards have been developed since the "Guidelines for Canadian Water Quality: 1978" were published (in 1979). Officials of the Department of National Health and Welfare have, on request from provincial governments, developed interim guidelines for a number of additional parameters, including 2, 3, 7, 8-tetrachlorodibenzodioxin (2, 3, 7, 8-TCDD), and octachlorodibenzodioxin, and the pesticides simazine, cyanazine, metribuzine, metolachlor, 2, 4-DB, dicamba, prometryn and alachlor (for Ontario), the pesticide bromoxynil (for Manitoba) the pesticide aldicarb (for Quebec) and the pesticide carbofuran (for Alberta).

The Province of Ontario has also included an "interim limit" for polychlorinated biphenyls (PCBs) in its 1983 drinking water objectives and the Province of Quebec has included the additional pesticides carbofuran, diquat, fenitrothion, paraquat and picloram in its Drinking Water Regulations under the Environment Quality Act.

2. A federal-provincial committee is revising and expanding the current "Guidelines for Canadian Drinking Water Quality, 1978". The following substances are being examined with a view to establishing guidelines:

asbestos	tetrachloroethylene	chlorobenzenes
arsenic	lead	gasoline
benzene	copper	PCBs
carbon tetrachloride	cyanide	benzo(a)pyrene
dichloromethane	hardness	dioxins
dichloroethylene	turbidity	
1,2-dichloroethane	trichloroethylene	trichlorophenols
trihalomethanes	1,1,1-trichloroethane	fluoride
PAHs	nitrate/nitrite	uranium
toluene, ethylbenzene, xylenes		42 pesticides

It is expected that recommendations for approximately half of these chemicals will be finalized by the end of 1986.

3. The Department of National Health and Welfare played an active role in developing the 1984 World Health Organization's (WHO) guidelines for drinking water quality. These guidelines specify values for a number of organic chemicals not included in the 1978 Canadian guidelines, these are benzene, benso(a)pyrene, carbon tetrachloride, chlorobenzene, chlorophenols, 1, 2-dichloromethane, 1, 1-dichloroethene and tetrachloroethene. However, much of the information used as a basis for these guidelines was published and received much earlier that 1984. More recent information may indicate the need to revise some of the WHO recommendations, and this need is being carefully considered by the federal-provincial committee. Nevertheless, Canada would subscribe to those WHO recommendations for which Canadian guidelines do not now exist, until they are superseded by the new Canadian guidelines now being developed.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Monday, April 14, consideration of Bill C-62, an Act respecting Employment Equity as reported (with amendments) from a Legislative Commmittee; and Motion No. 11A (Mr. Allmand) (p. 12204).

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

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 11A. Mr. Allmand, seconded by Mr. Gauthier, moved:

That Bill C-62 be amended in Clause 3 by adding immediately after line 24 at page 2 the following:

""reasonable accommodation" includes, without restriction, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services.".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

• (1110)

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

Motion No. 12A

That Bill C-62, be amended in Clause 4 by striking out line 30 at page 2 and substituting the following therefor:

"ing agent, or with such persons as have been designated by the designated groups to act as their representatives, implement employment equity by".

Motion No. 14A

That Bill C-62, be amended in Clause 4 by striking out line 33 at page 2 and substituting the following therefor:

"except those in conformity with the Canadian Human Rights Act, that results".

He said: Mr. Speaker, the purpose of this amendment is to require employers implementing employment equity to not only consult with persons who have been designated by the employees to act as their representatives, or with the bargaining agents where there are unions, but also with persons who have been designated by the designated group to act as their representatives.

When this clause was originally submitted to us in the original Bill it did not require any consultation whatsoever with unions or employee representatives. In committee we moved an amendment which required employers to consult with unions or employee representatives. To the credit of the Government it agreed to the principle and it amended the Bill. I want to thank the Minister. She is not here today, but I thank the Parliamentary Secretary for that openness and flexibility in recognizing that there should be consultation with unions and with employee representatives.

Mr. Speaker, on a point of order, it seems as if there are all sorts of other meetings going on in the chamber.

The Acting Speaker (Mr. Charest): Order, order. I bring all Members to order and remind them that if they have other discussions they can hold them elsewhere.

Mr. Allmand: I want to thank the Speaker for that.

I give credit to the Government for agreeing to an amendment which would oblige employers to consult with unions and employee representatives in implementing employment equity. We presented another amendment as well, which to this point has not been accepted, that employers should also consult with the target groups, or their representatives, because very often the target groups do not predominate in being in the unions or in the employee associations.

As you know, the target groups under this legislation are women, visible minorities, native people, and the disabled. The purpose of this Bill is to provide affirmative action programs for those four target groups. The Bill in Clause 4 says that employers shall implement employment equity in consultation with bargaining agents and with employee representatives. Very often those unions and official associations are dominated by white anglo-saxon men; I am not critical of that but that is the way things are. I was speaking to a woman employee last evening who tells me that she is in a work unit which is overwhelmingly male. If I was to meet with the union executive I would meet with all males and it is very, very difficult for me to get a sense of the problems of the women in that working unit by talking to the official union or to the official bargaining agent for those employees. One could give other examples of that.

In many workplaces there are no disabled people whatsoever, so to speak to the official representatives in implementing employment equity with respect to them would be a lost cause. The same thing with visible minorities. There are some workplaces where you will not see anything but white faces.

The amendment that I put to the House now is to add to the consultation process in implementing employment equity. My amendment would require that employers, if it is required,

consult with such persons as have been designated by the designated groups to act as their representatives. It is an alternative, it is not an add-on.

This means that the employer would have to consult as well in implementing employment equity with representatives of the target groups; women, visible minorities, the disabled or native people, where that applies. In some parts of Canada that entire mix would not apply. There are some parts of Canada where native people are in great numbers; in other parts they are not. There are some communities in Canada where they have good fortune and there are not be too many disabled people, but there are other communities, the larger cities, in particular, where there are a great many.

In any case, the purpose of this amendment is to require that consultation. Just as the Government accepted the other amendment, that there should be consultation and implementation of employment equity with unions and bargaining agents and employee associations, I would hope that it will see the good sense in having consultations with the representatives of the target groups as well.

Since we only have ten minutes I must discuss two amendments at this time. I also have to discuss Amendment 14A because it has been grouped with 12A. The clause says that employers should implement employment equity by:

(a) identifying and eliminating each of the employers' employment practices, not otherwise authorized by law, that results in employment barriers against persons in designated groups—

We want to change that part which states that they must identify and eliminate each of the employers' employment practices not otherwise authorized by law as follows:

"Except those in conformity with the Canadian Human Rights Act, that results.

It seems to me if you are going to provide for exceptions, the only exceptions should be those set out in the Human Rights Act. This is more of a technical amendment; it fine tunes the legislation, and I cannot see any good reason why the Government would not accept that amendment.

To terminate my remarks at this time let me say just one or two things that also apply to these two amendments. Every time we propose amendments to this Bill some Members on the Government side ask, sometimes shouting from their seats and sometimes when they give their speeches, "Well, why wasn't this done earlier?. Why didn't previous Governments do these good things?". I want to explain why this was not dealt with earlier.

You know that in 1977 this House, under a Liberal Government passed the Canadian Human Rights Act, and that Act, within the federal jurisdiction, outlawed discrimination on the basis of sex, racial origin, ethnic origin, disability and so on. It outlawed discrimination at that time within the federal jurisdiction.

• (1120)

The Government then went to work on an entrenched Charter of Rights. That took a long time and many federal-provincial conferences. It was not completely within the ambit of the federal Government. Finally, the Charter of Rights was agreed to by enough provinces in 1981-82, and it came into effect in 1982. Section 15(1), the equality section, only came into effect in 1985. I think it is very important that we refer to that Section. It says:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

That Section outlawed all kinds of discrimination and was put in the Constitution so it would prevail over every other federal and provincial law. However, in doing that we had to provide some means for affirmative action. Affirmative action is a sort of reverse discrimination. It is discriminating in favour of those groups who have been traditionally discriminated against, so they can catch up. We had to put in Section 15(2) which reads:

Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

That Section provided for affirmative action programs.

As soon as the Constitution was accepted the Government appointed the Abella Commission to study ways in which affirmative action could be brought into operation. That Commission reported in 1985 when the new Government came to power; that is why that issue was dealt with then. I think it is completely without foundation for the Government to continue asking: "Why was it not done earlier?" It was not done earlier because we did not have the entrenched provisions to provide for affirmative action. We appointed the Royal Commission, but discrimination had been outlawed as far back as 1977, and again with the Charter of Rights in 1982. I think it is important to bring that to the attention of the House.

I would like to hear from other Members on the two amendments I have just put forward. I hope they will not be objected to simply on the grounds that they should have been done years ago. They could not have been done years ago.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I can tell the Hon. Member that we are not going to object on those grounds. We fully realize the good sense in what has been said. However, what I would like to ask is: Who are the designated groups? They are listed but not defined. I can see technical and administrative problems with that. We have something that is already working and this would not be helpful to a process already under way. I have numerous examples of consultation now taking place with target group organizations by employers. I will refer to that in a minute.

This motion has a disjunctive drafting error. One or the other of these groups, or perhaps both, should be specified. To

give the apparent wide range of choices, as the proposed amendment suggests, would give employers the latitude to avoid or ignore this clause of the Bill. Definition poses a separate problem. Difficulties may arise in deciding who are the representatives of designated groups, and whether such representatives are acceptable to either employers or designated groups. Do such representatives come from within or outside the employers' workforce? Any such amendment would have to be clearly delineated in the Bill, and the present phrasing of the suggested amendment does not give employers clear direction to interpret the Bill's intent.

Regarding employer consultation with target group organizations, many examples exist where employers who are implementing employment equity have consulted with target group organizations. These include the Co-operators Ltd. of Regina. In order to attract native candidates this company seconded a staff person to work on a six-month assignment with Regina Native Outreach. The Disabled Persons Employment Service of Regina has been called upon to assist several Crown corporations and the Co-operators with a physical-demands analysis to ensure the elimination of systemic barriers. The Canadian Bankers' Association has indicated its intention to initiate contacts with the major target group organizations. Westinghouse Ltd. of Hamilton has approached organizations such as the CNIB and the Association for the Hearing Impaired. Amertek Ltd. of Woodstock is in liaison with the local paraplegic association. The Weston Hotel in Toronto solicited referrals from the Ontario Mental Health Association. VIA Rail has contacted disabled agencies. CN Telecom is involved in native programs. It wanted information on the Northwest Territories/Yukon, Newfoundland and Labrador native organizations. I could go on. What all this shows is that there is an excellent intent on the part of all employers to do the consultation with the designated groups.

As far as the second motion is concerned, we have to state that we are categorically opposed to that as well. The *bona fide* occupational requirements of the Canadian Human Rights Act are described as guidelines setting forth the extent to which and the manner in which paragraph 14(a) of the Canadian Human Rights Act applies to employment practices. All contingencies covering employers' practices may not be covered in these guidelines, therefore a broader wording of the Act continues to be more desirable. Furthermore, the broad wording takes into account the possibility that a legal employment practice may be challenged by a group or individual who may feel that the practice under question creates a real or possible barrier to employment but is not a *prima facie* discriminatory employment practice as defined by the Canadian Human Rights Act.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak to the first of two amendments presented by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). This motion is to amend Clause 4 which reads:

> An employer shall, in consultation with such persons as have been designated by the employees to act as their representatives or, where a bargaining agent represents the employees, in consultation with the bargaining agent, implement employment equity by—

It then outlines a series of procedures by which employment equity should be applied. Of course it does not have an enforcement mechanism, but does include a very poor monitoring mechanism.

What my colleague is essentially recommending here is that the employer who wants to improve the potential for his company to improve its profits and direct its energy in the best interests of all Canadians, and therefore open up his employee base by removing the barriers to discrimination so that the target groups can have a better chance, be able to do so.

One of the concerns we have is that quite often a union, which is the bargaining agent, is an all-male union which may not have the handicapped, visible minorities or indigenous Canadian people among its ranks. That is part of the systemic discrimination which manifests itself in the union structure. That is changing, but not quickly enough.

I would like to see the unions implement an affirmative action program as well. The fact that the unions are non-representative is the reason my colleague has recommended the amendment that consultation shall take place:

> —or with such persons as have been designated by the designated groups to act as their representatives, implement employment equity by.

We know there is a significant number of handicapped in our society today. The union is not always in the best position to indicate the nature of changes that might be needed. For example, let us assume we are dealing with a scientific and research milieu as opposed to the manufacturing sector. I suggest one could anticipate that the best results could be achieved if the industry was in a position to consult directly with the people concerned because they are best able to give guidance and suggestions that would be in the best interest of the employer in the long run. Therefore, this amendment is bascially in the interests of the employer because it adds to the ability to facilitate employment equity in a constructive way.

• (1130)

That is why I suggest adoption of this amendment. It would reflect that spirit of consultation which the Government has used as its guiding light in its decision making. The Government says it believes in consultation and open Government, so why would it not apply that same principle when dealing with a major Bill that is meant to focus on the change in society and bring about equality for the target groups in the best interests of all Canadians?

I do not understand why the Minister and the drafters of this Bill would not have provided for automatic consultation with the designated groups, because they know what is best for them. Such a provision would only make consultation binding, not their suggestions or guidance. What is wrong with speaking to those groups?

Yesterday, the handicapped indicated three major areas where they wanted change. I believe they demonstrated good citizenship in the relations between organized community groups with special interests and their attempt to have the legislators who they elected reflect their concerns and put those concerns into law. My colleague's recommendation should be seriously considered for enactment by the Government.

The second amendment we are discussing is Motion No. 14A. This concerns authorizing those issues which would be authorized by a law.

If I understand the Hon. Parliamentary Secretary correctly, he objected to this change because he believes it might be too restrictive to name only the Canadian Human Rights Act as the decision making guide for employers. I suggest that definitively stating which Act is the guide would give employers a far better indication of the rules of the game. Rather than having a loosely worded, non-applicable escape clause, this stipulation would clearly define the intention of the new law. What is the purpose of formulating a law with specific goals when that legislation contains wording that allows for escape clauses? The Government must either believe in what it is doing and codify and quantify it in law so that it is clear, or it should not bother putting it in law.

In this instance, the problem with the phrase: "not otherwise authorized by law" is that future legislation could in fact exempt more employers from this Bill or force a Charter challenge or amendment. Rather, only affirmative action programs designed to redress the imbalance should be exempted from action taken to conform to this Bill.

The National Action Committee spoke to this point. It is quite obvious that it is the commission's responsibility to apply the treasury directives which are found in the Canadian Human Rights Act. I suggest that we are only being fair to the business people who must apply these conditions with respect to employment equity.

Incidentally, perhaps the Parliamentary Secretary could bring to the attention of the Minister that according to the Human Rights Act the commission has the responsibility to look at all changes and applications with, I might say, *en sous du lieu* with the qualification of *bona fide* occupational requirement so that it is not punitive to the business community. If a business community can demonstrate that it is not in the best interest of either the worker or the industry, then it would have reasonable cause not to accommodate that particular party or issue within its business structure.

If the Government would act with reasonable accommodation—keeping keeping in mind the *bona fide* occupational requirement—in conformity with the Canadian Human Rights Act, it would be working in the best interest of the employer. It would enable the groups concerned to work toward the goals of this Employment Equity Bill.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we are dealing with two motions that are somewhat different. Motion No. 12A in the name of the Hon. Member for Notre-Dame-de-Grâce—Lacine-East (Mr. Allmand), deals with consultation. The motion states:

> That Bill C-62, be amended in Clause 4 by striking out line 30 at page 2 and substituting the following therefor:
>
> "ing agent, or with such persons as have been designated by the designated groups to act as their respresentatives, implement employment equity by."

This amendment attempts to improve the consultation process provided for in Bill C-62. All groups have been very concerned about the lack of consultation.

My main point is that the Canadian Labour Congress and representatives of trade unions in this country also appeared before our committee. They said very clearly that in the case of a plant that is organized, consultation is not enough. They need the right to negotiate employment equity with the employer. It seems to me that this is a very important fundamental principle in the Bill.

If this country is to have any semblance of economic democracy or any semblance of participatory democracy, surely trade unions that represent workers in a plant should not only be consulted but should be involved in the process of negotiating employment equity as part of the collective agreement between the workers and the employer. I believe that is the sensible way to proceed.

For example, many federally regulated businesses, many of which come under this Act, are unionized. Let us involve the trade unions that represent the workers in negotiating employment equity. Who would know the problems of the plant better than the workers in that particular plant? Who would know the way of producing the product and who would know about the discrimination and barriers in that particular industry better than the workers in the industry who are represented by a number of trade unions in the country?

If this is not the appropriate place for such a clause, I call on the Government to include a clause in the appropriate place to ensure free and open collective bargaining between trade unions that are representatives in a federally regulated industry and the employer. We can then negotiate employment equity. We want to have harmony in the workplace and a semblance of co-operation, commonness of goal and objective. It is very important, in my opinion, to have the unions involved in negotiating employment equity.

• (1140)

I am not sure why my friends in the Conservative Party are afraid of making this Bill a bit more democratic and participatory. I remember many months ago when the Conservative Party was in opposition it complained day in and day out about the Liberal Government not opening up its institutions, Parliament and Bills to ensure there was more participation from the grass roots. But once that Party got into office it forgot where it came from and what it stood for. Here is another opportunity for the Conservative Party to put into practice what it preached many months ago, to ensure that the

trade unions are represented in the Employment Equity Bill, Bill C-62.

What is the good of holding public hearings and having consultations if at the end of the consultative process the Government has not listened? Why do we go through the expense, take up the time of Members of Parliament and the staff of this institution, if we are not going to listen to the people who come before parliamentary committees?

A very good example of this is that the Conservative Party ignored the handicapped who came here yesterday. Over a hundred handicapped persons came here yesterday at considerable sacrifice and expense because they felt they had not been listened to by the Conservative Government. Beryl Potter on the National News last night said that she was a supporter of the Prime Minister (Mr. Mulroney). She told of how she had worked for him and that she was a Conservative but had never been so disappointed in her life as she was yesterday at the non-response of the Conservative Government. She is not one of my constituents, although she is a friend, but I will tell you, Mr. Speaker, that if I treated my constituents in that way I would not deserve to be re-elected to this Chamber.

Mr. McDermid: Come on.

Mr. Nystrom: We are now getting complaints from Members of the Conservative Party who are betraying their own supporters and friends. Once again, they are starting to laugh at some of the people who came here.

Mr. McDermid: What nonsense. We are laughing at you. You are nothing but a big clown.

Mr. Gauthier: Go get them.

Mr. Nystrom: There are a lot of different ideas in politics, but to laugh at the disabled who came here to demonstrate is another matter.

Mr. Lewis: We are laughing at you.

Mr. Nystrom: Just yesterday in Question Period a Member of the Liberal Party, the Hon. Member for Eglinton-Lawrence (Mr. de Corneille), mentioned the disabled people in the galleries. Some of those Hon. Members started to laugh and interject in what I thought was a very inappropriate manner.

Mr. McDermid: That is a lie.

Mr. Lewis: That is a lie.

Mr. Nystrom: Is it appropriate to call me a liar, Mr. Speaker?

Mr. Lewis: We didn't call you a liar.

The Acting Speaker (Mr. Charest): Order. I think the Hon. Parliamentary Secretary for the Minister of Energy, Mines and Resources (Mr. McDermid) may wish to retract that word.

Mr. McDermid: Yes, Mr. Speaker, I will retract those words. I will say, however, that no one on this side laughed at the handicapped people here yesterday. It was very unfortunate that the Hon. Member for Yorkton-Melville (Mr. Nystrom) made those statements.

Mr. Lewis: Mr. Speaker, I wish to retract my comments as well, Mr. Speaker, but I would reiterate that no one on this side at any time laughed at the plight of the disabled.

Mr. McDermid: That was very unfair, Lorne.

Mr. Lewis: We were laughing at the point the Hon. Member was trying to make.

The Acting Speaker (Mr. Charest): Order.

Mr. Deans: Mr. Speaker, I can understand Hon. Members wanting to qualify their retractions. I can appreciate that.

Mr. McDermid: It's cheap politics.

Mr. Deans: However, you know, Sir, I am sure, that the requirement is that the retraction be absolute and without qualifications or explanation.

Mr. Lewis: It was.

The Acting Speaker (Mr. Charest): Order. Before the Hon. Member resumes debate may I draw to the attention of all Hon. Memebrs of the House that we should keep in mind the subject matter of the amendments. Bearing that in mind, perhaps we could avoid such situations.

Mr. McDermid: Clean up your act.

Mr. Nystrom: If Hon. Members of the Conservative Party do not believe what I am saying, why do they not give Beryl Potter a call? If they were not laughing, they certainly were not treating them with much respect, with all kinds of hooting and hollering and interjecting during Question Period yesterday when questions were put about disabled people.

Mr. McDermid: Cheap shot.

Mr. Nystrom: They can continue saying that as long as they want. The more they say it, the merrier. It just shows where they stand when it comes to an issue like this. Those people came here at considerable expense—

The Acting Speaker (Mr. Charest): Order.

Mr. McDermid: You know better.

The Acting Speaker (Mr. Charest): Order. I think the Hon. Member for Yorkton-Melville (Mr. Nystrom) knows full well that he is far away from the subject.

Mr. McDermid: Off the wall, as usual.

Mr. Nystrom: Hon. Members opposite are very upset. I must have hit a tender spot.

I am speaking about consultation with disabled people because Motion 12A, put forward by the Hon. Member for Notre-dame-de-Grace—Lachine East (Mr. Allmand), talks about consultation with groups designated by the four target groups. A good example of the lack of consultation by the Conservative Party occurred yesterday when those Hon. Members would not listen to what the disabled people had to say.

Beryl Potter came here on March 26 with three or four disabled people and confronted the Prime Minister at the Conservative caucus. He told her through Geoff Norquay, his policy adviser, that they would be back to her before this Bill came back to the House for report stage last Thursday. But that was not done. That is why the disabled were angry. They were promised that the Government would get back to them before this Bill came back to the House and that promise was broken. That is not consultation. That is trying to take advantage of people. That is the way the Conservative Party is treating the disabled. That is why I am angry and that is why they are angry.

Mr. McDermid: Nonsense.

Mr. Nystrom: The Hon. Member can call it nonsense if he wants. He can call Mrs. Potter and her comments nonsense if he wants, but the Prime Minister promised to get back to them before the Bill came back to the House and he did not do it. A letter went out yesterday but yesterday, is not last Thursday.

The Acting Speaker (Mr. Charest): Order. The Hon. Member's time has expired.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a few comments on the motion moved by my hon. colleague from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), namely, Motion No. 12A, to amend the proposed legislation by striking out line 30 at page 2 and substituting the following therefor:

"ing agent, or with such persons as have been designated by the designated groups to act as their representatives, implement employment equity by".

Mr. Speaker, I want to speak to this motion first of all, because I want to congratulate and thank the Government for having agreed to an amendment to Clause 4. I think that after the debate on second reading, we made the point that there was a need for consultation and for involving the people in the designated groups, the groups targeted by Bill C-62, and I am referring to women, the disabled, visible minorities and native people.

Mr. Speaker, if we take the trouble to identify these groups and are willing to help them find employment without being discriminated against, it stands to reason we should consult them.

The amendment by the Hon. Member for Notre-Dame-de-Grâce— Lachine East merely proposes to further specify certain aspects, so that, the legislation does not merely provide for consulting with the employees who are represented by the bargaining agents, but, when those employees are represented by a specific group, whether it is the physically disabled or another group, that these groups and the representatives, the leaders of these groups are also involved in the consultation process, to avoid overlooking the concerns of the people for whom the legislation was designed, and to ensure that these people, who are organized in associations and interest groups, are heard and are listened to, and that the employer, when he will have to implement this employment equity policy, will not only consult with the unions which are there to make the system a democratic one, but will make the system even more democratic by ensuring that the designated groups representing the four target groups I mentioned earlier are also involved in the process. Mr. Speaker, I urge my colleagues to vote in favour of this amendment which I think makes a useful contribution to the Bill and is also supported by the target groups we mentioned earlier.

• (1150)

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to support the motions put forward by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) Motions Nos. 12A and 14A.

By way of preamble I might say that I had not intended to speak on these particular motions. However, having sat in the House yesterday during Question Period, having met beforehand outside on the steps of this place with representatives of the disabled, and after seeing the response of Government members—their laughter, heckling and the contempt which they showed for these people in our galleries—I felt it was important that all of us who share the concern about that behaviour rise and make our voices heard on these amendments.

These representatives of the disabled were here seeking in a straightforward, honest and civilized manner to make their concerns known to a Government which has refused to listen to them thus far.

Mr. McDermid: I rise on a point of order, Mr. Speaker. First, my point of order is that the remarks of the Hon. Member have nothing to do with the amendments we are discussing. Second, the statements of the Hon. Member are not factually correct. I think that he should be called to order. He is another person who is stooping so low so as to use these people as political pawns. It is unforgivable.

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

Mr. Nystrom: It is not a point of order.

Mr. McDermid: Just more smut!

The Acting Speaker (Mr. Charest): Order, please. The Speaker certainly does not agree with everything which the Parliamentary Secretary has said. However, I think he has a

legitimate point of order in terms of the subject matter. The Hon. Member for Burnaby (Mr. Robinson).

Mr. Robinson: Mr. Speaker, the purpose of Motion No. 12A is to ensure that there will be consultation—consultation with the groups which are affected by this toothless legislation. Because of the record of the Government which has refused to consult with representatives of the disabled—not only has it refused to consult but it has treated those representatives with utter contempt by making statements which are totally unfounded, with Members on the Government side looking up in the galleries and mocking the people who are there.

Some Hon. Members: Order!

Some Hon. Members: Shame, shame!

Mr. Robinson: We on this side of the House find that kind of behaviour totally unacceptable.

Mr. McDermid: That is just not true!

The Acting Speaker (Mr. Charest): Order, please. Hon. Members may have noticed a certain reaction to certain comments. I ask all Members on all sides of the House to constrain their remarks, if possible, to the amendments which are before the House in the name of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

Mr. Robinson: Mr. Speaker, once again we are talking about consultation. One of the concerns raised by the groups which were on the Hill yesterday was with respect to the fact that they had asked to speak and to meet with representatives of all political Parties. I was there. My colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), was there. Many of my other colleagues were there. I know that some representatives of the Official Opposition were there.

Mr. Nystrom: But there were no Tories!

Mr. Robinson: Mr. Speaker, there was not a single Tory Member of Parliament—not one—who had the courtesy to attend. Not one Member of that gang of 211 had the courtesy to go outside and listen to the concerns of these people. That is why we in this Party are supporting, indeed, insisting on the passage of this amendment which requires consultation. We have seen the Government bring forward legislation which reflects consultation all right, but consultation with whom? The only people with whom the Government has consulted, apparently, on its employment equity legislation have been the Gang of Five, the manufacturers, the Chamber of Commerce and its buddies in the Business Council on National Issues. We in this Party believe that the groups which are targetted by this employment equity legislation, women, native people, visible minorities and the disabled, deserve better. That is why we believe it is so fundamental that this amendment which requires consultation be supported.

Motion No. 14A deals with a concern that the Government may be attempting to escape from the provisions of this legislation—weak as they are—by allowing other statutes to take precedence over the employment equity Bill. This amendment would ensure that the only statutory provisions which could override the employment equity legislation would be provisions which in fact are in conformity with the Canadian Human Rights Act. Surely, that is not an unreasonable suggestion.

Should Government members vote against this amendment what they would be suggesting, what they would be saying to the people of Canada, in particular those groups which are affected by this legislation, is that they are prepared to allow this Bill to be watered down by allowing other statutes to override it. It is weak enough already.

We talk about consultation. Had there been meaningful consultation this Bill, which has absolutely no teeth whatsoever, which requires only voluntary compliance, and from which the federal Government is exempt, would never have been brought forward. The Government embarked upon a process of consultation. I had the honour of serving as a member of the Special Committee on Equality Rights which considered employment equity legislation. Some Government members are not too happy with the recommendations of that committee; some of them even laugh at its recommendations. I would remind Hon. Members that the recommendations of that committee were unanimous. They were concurred in by all five Tory members of the committee. When they laugh at the recommendations which would put some teeth into employment equity legislation, they are laughing at their own colleagues. They are laughing at the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) who chaired the committee and who has been rather silent on this important legislation so far, despite the fact that the consultation process produced some very different suggestions.

The consultation process which we believe should be built into this legislation in fact resulted in the unanimous report which states that the Bill now before the House is fundamentally flawed because there is no enforcement mechanism whatsoever included in it. One of the recommendations of the committee was that representatives of the groups which are targetted by Bill C-62 be involved with management and labour in developing employment equity programs. Surely to goodness it is not unreasonable to suggest that the groups which are affected by this legislation have a hand in the enforcement of it. The committee unanimously stated that a principal shortcoming of Bill C-62 is the absence of enforcement mechanisms. It also stated that if successive reports show little or no progress toward equality of employment opportunities and benefits for the designated groups, then no sanctions are available.

Without an enforcement agency this proposal will simply not work. We will be right back here in three or five years with a stack of reports from employers clearly documenting their failure to make employment equity a reality. We will be shaking our heads and saying: "What do we do now?"

The Bill before us is a betrayal, a betrayal of the wishes and hopes of those Canadians who have been shut out for too long from employment. They have been denied a right to independent living. The door has been closed on those Canadians. The Government says that it is not prepared to put in the enforcement mechanisms which are necessary.

• (1200)

Rights that are not enforceable are not rights at all, as the committee has said. I hope that the Government will recognize that the committee which studied this question, heard representations and did the kind of consultation which the Government should have done, has seriously criticized this legislation. The committee has said that it falls short in a whole series of areas documented by my colleague, the Hon. Member for Yorkton—Melville (Mr Nystrom). It falls short in the area of enforcement mechanisms, in the area of contract compliance and in the area of resources available to implement this legislation. I say that the Government has displayed contempt for the consultation process, and one does not have to look any further than the legislation to see that that is very clear.

Yesterday 150 disabled people appeared in Parliament, many of whom had to be literally carried to their seats. They sought in good faith answers to serious questions which they have been asking for many, many years. When Hon. Members on that side of the House treated their concerns and questions, hopes and criticisms of this legislation with contempt, with indifference and with laughter, we on this side of the House felt that that was totally unacceptable.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I too would like to say something about the two amendments put forward by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). I would like to consider particularly the matter of ensuring that the Bill not be made even weaker than it so clearly is in its truncated form which provides primarily for reporting on employment practices. I want to ensure that there are no clauses in the Bill that can be used in court challenges to undercut the effectiveness of the Government's intention to achieve employment equity or, as we suggested with the first motion put by the Hon. Member for Yorkton—Melville (Mr. Nystrom), the Government's intention to encourage and promote rather than achieve employment equity.

The two amendments before us relate to our concern for ensuring that the Bill is not flawed in one way or other. There has been comment on the matter of consultation between the Government and target groups, including the target group that was in Ottawa yesterday. We have all noted those criticisms.

I would like to suggest more particularly that, although there was a call for consultation with representatives of the workers, consultation with the union and, as this amendment before us now proposes, consultation with representatives of the target groups in the letter of the Bill, the consulting itself is a weak form which this amendment does little enough to advance.

If the Government was really serious about achieving employment equity, as it claims to be in the language of the Bill, there would be provisions for negotiation. Instead, there is the recognition of workers who are not organized. This amendment would recognize representation from the target groups. However, consultation is not going to be adequate. We want to ensure that employers actually negotiate with their workers in ways that will ensure that employment equity is achieved.

I would like to suggest that workers' organizations have in fact been recognizing the need for action. I think particularly in terms of my own responsibilities for ethno-cultural communities, and particularly those in the visible minorities whose plight was dramatized in Toronto during the past year with a couple of reports describing discrimination in Toronto. In that case we saw evidence of racism in the employment practices of the employers of the City of Toronto.

I would like to recognize and place on the record the work the Ontario Federation of Labour has been doing in ensuring that workers and their organizations can deal with these issues, that workers will recognize the kinds of attitudes and practices that constitute racism and that workers and their organizations, negotiating committees and excutives, will be equipped to take a leadership role in ensuring that employment equity is actually achieved in their workplaces. That action by the Ontario Federation of Labour is very important and indictes that workers are prepared to take their part in ensuring movement toward employment equity. The legislation is very weak, if all it talks about is consulting. There is need for genuine negotiation of these conditions.

I would like to note particularly the action which one provincial Government has taken to ensure genuine movement toward employment equity. The Manitoba Government negotiated with the representative of all of its employees and arrived at a plan through which, over a period of time, the public workforce of the Government of Manitoba will be recomposed in such a way that it will represent the population of the Province of Manitoba. It will take time, of course, to do that. Workers do have concerns about their own careers, seniority and so forth. I am sure it is in recognition of those needs that the negotiations between the New Democratic Government of Manitoba and the Union of Government Employees provides for a 20-year time line. The end result of that 20-year process of reconstituting the workforce of the Province of Manitoba is that it will truly reflect the population of the province through the inclusion in the workforce of women, native people, persons from visible minorities and the disabled.

That kind of determination on the part of a Government and its readiness and ability to negotiate with the representatives of its employees is, as far as I am concerned, exactly what is required if we are to have real progress toward employment equity. It is that kind of program for which this Bill does not

really call by asking only for consultation and reporting. Because it does not commit the private sector, Government Departments and all employers to that kind of program, there are these weaknesses in this Bill which have concerned us so much since it was tabled in the House.

The second clause to which we are addressing ourselves is a clause which provides for the possibility that employment equity programs might be invalidated by other statutory provisions. Here there is an even clearer case for support of the amendment put by the Hon. Member for Notre-Dame-de-Grâce—Lachine East. If there is one thing that a Government can do to render a Bill weak and quite possibly useless for the purposes it is intended to achieve, it is the inclusion of that sort of a clause. Surely it is an open invitation to the lawyers of the country to hunt through the statute books to come up with provisions they can use in legal challenges to affirmative action or to employment equity proposals. For that reason it is important to follow the line which the Hon. Member put forward in this; to strike it out and replace it with the following: "except those in conformity with the Canadian Human Rights Act". It is particularly important because a clever lawyer can seek to argue that employment equity proposals and plans themselves involve us in discrimination.

• (1210)

Because the Canadian Human Rights Act deals explicitly with that, and ensures that such action plans do not involve discrimination, it becomes important to include this amendment in the Bill so there is not an expedition or hunt through the statute books to come up with ways of invalidating plans, and to ensure that genuine employment plans, supported by the principles of the Canadian Human Rights Act, will in fact be implemented. In both cases we have amendments of real value. I trust Government Members are listening and thinking carefully, and will in fact be prepared to give their support to both these amendments.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 12A standing in the name of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand):

Motion No. 12A

April 7, 1986—That Bill C-62, be amended in Clause 4 by striking out line 30 at page 2 and substituting the following therefor:

"ing agent, or with such persons as have been designated by the designated groups to act as their representatives, implement employment equity by".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

[*Translation*]

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 14A. Mr. Allmand, seconded by Mr. Gauthier, moves:

That Bill C-62, be amended in Clause 4 by striking out line 33 at page 2 and substituting the following therefor:

"except those in conformity with the *Canadian Human Rights Act*, that results".

[*English*]

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred. We will now proceed with Motion No. 16A.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

Motion No. 16A

That Bill C-62, be amended in Clause 4 by striking out line 46 at page 2 and substituting the following therefor:

"eligibility or geography according to whichever of these reference criteria provides the most opportunity to qualified members of the designated groups and from which".

He said: Mr. Speaker, I should like to summarize Clause 4 of the Bill. It says that an employer shall implement employment equity by instituting such positive policies and practices as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment with the employer that is at least proportionate to their representation in the workforce or in segments of the workforce.

This clause attempts to indicate that in putting in practice employment equity policies, we must try to achieve in different workplaces the representation which is generally found in the workforce for those designated groups. If there are so many women in a particular workforce, for example, a firm should have more or less that same percentage of women, and the same would apply for disabled persons. In other words, the clause to which I am referring sets up a mechanism to determine what is the best standard in judging whether employment equity is taking place or what is the standard of representation.

I point out very strongly that what is contained in the Bill is extremely defective. It indicates that we should look at the proportion of the representation in the workforce. The problem is that many of these people are unfortunately not in the workforce; they are unemployed. I forget the percentage of unemployment among disabled people but it is extremely high. If we look at the workforce and try to devise affirmative action programs, we will not see too many disabled persons. Therefore it would not be a very good standard by which to make improvements. Clause 4 goes on to indicate:

(ii) in those segments of the workforce that are identifiable by qualification, eligibility or geography—

If we look at the workforce in some parts of northern Saskatchewan and northern Alberta, unfortunately we will not find too many Indians. To use that as a standard of judgment is almost ridiculous.

In determining unemployment figures, Statistics Canada has a very special definition of who is and who is not in the workforce. One either has to be working or looking for work, or one has had to attend a job interview in the last four weeks. Many of the people who have given up the hope of finding jobs— they are on welfare and so on—are not even counted in the workforce.

The purpose of my amendment is to correct that situation in a small way. It does not correct it altogether. I am limited by what I can do because of the terminology in the Bill. My amendment suggests that Clause 4(b)(ii) should be changed to read:

—according to whichever of these reference criteria provides the most opportunity to qualified members of the designated groups—

In other words, if we are to look at different situations in the workforce, we should at least oblige the employer in implementing employment equity or affirmative action to base it on that representation which would give the best deal to the designated group. I should like to refer to an example of this.

Let us look at the percentage of Indians and Métis in the entire Province of Alberta. I do not know what that percentage might be; perhaps it would be 15 per cent. However, if we were dealing with an affirmative action program of a particular firm in the constituency of Athabasca in northern Alberta, the percentage of native people would be much higher. I am suggesting that we should look at the geographic area of the plant or the province and make a judgment based upon a standard for affirmative action which gives the best deal to that designated group.

Let us look at the Province of British Columbia. There are many visible minorities in the Vancouver or lower mainland area, but the percentage would be much smaller if we took into account the total Province of British Columbia. If a firm were setting up business in the suburbs of Vancouver and took into account, for example, the percentage of Sikhs or people of East Indian origin in the entire province, it would get away with a much smaller standard in implementing affirmative action or employment equity. In those cases firms must be obliged to take the geographic area or the qualification area which gives the best deal to the target group. As the Bill is presently worded, the employer is not obliged to do that. He must look at the various regional and geographic possibilities, but he has no obligation to come down on the side of that geographic zone, or whatever, which gives the best possible deal to the designated group.

• (1220)

We moved this amendment in committee and it was rejected by the Conservative Party. Members said at that time that they might do this through regulations to the Bill. Some of these things are too important to do through regulations which can be changed by Ministers and officials in the darkness of the night without anyone's knowledge. We all know that. In recent years the Special Joint Committee on Statutory Instruments has examined these issues. We found that Orders in Council are changed, very often to the detriment of the Canadian population and we put that watchdog instrument in place.

I suggest that this kind of amendment should be in the Bill. This is a Bill dealing with employment equity and this is one way we can stiffen it and give it some teeth. In implementing employment equity we can oblige employers to use the segment of the workforce which is identifiable by qualification, eligibility, or geography according to whichever of these reference criteria provides the most opportunity to qualified members of the designated groups. In other words, they would be obliged to look at the area which gives the best deal to the designated group. I think that is fair and should be agreed to by the Government. We do not even have a firm commitment that the Government will deal with this by regulation, which would at least be a step forward. However, I think it should be dealt with in the Bill.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 16A:

That Bill C-62, be amended in Clause 4 by striking out line 46 at page 2 and substituting the following therefor:

"eligibility or geography according to whichever of these reference criteria provides the most opportunity to qualified members of the designated groups and from which".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 19B.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

That Bill C-62, be amended in Clause 4 by adding immediately after line 2 at page 3 the following:

"(c) having full access to, for the purposes of subsections (a) and (b), consultative services concerning employment equity as provided by the Department of Employment and Immigration.

He said: Mr. Speaker, this amendment would add a further subclause to Clause 4. As I pointed out, Clause 4 is the key clause of this Bill. It says that employers shall implement employment equity by doing certain things. Unfortunately, if the employers do not do these certain things, there is no penalty. I will deal with that in a later amendment.

Clause 4 says that an employer shall implement employment equity by doing certain things which are listed in subclauses (a) and (b) and paragraphs (i) and (ii) of subclause (b). This would add subclause (c) to Clause 4 after line 2 on page 3. It says that the employer should implement employment equity by:

having full access to, for the purposes of subsections (a) and (b), consultative services concerning employment equity as provided by the Department of Employment and Immigration.

The Government and Parliament of Canada want private firms to introduce employment equity. Let us assume that the private firms, in good faith, want to do that. The Bill lays out certain obligations in subclauses (a) and (b). It says that they must eliminate obstacles to employment for the target groups and must institute positive policies and practices to achieve employment equity. Very often private firms do not know how to go about this. They should have access to the consultative services on employment equity within the Department of Employment and Immigration. The Government of Canada should go a long way toward assisting the private sector to achieve employment equity.

I am 100 per cent in favour of a strong Bill obliging affirmative action by the private sector, but I do not think we should leave the private sector all alone to do it. We must help it to do this. The purpose of this amendment is to ensure that the private sector has access to the services of the Government in setting up systems for affirmative action and employment equity. We must ensure that the Government has the personnel available to assist these firms in doing that. That is the purpose of this amendment.

We tried to amend the Bill in committee by having this policy accepted. It was rejected in committee. We are now trying again. In committee a representative of the Government said he agreed with the amendment in principle, but did not believe it should be in the Bill. I am afraid that if it is not in the Bill, when this law is passed private firms will say that they want help from the Government with the burden which has been laid upon them and the Government may say that it has other priorities. Therefore, employment equity will not take place because firms will not have the support of the Government which they require. I do not think it hurts one bit to put this in the Bill. It shows a greater commitment to employmet equity by the Government. I urge the Government to accept this amendment.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, it was I who made the commitment when this amendment was moved before the legislative committee. I said that the Government is committed to providing those services and, therefore, we do not need an amendment. It is our intention to market the program. We have made it eminently clear how beneficial we feel employment equity is going to be for all Canadians, how productive it will make us as a nation, and how we require it to prosper and make full use of the entire potential of the community. We cannot continue to operate in the absence of the rich resource of 60 per cent of the population. It will certainly be in our interest to ensure that this program succeeds.

We have already stated, on numerous occasions, that we are ready to stake our futures on the social justice and social conscience of the Government. I assure my hon. friend that the Canada Employment Insurance Commission will provide those consultative services concerning employment equity to all employers who want to establish employment equity programs,

including those covered by the legislation, those covered under the federal contractors program, and all others who want our advice.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I agree with the Parliamentary Secretary. I am not sure about the rhetoric with regard to social conscience and justice, but perhaps it will be there.

I support the motion before the House, but I do not make a big issue of it because I think it will be in place anyway. Unless they have holes in their heads, representatives in the Department of Employment and Immigration centres across the country will obviously be involved in the consultative process with regard to employment equity or any other employment program in the country. The employment centres act as consultants on all employment programs in the country. I know in my own riding the manager of the employment centre, Mr. Self, is always very open. His staff is there to be consulted and worked with. They are always very open and very co-operative so I assume that is the case right across the country.

• (1230)

I do not feel strongly one way or the other about this motion. I suppose what the Hon. Member wants to do is give the Bill more protection, more power. I do not oppose, that so I would support the motion without making a big issue of it.

I just wanted to say that I have found in my own riding that the employment centre has been very, very useful for a lot of groups over the last few years. I know the manager, Mr. Self, and his staff must be commended for the help they have given on a lot of programs. I am thinking of the Canada Works Program last year, Challenge '85, and the student programs. I think of the efforts we are now undertaking in my riding to set up a local advisory committee. I know the staff has always been at the disposal of people who come into the centre. I am sure they will be doing the same thing with this legislation once it goes through. It is very important that they do so because the unemployed are often really frustrated. They go down to the employment centre as a last resort. They often feel that their problem is not dealt with as quickly as possible. After all, they are unemployed and not making any money. The young Indian person in my riding is the person who does not have the skills but needs a summer job. So it is very important that the staff function as efficiently and quickly as possible. I hope they do the same thing in this case.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my colleague's amendment would enshrine in law the obligations and responsibilities not only of the employer but of the Department of Employment and Immigration. Clause 4 outlines the employers' duties. If the target groups are going to be able to access the jobs they want and we want them to have so that they enrich our society to the degree we know they can, then we need to put in law the obligations that we undertake as a Government to enable them to do so.

I agree with the Hon. Member who just spoke, that we have excellent staff in the employment centres. However, that does not mean they have the obligation to undertake additional responsibilities. In my own riding we have a very high unemployment rate among a specific target group, the visible minorities and the handicapped. The local employment officers have all the responsibility of helping these people locate jobs. We also have a very high unemployment rate among youth. I pointed out to the Parliamentary Secretary that in the black community over 60 per cent of young people under 25 are looking for jobs. If the staff of the employment centres are doing their job in that respect, then they do not have the same kind of time or energy to go out and work with the major industries in the area, let us say. They do not have the time to visit the banks or the supermarkets. They do not fall under this Bill, unfortunately, although through contract compliance they are supposed to. The banks, the post office, the CBC, and Cable TV companies should all reflect the multicultural dimension of Canada. If we do not assure through the amendments put forward by my colleague the staffing and budget necessary, how can we expect this help to be forthcoming?

I am glad the Parliamentary Secretary agrees with the approach in principle. Principles are lovely, but if you cannot put them into practise then they are of no value. I heard the lovely phrase that we have put our stake in the future on our social conscience and we intend to apply social justice, or something of that nature. If you really want to apply social justice, then you have to get your act together and put your energy where it is required. That means an enforcement provision in this Bill which will make it a reality.

If we look at the series of amendments put forward by my very conscientious colleague, I suggest that the wish of the Government to assure that employment equity becomes a reality in our society would be greatly improved if they are accepted. The targeted groups would not have to come here with a great deal of personal difficulty, as the handicapped had to do, and say: "Hey, do something, you are hurting me".

[*Translation*]

Mr. Speaker, we have talked about target groups, about the groups that are involved in this legislation, the groups that will be affected by this legislation, and the groups on which this legislation will have a negative social and economic impact because this legislation is just a lot of eloquent posturing and offers nothing in the way of concrete action. It is not compulsory. We do not have the option of Government support to help us help each other. Employers have a whole list of things they are supposed to do, a list that is not complete, but with all that, the legislation does not even provide for any action by the Government to help them help each other.

If we really want to put the onus on the employer and see this policy reflected on our television screens, on our aircraft, in our banks and in our post offices, we will have to have mechanisms that will make this possible, so that I, as a black

person or I as a Sikh living, say, in Vancouver which has the largest Sikh population outside Eastern Asia—

Mr. Speaker, I believe that what I am saying is relevant. Our pious wishes must be implemented. They must be enshrined in legislation in some other way, and they must not be just pious wishes but concrete action arising from the very foundation of the principles of our legislation.

[*English*]

Therefore I strongly recommend adoption not only of this amendment but all the amendments put forward by my colleague.

I cannot understand how this Bill can be effective if we do not target it regionally. There are regional differences across this country. The reality of multiculturalism can only be reflected properly if we consider how to apply this Bill in a concrete way across the country. I pointed out that Parliament, as a matter of balance, accepted multiculturalism in law, and as an official Government policy in 1971. It guaranteed not only cultural freedom but equality for all Canadians. Multiculturalism was entrenched in 1982 in the Charter. Officially we decided that it should be entrenched in all Government documents and in all Government publications, and hopefully the fallout would show up in the catalogues of large companies such as Sears, Eatons and The Bay; hopefully we would see reflected on the the screens and in the publications of this country the kind of people that we targetted, the kind of people that make up Canada. We are not a white country; we are a multicultural and multiracial country, and we need that reflected.

• (1240)

Mr. McDermid: When was the last time you looked at one of those catalogues. I have noticed a change in the last year.

Mrs. Finestone: I have noticed that as well. There has been a slow, ineffective change taking place. We should not have to wait for that normal slow rate of change. I suggest you reread, understand and have a commitment to the equality and employment report of Judge Rosalie Abella, who statistically examined the impact of that slow, non-mandatory, non-enforcement principles under the Crown Corporations and what they did. Believe me, the snail's pace at which the Government made changes to the multiracial, multicultural, bilingual nature of this country is truly reflected in Crown Corporations across this land. You should be ashamed to have even mentioned that. I bring to your attention the report. Go back and read it and understand why beautiful words never brought about change. We need change in law, and you need to learn how to be a leader. Read *Equality Now* and see the changes. You had nothing to do with that report, we brought that report in here. We have applied many of the principles in that report, and there's still a long way to go.

The Acting Speaker (Mr. Charest): Order, order.

We have run out of time. Debate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I want to perhaps complete the remarks the Hon. Member's started. I am really surprised that Government Members are not supporting this amendment proposed by the Hon. Member. What the Government of Canada is doing is, on the one hand it is saying to employers you must do this, you must do that, you must do something else, but really not telling them how they are supposed to do it.

If we look at Clause 4 that we are discussing, it says:

An employer shall—

That's how it starts out. Clause 5 starts out:

An employer shall—

What does the Government of Canada do to assist the employer? You have this very hazy formula laid down as far as designated groups are concerned, and then you have this incredible Clause 12 in which it says:

—the Minister may—

Now, the employer shall do this, the employer shall do that. Then it says the Minister may issue guidelines to assist in the implementation of the requirements of Sections 4 and 6. Proposed section 6, which is under discussion, says:

—the Minister may issue guidelines—

The employer shall do this, the employer shall do that, and here is a hazy formula; perhaps he will meet the intended guidelines of this Bill and perhaps he will not.

This amendment, which the Hon. Member has proposed here today is simply to add the words:

> (c) having full access to, for the purposes of sub-sections (a) and (b), consultative services concerning employment equity as provided by the Department of Employment and Immigration.

The Hon. Member did not want to go as far as to say that the Minister of Employment shall provide these guidelines, shall assist the employer, must assist the employer. The Department of Employment and Immigration must assist the employer. The Hon. Member did not want to go that far because he figured the Government would not do that anyway. It would not want to impose something on the employees of the federal Government and the Cabinet Minister to assist the employers to meet the targets. It does not want to do that.

So the Hon. Member said, in a very nice way, to provide the assistance that would be available in the Department of Employment and Immigration. I cannot see why the Government would not approve that kind of an amendment, given the fact that it has already stated that the Minister has absolutely no responsibility whatsoever to the employers or the employees under this Bill. I am really shocked that Government Members would not support this amendment and at least go halfway and provide some source of information so the employers would not only have to follow it, but be held accountable to it.

I support the Hon. Member who introduced this amendment and the Hon. Member who just spoke, and I am sure that the Government Members, if they are really thinking about it, will

fall over themselves to support this amendment to make it fair to the employers and the employees covered by this Act.

The Acting Speaker (Mr. Charest): Question?

Some Hon. Members: Question.

[*Translation*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 19B. Mr. Allmand, seconded by Mr. Tardif, moves:

That Bill C-62, be amended in Clause 4 by adding immediately after line 2 at page 3 the following:

"(c) having full access to, for the purposes of subsections (a) and (b), consultative services concerning employment equity as provided by the Department of Employment and Immigration."

[*English*]

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 14(11), the recorded division on the proposed motion stands deferred.

[*Translation*]

The next question is on Motion No. 21A.

Mr. Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

That Bill C-62, be amended in Clause 5 by striking out lines 12 to 16 at page 3 and substituting the following therefor:

"section (1) shall be

(a) retained by the employer at the employer's principal place of business in Canada for a brief period of at least three years after the last year in respect of which the plan is prepared;

(b) communicated to the employer's employees and any existing bargaining agent; and

(c) made avaible to the Human Rights Commission, on request."

[*English*]

He said: This amendment is one of the more important ones I have put forward. The others were important, some of them were technical, but this is a substantive amendment which I believe to be extremely important.

In the committee nearly all the witnesses criticized the Bill in that it did not provide for employers to have action plans with targets and timetables to achieve employment equity. Most witnesses criticized the Bill and criticized the Government for not requiring the employers to set out action plans with targets and timetables. Both myself and the representative of the NDP put forward amendments asking that that be done, and they were not acceptable. Finally, the Government came forward with an amendment, and I congratulate them for moving to that extent, which is now set out in Clause 5 of the Bill in which the Government said:

An employer shall, in respect of each year prepare a plan setting out

(a) the goals that the employer intends to achieve in implementing employment equity—

(b) the timetable for the implementation of those goals.

That was a step forward. In subclause 2 of that very same clause the Government says:

A copy of a plan prepared under Sub-section (1) shall be retained by the employer at the employer's principal place of business in Canada for a period of at least three years . . .

What good is it for the employer to set out an action plan for employment equity with timetables and goals if only the employer gets to see it? It is not even given to the employees. It is not given to the Human Rights Commission, which they say will enforce the Act. There it sits in the employer's vault for at least three years, the action plan that they have been obliged to prepare. I cannot understand the logic of the Government. I suppose if one went to court and subpoenaed them they would have to produce the action plan and one could see it. If not, the only requirement is in Clause 5(1) which states that they must prepare a plan setting out goals and timetables. Clause 5(2) states that the plan shall be retained by the employer at the employer's principal place of business.

• (1250)

For example, let us consider Canadian Pacific Railway with its head office in Montreal. If some of the employees in the designated groups, such as the women's groups or visible minorities, have a problem with employment equity in Vancouver or Calgary, and the officials did not want to send the action plan to them, I suppose they would have to go to Montreal to look at it. The same is true for Bell Telephone which has its head office in Montreal, and some of the big banks with their head offices in Toronto. While these companies must prepare an action plan with timetables and goals, they do not have to distribute them.

My amendment says that the employers must keep it at its principal place of business for three years but the action plan must also be: "(b) communicated to the employer's employees

and any existing bargaining agent". Therefore, those companies with unions must provide the action plan to the union for it to see, and if there is no union it must be given to the employees. The amendment goes on that it must be: "(c) made available to the Human Rights Commission, on request".

This seems to be a logical suggestion. The Bill finally requires an action plan with timetables and goals. At the very least, that action plan should be distributed to the employees who are affected by it and to the Canadian Human Rights Commission that must enforce the action plan. That is all that this amendment asks. I cannot understand the reticence of the Government in turning this down. I suppose the only explanation is that it was trying to please the many target group witnesses who wanted more teeth in the Bill and finally admitted that there should be an action plan with targets and timetables, but it did not want to upset the employers and therefore did not require those action plans to be distributed.

This amendment states that those action plans must be made available and communicated to the employees so they will be in a position to judge whether or not the action plans effective. They will also have to be made available to the Canadian Human Rights Commission which has the right to enforce them under the Bill as amended by the Government. Unfortunately, there are not many sanctions in the Bill for the Canadian Human Rights Commission to use. However, if it is going to enforce it at all, it should have access to these action plans for examination and response. That is the purpose of the amendment. I do not see on what logical basis the Government can contest this amendment. I ask the Government, in the spirit of non-partisanship, to give consideration to this amendment and accept it.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to support this very reasonable amendment suggested by my hon. Liberal friend. I am sure the Parliamentary Secretary will accept it with much enthusiasm.

When this Bill was first introduced there was no reference whatsoever to the concept of action plans. After many hearings and many witnesses the Minister introduced an amendment to include an action plan. We made some progress because the Bill now provides for an action plan. However, that action plan will essentially remain secret because it cannot be seen by the employees, the employment centres or even by the Human Rights Commission.

Why bother having an action plan if it is going to sit in the vault of the employer and not be seen by anyone? This is particularly puzzling when we consider that the Conservatives campaigned on the importance of freedom of information and openness in Government.

For the benefit of the Minister of State for the Canadian Wheat Board (Mr. Mayer), let me read the clause of Bill C-62 which states that an action plan will be prepared by the employer but remains secretive under the Bill. Clause 5(2) of the Bill states:

> A copy of a plan prepared under subsection (1) shall be retained by the employer at the employer's principal place of business in Canada for a period of at least three years after the last year in respect of which the plan is prepared.

I find it very strange, in a democratic state in the 20th Century, to have that plan absolutely secretive.

Many witnesses said that action plans are required and should be public. The witnesses were unanimous in that regard. Our Party also suggested in committee an amendment similar to what is now before the House. We said that a copy of the action plan should be filed with the Canada Employment Centres, the Canadian Human Rights Commission and that a copy of the action plan should be permanently posted in each of the employer's workplaces. I believe those are very reasonable requests. Perhaps this is one area where we can have an all-Party agreement at report stage in the House.

As further evidence, I want to refer to a speech made by a distinguished former Member of the House, Gordon Fairweather, who is now Chief Commissioner of the Canadian Human Rights Commission. I have a copy of notes that he used in a speech made on February 4 at the international conference at the Weston Hotel.
He said:

> Returning to my example, we would use the investigation powers of the Canadian Human Rights Act to find out why women were under-represented and what was being done about it. We would conduct interviews and study the relevant documents, including a second kind of information contemplated in the Employment Equity Act—the action plans that employers are expected to develop for ensuring that the target groups are fairly represented in the workforce.
>
> Perhaps we would find that women were applying for these jobs—

Second, he says:

> In these and like cases, the complaint would prove to have been superfluous. So I would like to make a pitch here. There is no legal requirement on you under the Employment Equity Act to let us see your action plans. The legal requirement comes under the Canadian Human Rights Act after a complaint has been filed. But I believe it would be as useful to you as it would be to us if you made your plans available to us informally, on request, before the complaint stage. We would both be spared the trouble of some unnecessary complaints.

Mr. Fairweather, the Chief Commissioner of the Canadian Human Rights Commission, is saying that he would appreciate the possibility of having these action plans made public, or at least made available to the Canadian Human Rights Commission.

In another statement relevant to making the action plans public, Mr. Fairweather states:

> Since they are on the public record, reports filed under the Employment Equity Act would be an element in this judgment. This is the state at which an informal look at action plans would help us screen out unnecessary complaints.

He is reiterating the necessity for looking at the action plan.

I support this amendment because it would make those action plans public so that the Human Rights Commission could see them. The action plans should be public so that the employees in a particular industry would have a chance to see them, and they should be public so that the Canada Employment Centres across the country could see what is in those action plans.

S.O. 21

What good is an action plan if it is to be secret and kept at the premises of the employer for several years? One of the values of an action plan is that it be made available to the other parties involved in achieving the goal of employment equity. If it is available to everyone there is a greater chance that employment equity will be achieved. May I call it one o'clock?

[*Translation*]

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

At 1 p.m. the House took recess

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

PHARMACEUTICAL INDUSTRY

EVENTUAL RISE IN DRUG PRICES—CONSEQUENCES FOR WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to express my concern about the legislation pertaining to drugs which the Government is expected to announce shortly.

It has referred to the possibility of creating new jobs, through negotiation, in the pharmaceutical industry by guaranteeing a monopoly to companies which manufacture trade mark drugs against an increase in the prices of drugs.

Before a decision is made, I want to indicate to the House just how concerned I am about a possible increase in the prices of drugs. Women will probably be very much affected by such a legislation. A large percentage of them are users of drugs, either for themselves or their children, and the older they are, the poorer they are.

When we know that single parent families headed by women live below the poverty line will suffer the most because of the social and economic policies of this Conservative Government, we cannot denounce too strongly any possible increase in the prices of drugs that the Government is said to be about to go ahead with and which would be bad news indeed for women.

* * *

[*English*]

EXTERNAL AFFAIRS

LIBYA—SAFETY OF CANADIAN CITIZENS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, concerned and thoughtful people everywhere condemn terrorism in all of its forms and seek viable solutions to end it. So, too, must we as responsible parliamentarians seek ways and means to stop the escalation of these hideous international terror tactics.

Today, however, our concern must lie with the welfare, security, and safety of the 1,300 Canadian citizens living and working in Libya whose lives have been placed in considerable peril. The Canadian Government and Parliament must give the utmost priority to all actions and initiatives which will reduce this risk to Canadian lives in Libya and nearby areas.

We call upon the Government, Parliament and, indeed, all Canadians to work together at this very tense and critical moment to accomplish whatever is necessary to bring about an expeditious end to these events of fear and bloodshed.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN NORTHERN NEW BRUNSWICK

Mr. Albert Girard (Restigouche): Mr. Speaker, I rise today to ask the Government for some action on behalf of my constituents. We in northern New Brunswick want to participate in the great recovery Canada is experiencing at present. In general the Progressive Conservative Government must be commended for its achievements in combating unemployment. We have only just begun and already the unemployment rate has dipped to its lowest point since March, 1982.

Unfortunately, Restigouche has not enjoyed the benefits of this national recovery and I am now asking for some relief before it is too late. The most recent statistics show northern New Brunswick with an unemployment rate of 25.6 per cent. This figure is tragic enough in itself but the real unemployment rate is much higher if one considers those who have just given up trying to find work. In reality it is probably closer to 40 per cent. We need help, and we need it immediately.

* * *

CANADA POST CORPORATION

CLOSURE OF ST. LAWRENCE SEAWAY POST OFFICE

Mr. Joe Reid (St. Catharines): Mr. Speaker, we all appreciate the necessity of Canada Post operating on a cost efficient basis, but consider, Mr. Speaker, a town of 10,000 persons being cut off from mail delivery service. In effect that is what happened when the only Canada Post operated post office along the St. Lawrence Seaway was closed, cutting off for many seamen the only contact they have with their families and business and commercial interests.

The Marine Post Office on the Welland Canal was the only address sailors on the Seaway knew. It was there to serve the ordinary postal needs of Canadians who worked the ships on the world's greatest inland waterway. There are many other

ways for Canada Post to save money. The Seaway is not dead yet, so why does Canada Post act as though it were? Business improves with better service, not poorer service. Restore the Marine Post Office that has been serving the Seaway for over 20 years.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MODIFICATION OF BENEFITS—UNHAPPINESS OF EARLY RETIREES IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Since January 1 of this year, Mr. Speaker, all those who took early retirement and receive a pension are no longer entitled to their full unemployment insurance benefits.

Last week in Oromocto, New Brunswick, I attended a meeting of early retirees who are opposed to the Government decision, rightfully denouncing this unfair treatment. First, they paid their unemployment insurance premiums throughout their active life. Second, they were not even consulted, let alone given sufficient notice of this change. Finally, the issue was not debated in the House of Commons.

These early retirees are so upset that they are prepared to travel all the way from New Brunswick to Ottawa to protest against this new measure, a clear indication that it is a bad and unfair decision!

* * *

THE LATE SIMONE DE BEAUVOIR

Mr. Svend J. Robinson (Burnaby): Following the death of the French writer, Simone de Beauvoir, on behalf of the New Democratic Party I would like to pay special tribute to the author of The Second Sex, Old Age, and many other famous works, and the extraordinatry contribution she made. It was Simone de Beauvoir who said that to leave one's mark in the world, one had to be of this world. We shall remember her, not only for the spirit of her feminist writings but especially as one of the greatest philosophers of our time, and, with her companion, Jean-Paul Sartre, as the greatest defender of the Left in France. She was fond of quoting these words by Dylan Thomas: "Do not go gentle into that goodnight. Rage, rage against the dying of the light". Her light will continue to shine for us all.

S.O. 21

FORESTRY

EDUCATION—GOVERNMENT'S POSITION

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, at the annual meeting of the Forest Industries Council, the Minister of State for Forestry (Mr. Merrithew) announced an allocation of $6 million to maintain our support to the forestry education program. This program is comprised of four elements, as follows: subsidies to universities, $2 million; scholarships, $605,000; research and development contracts, $1.2 million, and student employment, $1.3 million.

Six Canadian universities with forestry departments will receive over $2 million to improve their training resources for forestry graduate studies. In addition, the Canadian Forestry Service has set up a scholarship program to help 50 second- and third-level students and has also allocated $1.3 million to job creation under the Summer Employment Program for 300 forestry students. This is good news for the forestry students of Kamouraska—Rivière-du-Loup. The forest industry plays a major role in the economy of my constituency.

* * *

• (1405)

[*English*]

CANADIAN BROADCASTING CORPORATION

CUTS IN NETWORK PROGRAMMING CONDEMNED

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, CBC President, Pierre Juneau, announced that the CBC will have a $48 million shortfall in its annual budget, despite a $22 million increase in its grant from Parliament and an increase in advertising revenues.

In a period of fiscal restraint the last thing a private sector firm would do is cut its product line. Would Campell's cut out tomato soup? Yet Mr. Juneau has ordered the cutting of 122 hours of network TV programming, including Toronto's CBLT *Morning*.

Rather than slashing at its product line, the CBC should consider trimming some of the excess fat in senior management. If the CBC is serious about its commitment to expenditure reduction and long-term survival, then its quality programming should be the last thing to go.

Is nothing sacred? Barbara Frum, you could be next!

Some Hon. Members: Oh, oh!

S.O. 21

LABOUR CONDITIONS

DECLINE IN UNEMPLOYMENT

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, unemployment is falling in Canada faster than almost anywhere else in the industrialized world. Our rate of decline in unemployment is faster than in Australia, France, West Germany, Italy, Japan, Spain, Sweden, Switzerland, the United Kingdom, and the United States. Only Belgium has been cutting its rate of unemployment faster than Canada. Britain, Italy, and Spain have actually had an increase in unemployment.

We still have a long way to go insofar as this blessing is distributed unevenly across the country. However, there are regions where unemployment is between 6 per cent and 7 per cent. The Government is coping effectively with the problem of unemployment, the greatest challenge it faced when it took office. We are doing it in the most effective way—the private enterprise way—by building a climate of confidence in which people can invest and make job opportunities.

* * *

MEMBERS OF PARLIAMENT

ALLEGED RACIAL SLUR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, actions speak louder than words. Last Saturday we saw the actions of the federal Government with respect to the conference on multiculturalism. However, we see that its actions in another matter show that it is really not concerned about the Canadian people as per the following letter which states:

Dear Prime Minister Mulroney:

We wish to add our voices to a matter of great concern to all Canadians of Italian heritage. The recent incident of a slanderous and bigoted remark directed by the Member for Nunatsiaq at the Member for Bourassa in the House of Commons has not been resolved to our satisfaction. The name-calling—only continues to perpetuate a mythical association of a large group of Canadian citizens with criminal activities. As lawyers and as Canadians we cannot tolerate such prejudicial assertions from our legislators.

The damage—has been done, not just to Mr. Rossi's reputation, but to the Canadian-Italian community—a full apology by Mr. Suluk specifically for the remarks—and your public condemnation of his remarks would be an acceptable means of communicating to all Canadians that statements tending to slander a community will not be tolerated in Canada. Further, a strong statement from your office, may dissuade public—

Mr. Speaker: Order, please. Sixty seconds.

• (1410)

EXTERNAL AID

GUATEMALA—CONTINUATION OF CANADIAN AID URGED

Mr. Dan Heap (Spadina): Mr. Speaker, Guatemala's people have lived under a brutal dictatorship since the United States invasion of 1954. Four out of five Guatemalan children under age 5 suffer from malnutrition because the farmers, mostly Indian, have been driven out of the fertile plains by armed landlords' gangs.

The U.S. armed terror that kept the people from peaceful change or guerrilla war has cost over 100,000 dead and 38,000 have disappeared. GAM, a group of relatives of the disappeared, bravely demands searches for relatives. The newly elected Government of President Cerezo is trying to restore a just and workable economy and to defend human rights, but it does not yet control the army and political violence has not yet ceased.

Canada won high praise for helping 769 refugees to escape from Guatemala in 1985, and for aiding church-based groups helping the families of murdered farmers to re-establish their livelihoods. I commend the Canadian Government for its help to Guatemala and urge that this help be extended.

* * *

CANADIAN PACIFIC RAILWAY

RESTORATION OF PENSIONERS' RAIL PASSES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the issue of pass cancellations for former employees of CP Rail has come to a very successful conclusion. The President of CP Rail has advised all former employees, in a letter dated April 9, 1986, that they will now have the choice of having their CP Rail passes reinstated or continuing on with the health plan which was substituted for the pass. The important thing is that the people directly affected now have a choice and can make this decision.

The old adage that each journey begins with a single step certainly holds true in this instance. I would like to acknowledge the efforts of my colleagues, the Hon. Member for Cochrane—Superior (Mr. Penner), the Hon. Member for Nipissing (Mr. Mantha), and particularly the Hon. Member for Timmins—Chapleau (Mr. Gervais) who arranged the meeting with the President of CP Rail. I would also like to commend the President of CP Rail for the role he played in this policy change.

EMPLOYMENT

CREATION OF JOBS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, today I want to talk about that area in which the Conservative Government excels: jobs, jobs, jobs. Five hundred and seventy-four thousand jobs have been created since the election, including 437,000 in the past 12 months. The unemployment rate has declined to 9.6 per cent compared to the 11.7 per cent it was on election day. The number of unemployed has fallen by 227,000 since September, 1984.

Since the election, employment has increased in every Province of Canada. By George, Mr. Speaker, if we get any better at creating jobs we will never be able to find sufficient people to fill them all!

Mr. Speaker: There being no further statements, we will move to Oral Question Period.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

UNITED STATES-LIBYA CONFRONTATION—SAFETY OF CANADIAN CITIZENS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put a question to the Prime Minister on the Libyan crisis. He said in a statement this morning to Canadians that his prime concern all along has been the safety of Canadians. What did he do between one o'clock yesterday afternoon when he first learned of the intended American action and seven o'clock last evening, our time, when the action was taken in concrete fashion, to assure the safety of Canadians in Libya?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to respond to my right hon. friend, but inasmuch as the Minister of National Defence and Deputy Prime Minister had specific responsibilities in that area, perhaps he might accept a response from the Deputy Prime Minister.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, our putting in place of contingency plans started happening a good deal before one o'clock yesterday afternoon at which time I met, in the absence of the Prime Minister, with the President's special envoy. I can assure the right hon. gentleman that those plans are in place and have been for some days.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT ADVISE CANADIAN WORKERS IN LIBYA TO RETURN TO CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this question is directed to the Prime Minister. For perhaps three or four weeks now he has been telling Canadians working in Lybia that the decision was entirely up to them. Now, here is my question to the Prime Minister: In light of the present situation, why does he not advise Canadians working in Lybia to return to Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition has been saying that for three or four weeks. Indeed, if my memory serves me right, I made a statement on January 10, 1986, saying that "according to our best information, Canadians in Lybia are not under threat for the time being, but the Government feels that those who work there would be well advised to assess their own situation in light of current events, with a view to determining whether they might justifiably fear for their security".

Since then we have had an opportunity to consider our position in that respect and to urge all Canadian citizens to take any means deemed appropriate. We were also fully aware of the question of security of Canadian citizens, and we have set up security measures to assist them.

Mr. Turner (Vancouver Quadra): Mr. Speaker, on the basis of the statement just quoted by the Prime Minister, Canadians in Lybia are quite free to make their own decision. I would suggest that perhaps the time has come to ask Canadians to return to Canada. In any event—

• (1415)

[*English*]

INTERNATIONAL ECONOMIC MEASURES

Right Hon. John N. Turner (Leader of the Opposition): My third question is directed to the Prime Minister. In his statement this morning he talked about a negotiated settlement to reduce tensions in the Middle East. Why does he not propose international economic measures which would act as a better substitute for future military action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed we have done precisely that. If my right hon. friend will take the time to consult the statement of January 10, 1986, he will see that the Government of Canada set out a number of economic measures that it was taking as a way of conveying to Libya its disagreement with any kind of terrorist activity directly or indirectly associated with that state.

Canada as a civilized country sought to convey in a peaceful and, we hope, thoughtful way our deepening concern with actions taken by that state. We considered that these were, as my right hon. friend would agree, important conditions prior to any other avenues being explored. We took those measures because we believed they were an important but non-bellicose

manner of conveying a very important message about the fact that there ought not to be any sanctuary for those who export terrorism against civilized people.

FORTHCOMING OECD MEETING

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister. In two days' time the Secretary of State for External Affairs will be meeting with representatives of 24 other countries in Paris at the meeting of the OECD. Will the Government use this unique opportunity to put forth concrete proposals for co-ordinated action against international terrorism? Will it show leadership in this way to help prevent further escalation of the current crisis situation?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker. The very distinguished Secretary of State for External Affairs, who has just completed a successful tour and working visit throughout the Middle East, will be bringing his suggestions and his good influence to bear on this problem at upcoming meetings later today and tomorrow.

FORTHCOMING TOKYO SUMMIT

Hon. Herb Gray (Windsor West): Mr. Speaker, could the Prime Minister share with the House the nature of these suggestions? Will he also undertake to use the opportunity provided in some three weeks' time by the Tokyo Summit of major nations to bring about and show leadership in respect of co-ordinated action against the rise of terrorism and the risk of escalation of world violence?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, pursuant to our statement on January 10 I began a series of meetings—and I believe it was on January 12 or thereabouts—with Prime Minister Nakasone to develop and to set forward Canada's views and a program which might very well be considered by the Summit in Tokyo in the first week of May, in the event of that group being seized or being desirous of being seized of a program which the allies could implement. I have had occasion to discuss this with Prime Minister Nakasone, President Mitterand, and President Reagan.

● (1420)

We will bring forward our ideas and those of our colleagues, friends, and Members of this House. It is a burning and vital issue to be resolved on the side of sanity and civilized conduct.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER WILL PARTICIPATE IN SPECIAL DEBATE ON SAFETY OF 1,300 CANADIANS WORKING IN LIBYA

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

Does he intend to participate directly in the discussions concerning the situation in Libya generally, but more specifically to take part in tonight's emergency debate on the safety of 1300 Canadians in that country?

The Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I take part in all Government decisions concerning this matter. I met last night with the Deputy Prime Minister. I met this morning my colleagues of the Cabinet. About 11 o'clock this morning, I met the Press Gallery. I am in the House today to answer questions. If possible, I will have the opportunity to participate in other debates, but I do not know whether I will be in the House this evening.

[*English*]

Mr. Broadbent: Mr. Speaker, given the gravity of the situation, I find that answer a little disappointing. Margaret Thatcher, the Prime Minister of Great Britain, not only answered questions throughout Question Period today but will be participating in a thorough debate and discussion in the British House of Commons.

COMMUNICATIONS WITH LIBYAN AUTHORITIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, has the Government of Canada been in contact with Libyan authorities in the last 12 to 15 hours to discuss, directly with them, the security of the Canadians, and to ensure that those Canadians who want to leave Libya will have no trouble doing so?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, to the extent that there would have been communications between our envoys and the representatives of the Government of Libya, which I suppose took place, yes, there would have been communication. Our primary concern from the beginning has been the welfare of Canadians in Libya. The Government of Canada has taken, through diplomatic and other initiatives, every possible measure to ensure that it is being helpful. We have received good reports from our representatives on site, and we continue to be encouraged by the situation in which Canadians find themselves.

POSSIBLE DEPARTURE OF CANADIAN CITIZENS FROM LIBYA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, perhaps the Prime Minister himself was not directly involved in discussions with the Libyan authorities. I would understand that. He did not answer my question directly, but perhaps he, or the Deputy Prime Minister, who has immediate responsibility for the situation, could tell the House if the Government, very specifically, has been in discussion with the Libyan Government about the possible exodus from Libya of Canadians who may want to leave. Has that question been raised with the Libyans? Have we received assurances that any Canadians who want to leave will be able to do so? Also, has the Canadian Government made transportation facilities available for Canadians to leave, if they so wish?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no reason to conclude other than that Canadians in Libya are safe. They are in no way existing under any threat, and it would not be useful to convey any message other than to repeat what the Prime Minister said in the House last Friday and in his press

conference. With respect to the contingency plans which are in place, I am sure that the hon. gentleman would agree that it would not be in the best interest of security to discuss those in detail because they, themselves, might be jeopardized.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM UNITED REPUBLIC OF CAMEROON

Mr. Speaker: Order, please. May I draw to the attention of Members to the presence today in our Gallery of a delegation from the United Republic of Cameroon, led by His Excellency Benjamin Itoe, Minister of Justice and Lord Chancellor of Cameroon.

Some Hon. Members: Hear, hear!

* * *

AIR SAFETY

REQUEST THAT DEPARTMENT OF TRANSPORT HAVE COMPLETE CONTROL

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Transport who announced yesterday a number of steps to reinforce security.

Why did not the Minister take these steps immediately following the Air India tragedy, and especially why did he not announce yesterday immediate steps such as giving his Department full control over airport security and the hiring of all security personnel?

• (1425)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member knows that a number of measures were implemented after the Air-India incident. Furthermore, assessments and audits of all of the major Canadian airports were conducted, deficiencies identified, and corrective measures were being taken. The point the Hon. Member refers to with respect to Transport Canada taking over the security screening, as I indicated earlier, is an option which can be considered. However, I do find it rather strange that the Hon. Member, as a supporter of the Government which put the existing system in place, now finds it convenient to be opposed to that system which he supported as little as 18 months ago.

[*Translation*]

DEGREE OF TRAVELLING PUBLIC'S SAFETY

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister seems to forget that there is now a level of international terrorism which did not exist at the time.

I ask the Minister, who promised on three occasions to the travelling public to reinforce the security, to assure today to the same travelling public that it is now completely safe to go to airports and that the 30 to 60 day delay which he is suggesting is not a way of telling them: "Until then, travel at your own risk".

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am glad the Hon. Member cracked a smile when he made that statement. He knows full well he could not say what he said with a straight face. Is air travel safe in this country? I can only say that we are taking every step we possibly can in a collective manner, with the co-operation of the airlines, the RCMP, the unions and all concerned, to ensure the utmost safety to the travelling public.

* * *

EXTERNAL AFFAIRS

UNITED STATES-LIBYA CONFRONTATION—CANADIAN POSITION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I would like to ask the Prime Minister at what point the U.S. consulted with Canada about the proposed military action against Libya, and did the Canadian Government at that point suggest alternatives to military action? If so, what were they?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as was contained in the Prime Minister's press release yesterday, we have been in touch all along. The meeting yesterday at which I was briefed was the culmination of a long series of intense consultations which at one time or another have included the Prime Minister, President Reagan, Secretary Shultz, Secretary Weinberger, the President's National Security Adviser, Vice-Admiral Poindexter, as well as the Secretary of State for External Affairs and, indeed, the Minister of Finance and myself.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, there was no cause for concern last Friday apparently. Therefore I am wondering if the Deputy Prime Minister can tell us if the Canadian Government in the interval presented alternatives to military action. If so, what were those alternatives?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I want to reiterate that, with respect to the

safety of Canadians in Libya, there is still no evidence of any threat. To say otherwise would be to raise undue alarm. I think the moderate response of the Prime Minister last Friday is the proper message to be conveyed to Canadians in Libya. Of course there are always alternatives, and again the Prime Minister pointed that out in his statement of last January 10 as he did last Friday and also today.

• (1430)

FREEDOM OF CANADIANS TO LEAVE LIBYA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Deputy Prime Minister has assured the House twice in the last few minutes that there is no reason to believe anything other than that Canadians are safe in Libya. We welcome that assurance. Why then is the Minister reluctant to assure the House that, indeed, Canadians are free to leave Libya at will and that, indeed, the Government of Canada has secured from the Libyans the ability for Canada to fly planes into that country and to take our people home?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman distorts what I said. I said that there is no evidence of any threat to Canadian citizens in Libya. That is not inconsistent at all with the statement of the Prime Minister on January 10 and again last Friday, urging Canadians in the circumstance to re-examine their own safety and act accordingly. Again, with respect to contingency plans, surely the hon. gentleman realizes that to discuss any details of any such plans would prejudice the very plans themselves.

POSSIBLE EVACUATION OF CANADIANS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): There is an inherent inconsistency in the Deputy Prime Minister's answer. Given there is no reason to fear for the safety of Canadians according to the Deputy Prime Minister, and given that the Deputy Prime Minister says they can come home at will, has the Deputy Prime Minister assured himself, by discussing directly with representatives of the Government of Libya, that Canada is able, if Canada desires, to fly into that country with aircraft and to bring home those of our people who want to come home, directly and safely?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The answer to that, Sir, is at this moment there is no reason to anticipate that we would not be able to do that. If the hon. gentleman has difficulty in understanding what was said let me refresh his memory with a direct quote from the Prime Minister of last week:

> We would recommend those Canadians in Libya that they might want to reassess their position very carefully and determine whether they have grounds for additional anxieties about their security.

The ordinary methods of travel are still providing ingress and egress from the commercial airports in Libya, and Canadians can come to their own conclusions with respect to their own personal circumstances.

REPORTED STRIKE BY LIBYA AGAINST UNITED STATES COMMUNICATIONS BASE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Deputy Prime Minister. Does the Deputy Prime Minister have any concrete information that there was a follow-on strike by Libya against U.S. installations somewhere in the Mediterranean, a communications base south of Sicily?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Government has had reports, Sir, as yet unconfirmed in a hard way, that a small island some 60 kilometres south of Malta, Lampedusa, and an American telecommunications establishment on that island, were attacked. The unconfirmed reports from the Italian Government are that there were no casualties and the attack was of a minor nature.

POSSIBILITY OF RETALIATION FOLLOWING UNITED STATES ACTION

Mr. Derek Blackburn (Brant): Based on the Deputy Prime Minister's answer, would he not agree then that the use of force by the United States is possibly leading to retaliation, forceful military retaliation, which is the very thing that President Reagan wishes to avoid and wishes to bring to an end in that part of the world?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not make the assumption that the initial reports with respect to Lampedusa are confirmed, which the hon. gentleman may mistakenly have been doing. Let me say that the Government has made it clear many times in the past that terrorism, as the Prime Minister said in his statement today, is reprehensible and evil, an evil which all members of the international community must work to eliminate. The United States was seeking to do precisely that, and Canada supports that objective.

* * *

PHARMACEUTICAL INDUSTRY

PATENT LAW AMENDMENTS—GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): My question is directed to the Minister of Consumer and Corporate Affairs. Has the Government decided to delay tabling changes to the pharmaceutical patent Act because senior Ministers in the Mulroney Government have finally come to the conclusion that its approach to free trade negotiations with the United States on an item by item basis has seriously damaged Canada's bargain position?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I will merely repeat that the Government has always maintained its intentions of developing policies to promote job creation and investment in Canada. Those policies will also apply to the pharmaceutical industry. When we are ready, we will announce our decision to that effect.

[*English*]

CANADA-UNITED STATES TRADE NEGOTIATIONS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would you not agree that by dismantling Canada's National Energy Program and by allowing the Prentis-Hall buy-out by Gulf Western, and now by tabling changes to the Patent Act affecting pharmaceutical industries, you are going to leave Canada with very few bargaining chips left on the table when you get into serious negotiations with the United States?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, in my opinion the record of this Government speaks by itself. The number of jobs created and the many investments made during the past 18 months rightly prove the efficiency of this Government in the statement of its various policies.

* * *

[*English*]

EXTERNAL AFFAIRS

UNITED STATES-LIBYA CONFRONTATION—SAFETY OF CANADIAN CITIZENS

Mr. Ian Deans (Hamilton Mountain): My question is directed to the Prime Minister. Did the Prime Minister know on Friday that the United States intended to launch an attack on Libya when he said in the House of Commons that "there is no immediate cause for undue concern for Canadians"?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would like to remind the hon. gentleman that it was I, on behalf of the Prime Minister, who met with the special envoy in Ottawa in the absence of the Prime Minister. I have been involved throughout. It would not be helpful, to begin with, to respond to cross-examination as to when the Government knew what, and when it did not know something else. The fact is that we were fully and continuously consulted throughout. That is a refreshing, historical first, I would think.

PRIME MINISTER'S KNOWLEDGE OF UNITED STATES INTENTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to ask the Prime Minister, since the words that I quoted were his words given in the House on Friday, did the Prime Minister know on Friday, when he said that there was no immediate cause for undue concern for the safety of Canadians—did he know at that time that the United States intended to launch an attack on Libya?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I indicated what I did in the House I was aware of certain information beyond which I would not want to go, nor would I think my hon. friend would ask me in these circumstances to set out publicly. I can tell my hon. friend that we have conveyed on an ongoing basis our deep concerns about the safety of Canadians. We put forward political views as to certain options, and we remained in close touch and consultation with our American allies.

BOYCOTT OF COMMERCIAL FLIGHTS TO LIBYA

Right Hon. John N. Turner (Leader of the Opposition): I would like to comment upon that question from the Member for Hamilton Mountain. I would like to direct my question to the Prime Minister or the Deputy Prime Minister. When that statement was made on Friday we did not have the current crisis. Now what the people in this country want to know is how can Canadians in Libya get out? There are no regular air flights into Libya any more; the International Federation of Air Line Pilots has boycotted it. How do we get them out? Do we have any undertaking from the Government of Libya that Canadian planes will be able to fly in and get our people out?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is precisely the detail which would be prejudicial, I think, to discuss in public. I can assure the right hon. gentleman that we have, on the ground in Libya, consular personnel in a well established system, which was in place when he was in Government, and they are in positive contact with Canadian citizens. If those Canadians express a wish to leave, the means are there to effect their departure.

* * *

• (1440)

AGRICULTURE

GRAIN FARMERS—GOVERNMENT CONSULTATIONS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. Yesterday in the House the Minister indicated that he recognized that Government action, including the stabilization payment, was inadequate to meet the farm crisis. He went on to say that the Government was quite prepared to do more. We thank the Government for that commitment.

Has the Minister or his colleague met with the wheat pools in the Prairies, the Wheat Growers' Association, the Farmers' Union and other farm organizations, to determine the best

course of action the Government can take to deal with the crisis in grain growing?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, beginning in January and February I had meetings with all of the pool presidents, the presidents of the grain companies and other industry people in the west to discuss this very situation and try to make sure that everyone basically understood the situation as we saw it in the Government, and attempted to make sure everyone understood the serious situation that we faced internationally.

As we said yesterday in Winnipeg, I realized that it could be more, on an individual farmer basis. In fact we would like to make it more. However, when one considers that $580 million is going into circulation at the beginning of the planting season, it will be of significant benefit to western Canadians in putting their crop in the ground this spring.

DEFICIENCY PAYMENTS OPTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in his discussions with these organizations now and in the future, will the Minister make deficiency payments for low prices that we expect for grain one of the options for dealing with the crisis?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, it is true that the amount of money that was announced yesterday under the Western Grain Stabilization Act is for the present crop year. We have yet to plant and harvest the crop for which initial prices were announced a week ago. I do not believe we want to get totally ahead of ourselves.

The amount of money that could potentially come from the Western Grain Stabilization Act next year could be substantial. Again we would like to point out that it was this Government— and we should give some credit to both opposition Parties—that amended the Act to allow for this kind of funding to be available when it is most needed by prairie farmers, that is, prior to spring seeding.

I might add that we hope to have those cheques in the mail as early as Friday, and by the end of next week at the very latest. It will be well before May 1.

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MULTICULTURALISM

TORONTO CONFERENCE—PROGRAM FUNDING

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. At the conference in Toronto last Saturday, concern was expressed by members of some ethno-cultural organizations that the new initiatives being taken in multiculturalism and business will draw resources away from some good programs existing in Multiculturalism Canada. Will the Minister tell the House whether these concerns are justified?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, indeed the conference was a smashing success. It resulted in many positive recommendations, new thrusts and new opportunities which came forward from the delegates who represented all parts and all regions of the country.

I can assure the Hon. Member that none of these new opportunities or new thrusts which we are in the process of discussing with the ethno-cultural community will take anything away from the very positive existing programs. Rather, they will complement our commitment to provide equality of opportunity to all Canadians in all areas of the economy and Canada as a whole.

* * *

[*Translation*]

OFFICIAL LANGUAGES

MINORITIES—REQUEST FOR ROYAL COMMISSION OF INQUIRY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister. Today, we received the Fifteenth Report of the Commissioner of Official Languages, and there are a number of serious problems with official languages policies and programs, both with respect to the provision of services and the policies of this Government.

The situation of official language minority groups is a critical and disastrous one. Are you prepared to ask today for a Royal Commission of Inquiry that will examine this whole subject with a view to providing quick and effective solutions to the problems we are having at the provincial level?

Right Hon. Brian Mulroney (Prime Minister): I assume my hon. friend is referring to the report of the Commissioner of Official Languages. Of course. Last year, Mr. Speaker, upon receiving the report, I set up a committee of Senior Deputy Ministers to deal with this problem and to outline an action program that would promote the development and expansion of Canada's two official languages and their use on a daily basis. I am pleased to inform the Hon. Member that the committee has submitted a report. We are now at the ministerial level, and I think that in the near future, the Government will be in a position to make some important announcements with respect to this second facet, if you wish, of an action program to promote official languages.

FEDERAL EMPLOYEES' RIGHT TO WORK IN FRENCH OR ENGLISH—UPPER MANAGEMENT—MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, considering the right of federal public servants to carry on their daily work either in French or in English, and considering that the Commissioner of Official Languages has criticized the Prime Minister's Office, levelling rather severe criticism at his senior Staff—the Commissioner says that ten out of eleven

senior Staff members are Anglophones—what does the Prime Minister intend to do to take corrective action at the top and thus set an example for others, and show that employees can work in either English or French in federal offices?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am afraid I did not see the Commissioner's comments regarding this particular allegation. I think it is public knowledge that with Paul Tellier, whom I appointed Clerk of the Privy Council and Bernard Roy, who is my Chief of Staff, and with whom I work regularly, that as a result of this situation, in the course of a normal working day—aside from Cabinet meetings and my presence here in the House—about 70 per cent of my work in the course of the day is done in French. I think that is not only normal but desirable, and I am prepared to explain and defend my point of view at any time, before the Commissioner or anyone else.

Some Hon. Members: Hear, hear.

* * *

[*English*]

PHARMACEUTICAL INDUSTRY

CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Prime Minister. It was reported on CBC television news last night, and confirmed in Washington today, that the introduction of the Canadian Government's generic drugs Bill has been delayed until after the vote by the U.S. Senate Finance Committee on the proposal for free trade talks. Since this clear linkage between free trade and generic drugs was explicitly denied by the Minister for International Trade in the House yesterday, will the Prime Minister explain that statement and inform the House of other free trade preconditions demanded by the U.S. administration and Congress?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Minister for International Trade clearly spelled out the Government's position yesterday. If his position is inconsistent with the CBC, so be it.

POSSIBLE PATENT LAW AMENDMENTS—EFFECT ON CONSUMERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. Since it has already been disclosed that the generic drug Bill will contain no legal requirements that the multinational drug companies increase their Canadian investment in research, will he explain how these continuing concessions will do anything for the Canadian consumer who may be faced with paying an extra $100 for each new prescription for the next 10 years?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I suggest that the Hon. Member wait until we make the announcement on this policy before making any comments on any rumours of that kind.

* * *

• (1450)

AGRICULTURE

INTRODUCTION OF AGRI-BONDS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of Agriculture. When will the Minister release the decision on the 6 per cent agri-bonds which we promised during the election campaign?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is an excellent question, I can assure you of that.

Some Hon. Members: Oh, oh!

Mr. Wise: Perhaps I should go back and remind my hon. friend and colleague that, consistent with our campaign commitment, we referred that and two other items to the appropriate standing committee. That committee reported on those three items and, with respect to the specific item raised by the Hon. Member, the agri-bond issue, it is currently being discussed, in the over-all context of the farm finance issues, between myself and my provincial colleagues.

* * *

OFFICIAL LANGUAGES

COMMISSIONER'S ANNUAL REPORT—CRITICISM OF GOVERNMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Prime Minister. This morning the Commissioner for Official Languages tabled his annual report in which he criticized the Government for its lack of commitment to language equality. He said: "Last year we called for renewal but so far no real action has been taken". When will the Prime Minister table his renewal program and his amendments to the Official Languages Act?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, unless I am mistaken, I think the critical remarks to which my hon. friend refers were addressed to past Governments, plural.

Mr. Allmand: Oh, no, last year.

Mr. Mulroney: I said I believed so. I will take another look at it and we will see.

I indicated publicly after the last report that I would designate a senior committee of senior Deputy Ministers, which I did, to prepare amendments to the Official Languages Act in order to ensure that vital piece of legislation was strengthened and enhanced and adapted to new conditions and requirements. That has been done.

The work is now at a senior ministerial level. It will go to Cabinet and will be introduced in the House at the appropriate time, and it will be of benefit to the country.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Commissioner said there were some immediate problems to deal with, and I quote again: "Are we to suppose the Government can't walk and chew gum at the same time?" How and when is the Government going to deal with the Commissioner's criticism against CNR, Petro-Canada, Agriculture Canada, CMHC, the Prime Minister's Office, National Defence, Correctional Services of Canada—and I could go on and on? When is the Government going to deal with these criticisms in the report?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, while we will work very, very effectively to protect and promote the interests of minorities, the English-speaking minorities in Quebec and the French-speaking minorities across the country, with enthusiasm and vigour, I can assure the hon. gentleman that I have no apologies to make to anyone about my stand and the stand of this Government in regard to protecting linguistic rights.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

HANNA SHOE COMPANY IN SHAWINIGAN—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion.

Last week I was in Shawinigan, in the constituency of Saint-Maurice, and I met workers from the Hanna Shoe Company which closed down temporarily on February 14.

My question is this: Since the company has already received federal grants, what steps does the Government intend to take now to find a solution and thereby prevent the permanent shutdown of that major industry in the constituency of Saint-Maurice?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the situation to which the Hon. Member refers is only one of such situations we are now living with in the footwear area. I can only assure the Hon. Member that we have the situation under review and, hopefully, we will be able to come up with a solution to keep the plant open.

[*Translation*]

REQUEST THAT MINISTER MEET COMPANY MANAGEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, there are 250 workers in that industry. Does the Minister intend to meet personally with the management of the Hanna shoe company in Shawinigan, in order to find a solution to that most important problem?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if it would be helpful, of course, I have no objection to meeting with those who might want to meet with me, including representatives of the workers, although I want to caution the Hon. Member that some footwear companies are doing comparatively well at the present time, while others are in difficulty. I think our Department can perhaps be most helpful in ensuring that those which are not doing as well as others can at least be made aware of where the opportunities are in the footwear industry in Canada today.

* * *

CANADA POST CORPORATION

CLOSURE OF ST. LAWRENCE SEAWAY POST OFFICE

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister responsible in this House for Canada Post operations. Canada Post seems to continue to act as though service to the public is a secondary consideration. Is the Minister aware of the closing of the only post office which for 20 years has served the seamen and users of the St. Lawrence Seaway? What can be done to restore that service?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Yes, Mr. Speaker, I am aware of the closing of that post office. Unfortunately, we had to close it for different reasons, mainly because it was a seasonal office and had a very limited clientele. To achieve important savings we had to close that post office. However, I can assure my colleague that we are looking for a convenient alternative to accommodate the sailors.

* * *

ADMINISTRATION OF JUSTICE

TWO FRANCOPHONES' REQUEST FOR COURT TRIAL IN FRENCH IN NEWFOUNDLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Government likes to claim credit for firsts, and in that

connection I would like to ask the Minister of Justice why he authorized his officials to appear in a criminal proceeding in Newfoundland where two Francophone Canadians are seeking a trial in their official mother language and, for the first time since the Canadian official languages policy, argue on behalf of the federal Government that they should not be given their trial in their own official language of Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is misinformed. The position taken with respect to the trial in Newfoundland is that under the Criminal Code, under the legislation introduced in this House in 1977 or 1978 by the previous administration, of which the hon. gentleman was a Member, it was provided that both official languages will be used in criminal trials by agreement with the provinces, and those provisions would be proclaimed as the provinces were ready to provide the facilities.

At the present time there are a number of provinces which are not yet in the position to provide the necessary facilities. At the meeting of Attorneys General held in Vancouver in February, I urged the provinces to proceed apace with their preparations. They have agreed to meet with my Department and each set up a timetable of when they are going to accomplish this.

It is our policy that trials in both official languages will be available in every area of Canada as soon as possible. We are doing all we can to urge the provinces to reach that timetable under the legislation proposed by the hon. gentleman's Government.

Mr. Speaker: Order, please.

LANGUAGE BASE IN NEWFOUNDLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister knows that there is a Charter as well, and the argument which was made was partly based on the Charter. I ask the Minister again why the federal Government did not take the position of fairness in a case where a trial can be provided? The Minister knows that there is enough of a base in the province of Newfoundland to provide for a criminal trial to be conducted and adjudicated in the French language.

Why did the representatives of the Government which, the Prime Minister just tells us, stands up so strongly for official languages, not—

Mr. Speaker: Order, please.

Mr. Kaplan: Why does the Government not take the other side—

Some Hon. Members: Sit down.

Mr. Speaker: Order.

Mr. Kaplan: There should be a trial in French.

Mr. Speaker: Order, please. The Hon. Member's question is too long.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is really being hypocritical because, during the years of his Government, no action was taken by it to make it possible for there to be trials in French or English in Newfoundland and certain other provinces across the country.

We are now urging the Province of Newfoundland where, by the way, less than 1 per cent of the population speaks French, there are no judges at the moment who are bilingual—

Mr. Gauthier: What does that matter, John?

Mr. Crosbie: —to proceed apace and to sit down with us and agree to a schedule where the province will be able to grant trials in both French and English.

Mr. Tobin: What about my riding, the French area in my riding?

Mr. Crosbie: We are taking the position before the court that the present provision—

Mr. Speaker: Order.

Mr. Crosbie: —which allows us to proclaim this law—

Some Hon. Members: Sit down.

Mr. Speaker: Order. It is three o'clock. On a point of order, the Hon. Member for Hamilton East.

* * *

• (1500)

POINT OF ORDER

REQUEST FOR INFORMATION—CANADIANS IN LIBYA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order. I think that either the Prime Minister (Mr. Mulroney) or the Deputy Prime Minister (Mr. Nielsen) may have misled the House during Question Period today—

Mr. Crosbie: Sit down, Sheila!

Ms. Copps: —when they stated that no Canadians were at risk. There are reports from the press, which I think should be resolved, to the effect that there has been a Canadian diplomat picked up in Libya. I would like to get some more information—

Mr. Speaker: The Hon. Member is really raising a question for Question Period. It is not a point of order.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-62, an Act respecting employment equity, as reported (with amendments) from a legislative committee; and Motion No. 21A (Mr. Allmand).

Mr. Speaker: When the House broke at 1 p.m. the Hon. Member for Yorkton—Melville (Mr. Nystrom) had the floor. Resuming debate.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, what we are debating is an amendment put forward by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) which would make public the action plans of employers. When the Minister introduced the legislation she did not introduce any measures with respect to action plans at all. After a great many groups appeared before the committee the Minister introduced an amendment to the Bill to provide for action plans. However, these action plans are not to be made public. What is the purpose of having an action plan if it is not to be made public?

What we are calling on the Government to do is accept this particular amendment in order to make the action plan available to the workers in a plant or in industries which are affected by the Bill. We are also calling on the Government to make the action plans public to the Human Rights Commission. Gordon Fairweather, the Chairman of the Human Rights Commission, has said that he would like to have access to these particular action plans. Under this legislation they will not be made available. I call upon the House to listen to Mr. Fairweather. He is a distinguished Canadian, a distinguished former parliamentarian and a member of the Conservative Party. He is a very progressive member of that Party. I think we should accede to his wishes.

I wish to refer the House once again to the speech made by Gordon Fairweather in which he stated that the action plans of employees under this Bill should be made available to the Human Rights Commission. They should be made public. I agree with Mr. Fairweather's words. I agree with Motion No. 21A. I think it is a reasonable amendment to the Bill which has been introduced by a member of the Liberal Party. It is supported by ourselves. I think all reasonable members of the Conservative Party would have to support it as well. After all, the Conservative Party is the Party which campaigned for freedom of information. Why not support this motion to ensure these action plans are made public?

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I should like to draw the attention of the House to the amendment to Clause 5 of the Act respecting employment equity. It concerns the plan of goals to be prepared by the companies involved and the implementation of such plans to achieve a more equitable situation for the designated groups, the minority groups in our society, and people whose future is not very promising unless we take concrete measures.

Here is the amendment, and I quote Clause 5:

5. (1) An employer shall, in respect of each year, prepare a plan setting out (a) the goals that he employer intends to achieve in implementing employment equity in the year or years to which the plan relates; and (b) the timetable for the implementation of those goals.

And second, the reference to the retention of the plan.

(2) A copy of a plan prepared under subsection (1) shall be retained by employer at the employer's principal place of business in Canada for a period of at least three years after the last year in respect of which the plan is prepared.

Mr. Speaker, I find fascinating the suggestion that the plan be kept in a drawer or at the work place. But if we want real improvement, if we want the legislation to have more impact, if we expect more than pious wishes, if we do not want this to be a joke or the kind of academic exercise *à la* Harvard Business School, if instead we want it to become an open plan of action so that all people concerned will know what this is all about, then I think the amendments proposed by my colleague are very important. These amendments indicate what the employer must do. A copy of a plan prepared under subsection (1) shall be:

(*b*) communicated to the employer's employees and any existing bargaining agent; and

(*c*) made available to the Human Rights Commission, on request.

In my opinion, Mr. Speaker, at least that makes sense. Why go through that exercise if nobody is to know what it is all about? Why go through the motions if nothing comes out of it, if everything is done in great secrecy?

I simply fail to see why, at least during the three years after the last year of a plan, a plan should be prepared if nobody is going to see it. If it is to remain in a file or a safety vault, why waste the time of the major employers? In my judgment, it does not make sense at all.

[*English*]

The Bill, which did not originally promote action plans with targets and timetables, has been amended, at least in that sense. It is a substantive amendment. It is an amendment which only makes good sense. What on earth good is there in developing a plan to sit around a table in order to take a look at information from Statistics Canada and then file that information away in a drawer? No one will ever see it. For the life of me I cannot understand why the Government would not find this a logical follow-up on what seems to be the first of the two objectives under the plans in terms of goals to be prepared. It is the type of action which should follow on the heels of working on those plans.

Not only do plans need to be prepared, they must also be made available to the employees—the people involved in this whole process—and to the Human Rights Commission upon request. Unless employees and the target groups about which we are talking are aware of the new opportunities, then they

are unlikely to apply. It is as if the Government has looked only at voluntary measures. If this law is not applied to the principle of submitting these plans for revision, then there is no point in having them. If the Human Rights Commission cannot access employers' plans then it will be unable to assess whether the measures planned by the employer are adequate and, indeed, whether the plans have been implemented.

The other part of the farce is that if the plans are not implemented, then nothing happens. All one has to say is that the plans have been drawn up. If they do not have a set of plans, they can be fined, but who knows what they have if the plans are filed away in drawers? At least the plans should have to be submitted somewhere so someone knows they exist. They should be sent to the Employment and Immigration offices so that it may be determined if they are really targeting the population and they need to be viewed in light of the statistics which are being undertaken at this point.

• (1510)

We had to fight hard enough to get StatsCanada to continue so that we will know where we are at and can take a good look at the composition of our society. What is the point of doing that if we are not going to apply the findings? I think this amendment is only an intelligent progression that would enable the law to be applied in its entirety.

I would like to suggest that not only should the plans be retained by the employer at the employer's principal place of residence in Canada for a period of three years, but as well that they be communicated to the employees and any existing bargaining agent, and further that they be made available to the Human Rights Commission on request. I would like very much to support my colleague's amendment in this regard.

There is no doubt that both the Advisory Council on the Status of Women and the Human Rights Commissioner, Mr. Gordon Fairweather, feel equally strongly that this amendment is a necessity if we want to measure progress in society in any way. I have said from the very beginning that the concept of this Bill could be very effective for the target groups, but there is no way that it will be effective if we continue with the farce of keeping secret the plans of action that one has undertaken.

I would ask the Parliamentary Secretary if he and the Minister have agreed to these amendments which make sound sense and would give the Bill some coherence and potential for action. I sincerely hope that they will take this into consideration and that the Government will support this amendment.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to bring one or two comments about this amendment to the Parliamentary Secretary and through him to the Minister. The game the Government intends to play is called: "I've got a secret". I must say that I am extremely disturbed over the Government's reluctance to allow any voluntary enforcement of goals and targets set by an employer, because these goals and targets will not in fact be communicated to employees except in the better workplaces where the employer tries to be open about this process. The exact areas where employment equity is most needed are those areas in which there will be the least amount of information made available.

Suppose there was a law in this country indicating that we would wipe out discrimination against a particular religious group, but this was going to be done in stages. We would tell employers that they have to set goals for eliminating discrimination against that particular religious group but they are not to communicate those goals to the people who are affected—why I do not know. When we put it that way it sounds pretty awful, and the reason it sounds pretty awful is that it is pretty awful.

I would have thought that the Parliamentary Secretary, being himself a member of a group which has suffered a great deal of discrimination in the past, would have been sensitive to this issue and would, if he has not been given the authority to do so by his Minister, say that he himself personally endorses the change even though the Government is not prepared to go along with it. That is the kind of courage we would like to see displayed by that Parliamentary Secretary. We do not want to see him go along with something which will make useless this particular provision in the Bill.

Clause 5 of the Bill, which was inserted in response to a great deal of pressure during the course of the hearings, requires that an employer shall prepare a plan each year to set out the goals the employer intends to achieve in implementing employment equity as well as a timetable for implementing those goals. That would be a step forward, except that both the amendment put by my colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), and the amendment which we are debating, put by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), relate to the salient point that there has to be a way by which the people affected have cognizance of what those goals and targets for implementation actually are. That is not the case in the Bill as it now stands.

The proposed amendments would simply ensure that in one way or other the information be communicated to employees. If there is a bargaining agent, the information should go to the bargaining agent. It can go to the employees by means of a company memorandum or by being posted on bulletin boards throughout the workplace and copies could be made available to those employees who are interested in receiving copies. There are different ways of making information available, and the Parliamentary Secretary knows very well that there are well established ways of communicating this kind of information in the workplace.

I draw to the attention of the Parliamentary Secretary the high-flying language of Clause 2, the purpose of the Bill, which indicates that the purpose is to correct the conditions of disadvantage in employment experienced by women and the other groups affected, by giving effect to the principle that employment equity means more than treating persons in the

same way, but also requires special measures and the accommodation of differences. How the devil do people know how that is seen by the employer if in fact the employer does not have to communicate just what it is he intends to do?

Clause 4 of the Bill indicates that the employer is required to implement employment equity in consultation with designated representatives of the employees, however those designated representatives happen to be chosen. If I consult with the Government, but then at the end of the day the Government says it is not going to tell me what the goals and targets are, then I will have no means of knowing what is going on and that is a pretty weak consultation. In fact, that takes the meat out of the process. That is not consultation.

The Canadian Human Rights Commission is a small body. It cannot monitor the actions of every employer who falls under federal regulation. There has to be a certain amount of voluntary enforcement. In fact, that is the system on which a great deal of federal law is based. Standards are set out and means are provided by which people can make complaints if they feel that the standards are not being respected. However, such a process is impossible if people are not allowed to know to what extent the employer's achievements, if any, reach the plan which the employer worked out, presumably in consultation with the employees. Only if the employer chooses to share that information will that be able to occur.

Under the Human Rights Act, the Human Rights Commission has the power to look at the implementation of employment equity, but there again the amendment would give the Human Rights Commission access on demand to the employer's plans and targets. However, because that is not as yet required, another obstacle is put before the Human Rights Commission. Conceivably it will have to go to the courts in order to get the information which in fact should be made freely available.

Canada Employment Centres are meant to ensure contract compliance in the case of larger employers who do business with the federal Government, but there again one of the ways of ensuring compliance is to see how targets and goals are being met. But that information is not going to be made available to employees. There is no requirement that it be made available to the Canada Employment Centres either. The information could simply be locked in a safe, and if anyone came to try to find out about the plans the employer need simply indicate that he has kept the information in a safe for three years where it has been safe from any form of public scrutiny.

[*Translation*]

Mr. Speaker, I want to stress the fact that Clause 5 of the Bill as drafted after committee consideration is so weak that it is practically useless.

It is useless because the employer must spell out in a plan each one of his goals with respect to employment equity, but this plan would not be unveiled to the employees, the unions representing the employees, the Canadian Human Rights Commission, or the manpower centres.

So nobody will know the goals of the employer because the Government refuses to give that right to the employees. Mr. Speaker, I am wondering just how they can have the kind of consultation referred to in the subclauses of the Bill when the people who will be consulted will have no idea whether the employer has accepted or rejected their suggestions. They might even be given contradictory information. The employer will tell them: Yes, I agree, it is a good idea, your suggestions are excellent. But the day after, the employer prepares a plan of goals which completely ignores the remarks and suggestions made by the employees. But ask the employer whether he considers suggestions made by his employees and the employer will answer: of course. I promised I would consider their suggestions. That is, he considers them and then ignores them, and his employees will never know whether he included a substantial portion of their suggestions in the action plan set up by the employer for a three-year period.

As I said earlier, I am amazed, especially since the Parliamentary Secretary belongs to a group that has suffered terrible discrimination in the past, that he should fail to see how important it is to shine the light of information on all this so there are no secrets and employers, employees and unions discuss the plans together. That is what they want, Mr. Speaker. But in our society, we often get no further than voluntary compliance with legislation passed by the Parliament of Canada. In this case, Mr. Speaker, it would be impossible for people to try and influence the employer and make him meet the objectives set in his action plan, because his employees do not know what they are, except when the employer is a good employer who is serious about meeting his obligations.

The Acting Speaker (Mr. Charest): Order. I am sorry but the Hon. Member's time has expired. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner).

• (1520)

[*English*]

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I appreciate the very concerned remarks of my hon. colleague. Indeed he is correct when he states that I am a product of an environment which caused me to suffer a great deal in my lifetime. However, for me life has fulfilled much of my hopes. This has been an absolutely marvellous country to myself and to my antecedents. My father-in-law, who is still alive and very well, came to Canada without five cents and became one of the outstanding achievers in our community as a result of hard work and dedication. We are sending forth a message, and that message is one of hope.

Mr. Cassidy: Keep it secret, that is the message.

Mr. Weiner: We are not keeping anything secret.

Mr. Cassidy: That is exactly what you are doing, keeping it secret.

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

Mr. Weiner: We are not keeping anything secret. We are sending forth a message that all Canadians will be able to contribute to and participate in society. Canada is the most wonderful country in the world. Its immigration policy is the most open and accessible of any in the world, one that has gone out with heart—

Mr. Cassidy: Keep it secret, keep it secret.

The Acting Speaker (Mr. Charest): Order, please. The Chair is very much under the impression that the Hon. Member for Ottawa Centre (Mr. Cassidy) would like to make a comment—

Mr. Cassidy: Yes, if you would like me to, Mr. Speaker.

The Acting Speaker (Mr. Charest): No, I am not inviting the Hon. Member to make a comment. He has already spoken, and I draw his attention to that fact. Obviously the Hon. Parliamentary Secretary has the same right.

Mr. Weiner: All those things we feel give us the confidence to know that we will have the support, encouragement and co-operation of all Canadians in our goal.

We have run a series of advertisements which talk about the world next door. I invite all Hon. Members and all Canadians to visit my world next door. They should come with me to the streets of St. Laurent where they will see that 50 per cent of the population has come to this country, 25 per cent in the last 15 years. All of them are about to or have already taken a very viable place in the community. A lot more has to be done; much has already gone on. I would be the first to say that that is exactly what we are highlighting by saying loud and clear that they all deserve an equal chance. We will see to it that they get that chance. All Members of the House agree with that.

Mr. Nystrom: In secret.

Mr. Weiner: The Hon. Member for Yorkton—Melville (Mr. Nystrom) said that all countries of the world post their plans.

Mr. Nystrom: I didn't say that.

Mr. Weiner: He will know that in the United States there is no posting of plans.

Mr. Cassidy: They bomb Libyans there too. We have to look at what we have to do in this country.

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

Mr. Weiner: There is a purpose in listening. There is a purpose in communicating. There is a purpose in putting into effect a piece of legislation which will work. Philosophically we do not agree, but we on all sides of the House want to ensure that there is true equality. We want to ensure that we are not patronizing and that we have results.

Mr. McCurdy: What does that have to do with publishing a plan?

Mr. Nystrom: Why keep it secret?

Mr. Weiner: Employers are required to consult with their employees. There is no need to mention the word "brief" since the Bill already specifies that it will be three years. Employers will be encouraged in guidelines to make the plans available to employees.

Mr. Cassidy: But not required.

Mr. Weiner: The guidelines to employers will specify that a good employment strategy includes making the plans available to employees. The plans will not be available to the Canadian Human Rights Commission on request. However, the Canadian Human Rights Commission will have access to the plans when investigating complaints.

Gordon Fairweather, Commissioner of the Canadian Human Rights Commission, indicated during the committee hearings that the reported data would be sufficient to initiate complaints under the Canadian Human Rights Act. The Commission can initiate complaints, examine data and plans and, if necessary, appoint tribunals which have the authority to impose sanctions where findings of discrimination are made.

Mr. Cassidy: What about freedom of information? Didn't you used to stand for that?

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

Mr. Weiner: Since Members are so wonderful in quoting Mr. Fairweather, a great Canadian, a very concerned man and one of the foremost leaders of human rights in the world, I too would like to have a moment to quote him.

Mr. McCurdy: You are talking about everybody but the target groups.

An Hon. Member: Why don't you give him a chance to speak, you nerd?

Mr. Nystrom: Is that a parliamentary word?

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

Mr. Weiner: I should like to refer to what Mr. Gordon Fairweather said at the fifty-fifth annual meeting of the Canadian Chamber of Commerce last September. He said: "I am convinced that the time for affirmative action is now, but let me make it very clear that I do not at this stage advocate mandatory affirmative action".

Mr. Cassidy: That is not what is being proposed here.

Mr. Weiner: That is what he stated, that he did not want mandatory affirmative action. Affirmative action does not have to be the same thing as quotas, if we get on with the job and start to show some real progress without them. We want to get on with the job. Let us pass the Bill, let us put employment equity into effect, and five years down the way when we review it together we will all praise the progress we have made.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, it seems to me that the Government—in this particular case the Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Weiner)—is in fact repeating to the House, to the people of Canada and to those groups which want some kind of protection and equality the following old ditty:

"Mother, may I go out to swim?
Yes my darling daughter,
Hang your clothes on the hickory bush,
But don't go near the water."

• (1530)

That is the kind of thinking the Government is asking us to follow. I do not know whether the appropriate word to describe such an approach would be "hypocrisy". However, it certainly is an attempt by the Government to act as if it were doing something, when it knows perfectly well that it is not. It is pretending really to care about a certain group, but it is not going to give them the protection it is pretending it will give them. That underlies the Government's response to this motion.

This motion relates to the need for action plans to be known. We heard the convoluted thinking of the last speaker. He said that the Canadian Human Rights Commission cannot have access to this information, but can request it when it wants to prosecute or act. How can the Canadian Human Rights Commission know whether it wants to act unless it can get the information? That is double-talk. To put it at its nicest, it is a catch-22.

The handicapped who came to the Hill yesterday to protest know this double-talk for what it is. They know that this Bill simply requires companies to make a report with some statistics which they can then hide in their drawers for three years. After kicking, screaming, and resisting, the Conservative Party finally agreed that there should be a plan, but no one can see the plan. It is tragic, or laughable. In any case, it is totally unacceptable to any reasonable, sincere person.

We are not talking only about human rights here. We are talking about human responsibilities. The Government does not seem able to accept human responsibilities. Through the way in which it has handled this equality Bill, it is obvious that the Government does not know what human rights are. It has no idea of how it is necessary for Parliament to be responsible for the protection of the interests of large numbers of citizens.

Women represent at least 51 per cent of our population. One in every eight Canadians, which amounts to millions of our citizens, is disabled. The native people represent a very large section of our community. Visible minority groups also form a very large percentage of our population. A responsible Government would provide legislation to act responsibly in the interests of those people. This Government is not doing so and is fighting, in a most hypocritical way, resolutions which give some meaning to this Bill which, at the present time, is nothing but a bunch of words.

The Government must take the responsibility of ensuring that corporations and companies are responsible to their employees, to the communities which they serve, and to the taxpayers which often support those corporations. We are asking that the taxpayers who fall within these groups be given the right of access to jobs. The Government is not showing responsibility, nor is it calling upon companies to be responsible with regard to the people of the country by making plans to ensure that proper and equal access is provided to all Canadians, and to ensure that their plans are made known so their records can be measured against those plans. That is precisely what this motion is all about.

It is absolutely incredible that the Government is taking evasive tactics by requiring companies to provide action plans, but keeping those plans secret. I call upon the Parliamentary Secretary to re-examine his thinking on this matter and to explain the purpose of having such a plan if the plan is not to be made available to the Canadian Human Rights Commission. Why should a company go to the trouble of making a plan if it stays in the files? It is absurd to require such an exercise. We asked for an action plan because we wanted action. This is inaction.

One cannot conclude other than that the Government is not really sincere about employment equity. It has totally evaded Judge Abella's recommendation to ensure that the Bill has teeth. She said that the passage of a Bill without teeth would be to continue as we have before. We have really made no step forward other than jawboning. I have been speaking to a lot of human rights people. I have been talking to people in the churches concerned with human responsibility. They feel that in terms of this Bill the Government should go back to the drawing board and re-examine its purposes. If the Government passes this bill it will only hinder the cause. The Bill will have practically no effect in terms of bringing about immediate action for the people who have been waiting for the Government to fulfil its promises.

If the Canadian Human Rights Commission wants information, it will have to use sleuths. It will have to guess what companies are doing. It will not have ready access to reports on companies' plans. It can only guess what those plans are, and that means it can do nothing. It will have nothing more than figures with regard to the companies' intentions. We will throw an enormous task upon the back of the Canadian

Human Rights Commission which we know it cannot perform. We are handcuffing the commission.

This motion requests that this information be made available to the commission upon request. Why would the Government not be delighted to go along with that part of the resolution? It should not be necessary for the Canadian Human Rights Commission to scramble around to find information when it thinks something is wrong. The Government wants the Canadian Human Rights Commission to play a guessing game and look stupid and ineffective which will give the groups that are discriminated against a sense of frustration and a feeling that the commission is no good. People will say that the commission is incompetent and inept and it will be blamed for that which the Government should be blamed for.

• (1540)

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is difficult to determine whether the rejection of this amendment was due to silliness, stupidity or unconscionable trickery. In response to a significant concern, I heard the Parliamentary Secretary telling us that he lived in a good neighbourhood where people worked hard. He told us that his father came here with a nickel. That was his explanation for the denial of this simple amendment. Let me tell him that the women, the disabled and native people of this country reject that. Let me tell him that people like my great, great grandfather who were brought or came to this country as former slaves with less than a nickel in their pockets will not accept that as an explanation.

The fact is that this Government did not in the first instance want to have goals. That is why we have this silly arrangement in this Bill which separates the process from the goals. Having conceded that there should be a definition of goals, year by year, how silly it is to reject having those goals revealed to those directly involved! It has to be a deliberate attempt to sabotage the intent of the clause which adopts the goals. There can be no answer except trickery. I cannot believe that the Government would be so stupid as not to realize that the one way to ensure that an employer will implement serious employment equity processes is by ensuring that every employee subject to those processes and benefiting from those goals knows what the goals are. Could it be possible that the Hon. Member does not know of incident after incident of complaints of discrimination against employers where the excuse has been that the employee responsible for hiring was unaware that the company had a non-discriminatory or affirmative action program?

What concerns me most of all is that this is another example of this Government's refusal to address the needs of those people who are supposed to be benefiting from this legislation. We know the scenario. It is to go slow and not to offend those who are responsible for what many people who are victims regard as a criminal act, that is, the rejection of these people for a job, the denial to them of economic opportunity, the denial of the opportunity to participate in this society in a way that would accord them independence. That is what is at issue here.

Does this Government not have the will to address the needs that exist? It is obvious that the Parliamentary Secretary does not care that this legislation not only fails to address the needs of minority groups, but he denies a proper hearing for this amendment. It cannot be denied now that this Parliamentary Secretary and the Minister he represents are so lacking in conscience that they will pass a shadow of a Bill, one with no substance, and one which will deny the needs of those whose needs this Bill is supposed to meet.

Let us give reconsideration to this denial. Let us examine what is being said. Let us consider the fact that you have at least accepted that there will be goals set year by year. Give us an explanation different from the history of your family, the neighbourhood in which you live, and different from this oft-repeated notion that those who are not visibly definable as minorities have sometimes achieved success in a way which leads them to believe others are not denied that success because of their colour, their sex, their disability, or because they are a member of the aboriginal peoples of this country. Reconsider this and put yourself in the shoes of those who cannot deny to which group they belong and therefore have no support in fighting the discrimination they have experienced in many ways all their lives without the recourse this Bill is supposed to provide, which in fact this Bill manipulates in so many ways so that recourse will not be there at all.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 21A. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) moves:

Motion No. 21A

April 7, 1986—That Bill C-62, be amended in Clause 5 by striking out lines 12 to 16 at page 3 and substituting the following therefor:

"section (1) shall be

(a) retained by the employer at the employer's principal place of business in Canada for a brief period of at least three years after the last year in respect of which the plan is prepared;

(b) communicated to the employer's employees and any existing bargaining agent: and

(c) made available to the Human Rights Commission, on request."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

We will now debate Motions Nos. 24, 25A, 26A and 27A and vote on them separately.

Mr. Lorne Nystrom (Yorkton—Melville) moved:

Motion No. 24

That Bill C-62, be amended in Clause 6 by striking out line 22 at page 3 and substituting the following therefor:

"ance with the duties imposed on the employer under sections 4 and 5 and further in accordance with prescribed instructions indicating,".

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

Motion No. 25A

That Bill C-62, be amended in Clause 6 by striking out line 39 at page 3 and substituting the following therefor:

"moted, trained, transferred, demoted and terminated and the degree of".

Motion No. 26A

That Bill C-62, be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) the number of individuals in designated groups who apply for specific openings."

Motion No. 27A

That Bill C-62, be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) a list of those acts undertaken by the employer pursuant to section 4 of this Act."

He said: Mr. Speaker, I have presented three amendments here, all of which amend Clause 6 of the Bill, the reporting clause. This clause at present is the only clause which can be considered a sanction. It says that employers who must introduce employment equity must report certain information about their workforce. I presume that the purpose is, as it should be, that once you know what is going on in your workforce, you will be able to tell whether employment equity or affirmative action programs are necessary, whether there has been a lack of progress and so on. My amendments are meant to improve Clause 6, the reporting section. Since these amendments are all grouped together for purposes of debate I will go through them one by one. Amendment 25A is an amendment to sub-clause (d) of Clause 6. At the present time Sub-clause (d) says that the employer must report:

The number of employees hired, promoted and terminated and the degree of representation in those numbers of persons in designated groups.

Mr. Speaker, that is good as far as it goes. You have to report the numbers of native people, visible minorities, women and disabled people who have been hired, promoted and terminated. My amendment would add to these three categories of those who are hired, promoted and terminated. We would add those who are trained, transferred and demoted.

• (1550)

The reasoning is as follows. If you do not train the women at the bottom of the ladder in your labour force, or the visible minorities, they are not going to get into middle management, they are not going to get to the top. If you are aiming for a situation where you have good representation of these target groups, not only at the bottom of your labour force but in the middle and at the top, we should know who is being trained.

The next amendment concerns those who are transferred. Transfers are used by employers to punish or to reward employees. Those whom they want out of their hair they send to places like—now, I have to be careful here. If they want to reward them they certainly send them to Notre-Dame-de-Grace—Lachine East and Montreal, in general, and to the Province of Quebec, that is natural. If they want to punish them they will send them to some part of the country which is not too enjoyable.

Mr. de Corneille: Overseas.

Mr. Allmand: Well, I don't know. In any case we all know that employers do that, and it is a way of getting target groups out of their hair. It is a way, by the way, of sidetracking them from promotions and participation in the firm.

Finally, I ask that we add those who are demoted. If you ask that the employer reports on those who have been promoted we should also note who has been demoted. You can be promoted in one month and demoted six months later. Sometimes what appears to be a lateral transfer in the firm ends up, in fact, to be a demotion. I am asking that this information be added to the report, it being Motion No. 25A.

Motion No. 26A adds a Subclause (e) to Clause 6, the reporting section which would require the employer to report on:

(e) the number of individuals in designated groups who apply for specific openings.

If we simply get reports from these employers on what is happening in their static labour force and we do not know how many people from the designated groups are applying for employment, we do not know how many disabled people are sending in applications that are being turned down. We do not know how many visible minorities are sending in applications and being turned down, and so on. That is important in judging whether that firm is serious about improvement in its employment equity program. I am asking in Motion No. 26A that that sort of information be added to the report.

My Motion No. 27A is probably the key one of them all in this clause because it will act as an improvement on the sanctions in this Bill. This Bill needs sanctions. As we all know the only legal sanction in the Bill at the present time is a

penalty if you do not report at all, or if you report incorrectly. There is no sanction if you do not meet your goals on employment equity or affirmative action.

Motion No. 27A says the following:

(e) a list of those acts undertaken by the employer pursuant to section 4 of this Act.

In the report the employer is going to have to set out what he has done as an employer to fulfil his obligations under Clause 4. Clause 4, which is the key section, says that an employer shall:

—implement employment equity by

(a) identifying and eliminating each of the employer's employment practices, not otherwise authorized by a law, that results in employment barriers against persons in designated groups;

They are going to have to say in their report what they have done to identify and eliminate each of the employer's practices that serve as barriers to people in the designated groups. Subclause (4b) reads that an employer shall implement employment equity by the following:

(b) instituting such positive policies and practices and making such reasonable accommodations as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment—

Under the amendment the employer will have to report what positive policies and practices have been put in place to ensure that persons in designated groups achieve a degree of representation.

The purpose of Motion No. 27A, as I said earlier, is to oblige the employer, subject to this Bill, to list those acts undertaken by that employer pursuant to his obligations in Section 4 of this Act.

I must say that I find it very strange, and I have respect for the Parliamentary Secretary, that although the Government has claimed this to be a very important Bill, we have only seen the Minister at the beginning of each day. It is usual for the Minister to be here to pilot the Bill.

The Acting Speaker (Mr. Charest): Order, order! I will take the opportunity to remind the Hon. Member that it is not permitted to mention either the absence or presence of Members in the House.

Mr. Allmand: I accept the ruling by the Speaker without mentioning whether or not the Minister is present. I know she must be embarrassed by this Bill. Knowing the Minister, I know she would want a more effective Bill. I have known her and listened to her for years on these questions and have always found her to be a person committed to employment equity and to affirmative action. I guess the Bill is a bit embarrassing to her and she must be hiding somewhere.

I hope that the Parliamentary Secretary and the Government Members who are here, the Minister of Justice (Mr. Crosbie), a man committed to justice, a fair-minded man who is listening to the debate, and behind him the Minister for Immigration, both progressive, fair-minded people, are listening to my comments. I am sure that before this debate is over they will telephone the Minister and tell her that further amendments should be made to this Bill to make it an effective Bill to help the native people of Canada, the visible minorities, the women of Canada and the disabled people, who are the groups that are to be assisted by this Bill but will not be assisted unless amendments are made to make the Bill more effective and to accept at least these amendments which have been put forward.

The Acting Speaker (Mr. Charest): Debate.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, with regard to these three motions, which have been submitted by the Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand), all are amendments designed to improve the Bill to provide definitions. One would think that the Government Members would welcome these suggestions. Tragically, some of these have been proposed in committee. Although some of the committee members indicated there was value to some of these amendments, the committee was unwilling to give assent to these amendments at that time. The amendments we have suggested in the last three days and the amendments we are debating today are designed to improve the Bill. These three amendments can greatly improve the specifics of the Bill.

• (1600)

If government Members can boast that their strength is their inability to think for themselves, then surely the Tories can be called invincible. It is sad that no Government Members are prepared to stand up and explain why they oppose these amendments which are designed to improve the Bill. I might explain to those who might be listening that the reason the walls in this place is resounding is that there are so few Members here from the Government. In fact, saying there is a corporal's guard would be exaggerating. In any event, they vote the same way and are uninterested in examining the value of the amendments. There is no willingness to examine what is being offered.

The amendment would include not just those who are promoted but also those who are trained, transferred, demoted and terminated. This would obviously improve the Bill. However, it seems that the Government does not want to accept suggestions from anyone because it believes that it must stand by what it has written and that it must be accepted as perfect. To admit that there could be improvements may in some way minimize its omniscience. Everyone knows the Government is not omniscient and it need not pretend to be.

It is unfortunate that it is not prepared to listen and seriously consider these amendments. The Government claimed that it would be open to consultation and dialogue. However, there is no response to dialogue and there has been no consultation because most of these resolutions we have brought forward have been proffered by the groups that are affected. It does not matter that we have offered the opinions of COPOH, women's organizations and native people—the

Government has made up its mind that it knows best. It is autocratic, it is paternalistic, and one might say that it is ruthless. It will not listen despite all of the highest claims that it would enter into a new era. There is a complete lack of response to the suggestions in these motions.

I want to use this occasion to say that these motions involve technical changes that would improve the Bill. Perhaps between now and the time we vote on these motions the Government might consider accepting some of them on the basis that it has had time for repentance and of its willingness to accede to the fact that these suggestions may improve and strengthen the Bill. I hope the Government will take some of the major clauses into account and attempt to rectify them. These motions involve technical improvements which, if not passed now, hopefully will appear in the guidelines. The Government is not impressing the handicapped, native people or anyone with its obturate and stubborn attitude.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, these amendments reflect need, logic, common sense and fairness. They have been suggested by the affected groups, and perhaps that explains why they will be rejected by the Government like the other constructive amendments which have been offered.

First, let us consider Motion No. 25A. It states:

That Bill C-62, be amended in Clause 6 by striking out line 39 at page 3 and substituting the following therefor:

"moted, trained, transferred, demoted and terminated and the degree of".

I received a letter from a group representing minority employees in the Public Service. They told us that because of the ineffectual affirmative action program in the Government of this country and the Public Service, members of visible minority groups were being demoted, transferred and terminated—all of those things which are mentioned in the motion. The remedies which this Act should provide should extend beyond mere hiring, promotion and termination. Therefore, this amendment should be accepted by the Government because of its logic, fairness, common sense and need.

Let us consider Motion No. 26A. It states:

That Bill C-62, be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) the number of individuals in designated groups who apply for specific openings".

Let us assume that we have counted the number of minority groups in the employ of a particular employer and determined the distribution of the designated groups in the population but will only consider what happens to those already employed, of which there are likely to be few. What good is that exercise if we do not determine the hiring practices of the company?

Motion No. 27A addresses the fact that Clause 4 makes no specific provision for reporting the actions required of the employer to the Minister or to anyone else. It is curious that the amendment proffered by my colleague refers only to Clause 4. Let us turn back to Motion No. 24 moved by my Party colleague which begins with the words: "containing information in". It goes on to read:

"accordance with the duties imposed on the employer under sections 4 and 5 and further in accordance with prescribed instructions indicating,"

It goes on to say, "in the form and manner prescribed". This means that the company's plan with respect to process or goals would at least be reported to the Minister and at least be available through that means since the Government sneakily omitted reporting provisions from Sections 4 and 5.

The Parliamentary Secretary has the opportunity to reconsider his refusal to provide for reporting to employees by accepting Motion No. 24 and providing more details with respect to the treatment that might be accorded to the target groups by accepting these amendments. So I would ask him to reconsider and acknowledge these amendments as a useful contribution to strengthening this Bill. If he refuses to do so, that will be another concession by the Government that it is attempting to pull one grand joke on women, visible minorities, natives and the disabled.

• (1610)

My colleague mentioned earlier how few members of the Government were here to listen to this debate. Perhaps they ought to remember that half the population is made up of women and perhaps one person out of 20 in the population would benefit from employment equity provisions which apply to the disabled. They ought to know that the visible minority population of the country represents between 500,000 and 600,000 persons and that they are presently concentrated in certain areas.

If those Hon. Members think they are going to get away with this garbage with impunity, perhaps they had better re-examine their thinking. I believe there is a notion held by the Tories that women, the visible minorities, the disabled and native Canadians are not watching what is going on or are too stupid to understand. But they will not be fooled by this nonsense, this parade of fancy rhetoric, this voluntary employment equity program which offends every notion of how affirmative action programs ought to be designed. It is about time the Parliamentary Secretary and his Minister started to think about how to address the real needs of so many people in this country who are tired of having promises broken and equality delayed. Government Members delay equality and break promises when they sit here silent, listening to the debate but rejecting constructive changes, which these target groups to whom the Bill is supposed to be directed have asked for and, indeed, demanded.

In the end, two groups will suffer. Those Hon. Members opposite will suffer when those millions of individuals who should be benefiting from the Bill have lost hope. They will lose votes.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there are a series of amendments here which are being proposed in order to improve the unimprovable. I think one has to ask oneself

whether it is really worth the effort given the fact that only part of the Bill which has any effect at all is the reporting requirement. As the amendments make clear, the reporting requirement is weak and could and should be improved. However, as I stated earlier during discussion of different elements of the Bill, the Bill as a whole is so ineffective that it is a pity it is called an employment equity bill. It might be better called a Bill on employment inequity or a Bill on delay to employment equity.

I would like to say that I was perhaps a bit more passionate a few moments ago when I was speaking about the secretive nature of the planned objectives and targets for employment equity. These things will not be shared with employees. However, I think an important opportunity is being lost by the House of Commons in this employment equity Bill. I know the Minister is extremely sensitive about the criticism she has received from members of the New Democratic Party with respect to the weaknesses in this particular Bill. I have been in politics long enough to recognize that not everything we hope for in a Bill will be there. Politics does require compromises and, and to some extent, some balance between the views of different groups, individuals and institutions in our society. Those things I am prepared to recognize, but when it comes to the Bill, it seems to speak almost entirely to the fears of business that it will somehow be made to do something it does not want to do. The Bill, therefore, purports to give some progress towards employment equity in order to cool down the various groups representing women, native Canadians, the handicapped and visible minorities, while in fact doing next to nothing. It seems to me that such is the nature of the compact which has been made with the business community. I regret to say that we are going to have to pass this Bill and it will be five years before anyone knows whether or not it works. There will be some reporting but it will not be very onerous. In the meantime, business can go on as if nothing has changed.

I do note that in certain areas of activity in the United States that country has gone further in terms of affirmative action than anything even envisaged in this Bill. I am speaking now in sorrow as much as in anger. The Government is not even prepared to make the reporting requirements adequately detailed with respect to the size of the companies which will mainly be affected so that they are to receive the kind of information which might be helpful as a starting point in measuring progress towards employment equity.

The Parliamentary Secretary has had in the past the reputation of being a man with progressive views. It is a pity that he finds himself in such regressive and reactionary company as is to be found within the Conservative caucus.

The Minister of Employment and Immigration (Miss MacDonald) was known in her day as a red Tory. The red seems to be rapidly blending into blue, but it may very well be that she herself disagrees in a very fundamental way with a lot of things she has had to do in order to get this pale shadow, this thin thing, into the House of Commons as a Bill which purports to deal with employment equity. Perhaps she privately wishes she could have done a lot more. My message to the Parliamentary Secretary and to the Minister of Employment and Immigration is that there comes a time when one has to speak with one's conscience rather than simply being loyal to one's Party for reasons which are perhaps hard to defend when one is forced to do things one cannot live with or stomach.

Is the Minister of Employment and Immigration so negative and angry with the New Democratic Party because we are speaking truths about this particular Bill? We are telling her about the things which should be in the Bill. Has she had to reject these things because of pressure from reactionaries within her caucus and within the Cabinet? Was the Parliamentary Secretary so acid in his comments to me the other day because he also recognizes the weaknesses of this particular Bill? There is still time. I recognize that it will be a dramatic moment, but if members of the Government feel, as I do and as my Party does, that we have a commitment—perhaps those Hon. Members opposite share that commitment—to genuine affirmative action and employment equity, if there are still a few Tories who have that commitment, let them speak up now and vote against their Party when the amendments before us right now come to the fore. If that does not occur, I want the Parliamentary Secretary to take a message, not just to his Minister but to the Prime Minister (Mr. Mulroney) as well.

During the last election a lot of people were looking for change, including individuals in the different minority groups which are dealt with in this Bill, and they were prepared to change their political allegiance and support the Progressive Conservatives because they thought they were going to see a real change. I personally, and representatives of my Party, will go from coast to coast and will joke and mock the Progressive Conservatives over such things as the fact that the plans which were meant to be put forward for employment equity are so important that they are not going to be shared with the employees but are going to be kept secret. Any semblance of credibility developed by the Progessive Conservatives on this issue during their period of opposition is going to disappear utterly by the time we get to the next election. I speak the truth. That is the warning I want to give to the Parliamentary Secretary and to the Minister responsible for the Status of Women who is here with us in the House. She is perhaps only one of two Ministers in the House.

• (1620)

The credibility which his Party might have had is going down the drain. When people examine this legislation and see how weak it is, when they see from experience how little has changed as a consequence of it, then when the Conservatives say to native people, women, visible minorities and the handicapped: "See what a great job we are doing for you", they will be laughed at. No one likes to be laughed at, least of all members of the Government who came to power so proudly after the Liberal dynasty. They felt that they had ended that dynasty which had been around for such a long time. It was good that the Liberal dynasty was ended. What is bad is that

the present Government seems to be acting with exactly the same type of arrogance, insensitivity, inability to consult and understanding of the needs and aspirations of ordinary Canadians as the Government which it replaced. We saw how the electorate dealt with the previous Government as a result of the way it behaved toward ordinary Canadians. I tell the Parliamentary Secretary and the Ministers who are in the House now that the people of Canada will deal in exactly the same way with this Government as they did with the previous one if it continues to follow the same course.

[*Translation*]

Mr. Speaker, in concluding, perhaps I may say that today, in the province of Quebec, although the New Democratic Party failed to get any candidates elected, the fact that we tell the truth as reflected in the amendments we are proposing to this Bill on employment equity, did not go unnoticed by Quebecers, so much so that 26 per cent of the population has indicated that if an election were held today, it would vote for the New Democratic Party.

Mr. Speaker, with 57 Conservative members, the Progressive Conservatives have only one per cent more than we do in terms of public support in Quebec for their party. And this is only eighteen months after the federal election of September 1984. The Conservatives in the province of Quebec will continue to lose public support and will lose support across Canada, if they keep up the kind of arrogance reflected in the Bill before the House today, despite the amendments proposed by our party and the other Opposition party.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I simply want to correct my colleague and tell him that the citizens of Quebec are represented by 58 Members, not 57 as he indicated. Each one of them works as hard as any of the Conservative Members here in the House. Canadians will eventually have an opportunity to pass judgment on the way we have done our work. For the time being I would say that our duty and right is to conduct public affairs, to administer soundly, and to do everything we can to guarantee equity in all employment sectors and for all citizens in the Province of Quebec. And it is in that field that we are working very hard to enact the kind of legislation which will provide employment equity for all residents of Canada, including those who came from other countries.

All I can say to my colleague is that in due time, like all other Canadians, he will have an opportunity to make up his mind and settle the matter.

[*English*]

I am delighted that employment equity will be one of the issues on which we will be judged.

I would now like to tell Hon. Members why we are objecting to the motions which have been presented by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). We certainly appreciate his suggestions, as we do those of the Hon. Member for Yorkton—Melville (Mr. Nystrom). We have listened to them. It must be understood that we had to weigh them in order to see whether or not they would be helpful and useful. We had to consider whether or not they would complicate matters. We asked whether or not they would make it more difficult to administer this legislation. Where they were not practical and did not add anything, and where they would perhaps cause more problems with the process, then achieving results would be affected.

We feel that Motion No. 24 is unnecessary. Employers are obligated to implement employment equity and to report on results.

Mr. McCurdy: No, they are not.

Mr. Weiner: I gave the Hon. Member a chance to speak. I would appreciate it if he would do the same for me.

Mr. Keeper: Only if you have something to say.

Mr. Weiner: Clauses 4 and 5 refer to process, while Clause 6 refers to results which are to be reported. The stated intent of the legislation is that employers are required to report on results, not actions or programs. Clause 5 of the Bill clarifies that employers must have goals and timetables; but employers will develop their own process activities to achieve desired results.

With respect to Motion No. 25A, I do not see how it can be helpful. It is complicated. It would be difficult to see what information with respect to transfers would show. How would training be defined? Data collected on employees who were trained, transferred and/or demoted is not considered essential in monitoring the results of an employment equity plan. Training and transfers may be part of a plan to develop and broaden employee skills, but it does not actually reflect results of employment equity, where employment equity means more proportionate representation of designated groups. Any major changes which occur because of training, transfers or demotions will show up in a year-by-year comparison of data reported.

Motion No. 26A deals with "the number of individuals in designated groups who apply for specific openings". It is difficult to collect designated group data at the applicant stage. Proportionate representation in hirings will not be measured against the status of applicants but according to availability data, which may include more people than those who apply for a position.

With respect to Motion No. 27A, flexibility with respect to process is a basic philosophy of this Bill. The Bill's focus is on results of such acts, not the fact that employers report such acts. The employer's executive summary can provide information about measures taken in support of employment equity.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 24. Mr. Nystrom moves:

That Bill C-62, be amended in Clause 6 by striking out line 22 at page 3 and substituting the following therefor:

"ance with the duties imposed on the employer under sections 4 and 5 and further in accordance with prescribed instructions indicating,".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 25A. Mr. Allmand moves:

That Bill C-62, be amended in Clause 6 by striking out line 39 at page 3 and substituting the following therefor:

"moted, trained, transferred, demoted and terminated and the degree of".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 27A. Mr. Allmand moves:

That Bill C-62, be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) a list of those acts undertaken by the employer pursuant to section 4 of this Act."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

• (1630)

Mr. Allmand: Mr. Speaker, I rise on a point of order. I did not hear you call Motion No. 26A. It is my recollection that you went from Motion No. 25A to Motion No. 27A.

The Acting Speaker (Mr. Charest): The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) is correct, so I will now call Motion No. 26A.

[*Translation*]

The question is on Motion No. 26A. Mr. Allmand, seconded by Mr. Berger, moves:

That Bill C-62 be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) the number of individuals in designated groups who apply for specific openings."

[*English*]

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Section 11 of Standing Order 114, the recorded division on the proposed motion stands deferred.

Motions Nos. 31A and 32A will be grouped together for debate and voted on separately.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moved:

Motion No. 31A.

That Bill C-62, be amended in Clause 7 by striking out lines 13 and 14 at page 4 and substituting the following therefor:

"7. An employer who fails to comply is guilty of an offence and is liable on".

Motion No. 32A.

That Bill C-62, be amended in Clause 7 by striking out line 16 at page 4 and substituting the following therefor:

"five hundred thousand dollars."

He said: Mr. Speaker, this is my last opportunity to attempt to make some amendments to this Bill. I have not been too pleased with the results so far, but hope springs eternal in the human soul, so I will carry on.

The Bill as it now stands is no more than a piece of rhetoric. Clause 2, which contains the purpose of the Bill, sounds great. The purpose of the Bill is to achieve equality in the workplace so that no person shall be denied employment opportunities, etc. Clause 4, the operative clause of the Bill, says briefly that an employer shall implement employment equity by identifying and eliminating barriers to employment for designated groups and instituting positive policies to achieve a degree of representation in the various workplaces. However, when we come to the principal sanction clause of the Bill, Clause 7, we find that the only penalty provided is a penalty for not filing a report in accordance with Clause 3 in its present weakened form.

Let me read Clause 7 to the House. It reads:

An employer who fails to comply with section 6 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

Clause 6 simply requires employers to report on the composition of their workforces. As I said in committee, an employer could be in complete accordance with this Bill by reporting year after year the same composition of his workforce. For example, he may report in 1986 that he had 100 employees, five were women, one was a member of a visible minority and one was disabled. In 1987, he may report that he had 100 employees, five were women, one was a member of a visible minority and one was disabled, and he may report the same thing in 1988 and 1989. He would not be penalized because he is reporting, but no progress is being made as far as employment equity is concerned. There is no penalty for not proceeding with employment equity or for not complying with the great obligations that are set out in Clause 4.

Motion No. 31A indicates that an employer who fails to comply with the provisions of the Bill is guilty of an offence and liable on summary conviction to a fine not exceeding $50,000.

My next motion increases the limit from $50,000 to $500,000 because, for the large firms that are subject to federal jurisdiction like the railways and communications companies, $50,000 would be part of the cost of doing business. If they wanted to, they could simply ignore the requirement for filing reports. It would probably cost them more to prepare their reports than it would to pay the fines.

I suggest that the penalty clause apply to all the obligations under the Bill and that the penalty be increased to $500,000. If there is not a penalty in the Bill for not proceeding with the obligations listed in Clause 4, then the Bill is a complete and utter farce and means nothing. As I pointed out, an employer could continue to report no progress year after year but would still be in compliance with Clause 6 and would not be fined.

Some people believe that if an employer were to do that over and over again, the so-called court of public opinion would bring pressure to bear against him and would force him to improve his hiring practices. Some say that those voices would bring enough pressure to bear to have changes made. The Abella Commission which reported to us in 1984 indicated that voluntary affirmative action programs do not work and that we cannot rely on the court of public opinion to move employers who will not move ahead with employment equity.

Experience throughout the western world where it has been tried shows that voluntary employment action does not work. I will quote once again the statement made by a famous businessman from the United States. He said that if voluntary action worked, Moses would not have come down from the mountain with 10 commandments but with 10 directives and he would have hoped that they would have been voluntarily complied with.

Mr. Rodriguez: Ten Bill C-62s.

Mr. Allmand: That is right. He would have come back with something like Bill C-62, but he had more sense than that. He came down with 10 commandments, and we all know what the sanctions for not complying with those 10 commandments are.

• (1640)

In any case, how could the Government think it could get away with imposing certain obligations on employers in Clause 4 of the Bill but not imposing any penalty if those obligations were ignored? It is sheer folly. As my hon. colleague said a few minutes ago, they will become the laughing-stock of the country. They have gone to a great deal of trouble to draft a Bill setting out requirements and obligations, but there is no penalty whatsoever if they are not carried out. Perhaps the Minister will rise in the House and chastise those employers, but we all know what some of those big companies will do in response. They will laugh at her as well. She will be laughed at

from both sides. As was pointed out by my colleague from Windsor, it is not a laughing matter for people who have suffered discrimination generation after generation. It is not a laughing matter for those disabled persons who came here yesterday. Those who came here in their wheelchairs, those who were blind, deaf and infirm, struggled to get here. They want jobs. Many of them are very competent and would be quite able to hold down jobs. However, the workplace is not designed for them, or they are discriminated against before they are given a fair hearing. They will not be happy. They will not be laughing at the Government over this. They are mad. We found that out yesterday when the Hon. Member for Yorkton—Melville (Mr. Nystrom) directed a question to the Minister of Employment and Immigration (Miss MacDonald). When the Minister gave an answer which was not correct, we heard a cry from the gallery from a woman who has suffered discrimination because of her infirmity and was not too pleased with the answer. People will let the Government know what they think of the Bill.

At the beginning of the debate someone described the Bill as containing a list of pious platitudes with no means of putting them into force. There are no sanctions if the Bill is not obeyed. In my many years in the House of Commons I do not think I have ever seen a Bill with no sanctions, a Bill which lays out obligations but no sanctions if one does not comply.

I know the Parliamentary Secretary will rise and say that the Government agreed to an amendment in committee which is now Clause 8 and reads as follows:

> The Minister shall, on the receipt of a report filed under Section 6, send a copy thereof to the Canadian Human Rights Commission.

Because the Minister will send a copy of the report under Section 6 to the Canadian Human Rights Commission, the commission will be allowed to enforce the Bill. I say that is not so. Government Members have referred me to certain sections which I have read. I am a lawyer with a good deal of experience. As far as I am concerned, that is not correct. If the Canadian Human Rights Commission sees discrimination in particular workplaces, it can enforce sections of the Canadian Human Rights Act against those firms. However, the Bill deals with affirmative action. If the obligations to proceed with affirmative action are not complied with, as far as I can see there is nothing the Canadian Human Rights Commission can do. It is misleading to suggest that because there is a requirement in the Bill to send the report under Section 6 to the Canadian Human Rights Commission, the commission can apply penalties to firms which thumb their noses at the obligations under Clause 4.

As I said at the beginning of my remarks, I continue to hope that the Government will see the light and accept the amendment.

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière)): Order. I am sorry to interrupt the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), but his time has expired.

The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to propose an amendment, of which I am the mover. It has been laid upon the Table of the House, and its purpose is to clarify Motion No. 31A. I will read it in English.

[*English*]

Therefore I move:

> That Motion No. 31A be amended as follows by deleting the following words:
>
> "is guilty of an offence and liable on" and substituting the following therefor:
>
> "with Sections 4, 5 and 6 is guilty of an offence and liable on".

I understand that a copy of this amendment has been sent to the Table, and I believe it is acceptable and appropriate that I move it. If it requires a seconder, it is seconded by the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

The Acting Speaker (Mr. Tremblay (Lotbinière)): The House has heard the terms of the amendment to Motion No. 31A.

[*Translation*]

The next question is on the sub-amendment.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), on a point of order.

[*English*]

Mr. Allmand: Mr. Speaker, I rise on a point of order.

Mr. Cassidy: I was intending to comment upon my amendment.

The Acting Speaker (Mr. Tremblay (Lotbinière)): The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has been recognized on a point of order.

Mr. Allmand: I just wanted to say that I think the amendment to my amendment is a great improvement. Despite the fact that it changes my amendment, I hope Your Honour will find it in order and that the Government will find it acceptable.

The Acting Speaker (Mr. Tremblay (Lotbinière)): Resuming debate with the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. Cassidy: It was my intention to comment upon my amendment.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we heard the Hon. Parliamentary Secretary—

[*Translation*]

The Acting Speaker (Mr. Tremblay (Lotbinière)): Order, please. The Hon. Member for Ottawa Centre (Mr. Cassidy) knows perfectly well he cannot take the floor on a motion for a sub-amendment.

Resuming debate with the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

[*English*]

Mr. McCurdy: Mr. Speaker, earlier the Parliamentary Secretary said that the Government had an obligation to do everything to ensure equality and opportunity. Presumably he was making specific reference to the designated groups to which the Bill would apply. He also said that the proposed legislation was directed to the achievement of goals and oriented toward the achievement of results. This has been reiterated over and over again.

The fact is, as was pointed out by my colleague, that we would have an equally effective Bill if it were proposed that at nine o'clock every day of the week employers would get up and say: "I will not practise discrimination. I will treat the disabled, women, visible minorities and native people well today". In effect that is all Bill C-62 promises. We have come to the nub of the issue, the point at which the Government must decide whether or not it is serious. It must decide whether it is on the side of those employers which surveys indicate would reject affirmative action. By and large they would reject it, as the record would indicate, because they now have licence to practise a three-to-one bias against visible minorities. Of course the record in respect of native people, women and the disabled is clear. They would have us believe that voluntary affirmative action and voluntary employment equity is the answer. As was indicated earlier, Judge Abella was specifically assigned terms of reference requiring her to make a choice between voluntary affirmative action and mandatory affirmative action. It is perfectly clear that the judge carefully considered the alternatives. She made her decision on the basis of evidence which is unambiguous. The evidence from the United States was certainly clear that only mandatory affirmative action is worthy of consideration if one is serious about achieving equality in the workplace for the designated group. That is irrefutable.

• (1650)

The evidence is equally clear in Canada. The good judge looked at the evidence with respect to the employment of women in the Public Service and found that the result of nearly a decade of voluntary affirmative action has not been affirmative at all. There has been no significant progress in most areas. Women are still relegated to the clerical and lower administrative niches of the Public Service. Little progress has been made in achieving status, in significant numbers, at the management level.

Voluntary affirmative action has been attempted with respect to the disabled, and that has been equally a failure. The federal Government has invoked voluntary affirmative action with respect to visible minorities, and I speak in particular of the program in Nova Scotia. The proportion of visible minorities employed in the federal Government during the period of voluntary affirmative action was 2.2 per cent of the workforce, whereas the percentage in the population was 4.4.

Mandatory affirmative action with specification of goals has worked undoubtedly, unquestionably, and unambiguously. One need only cite the non-voluntary affirmative action program with respect to the Francophone national linguistic group in the country. It was successful. I will assert here and now that if the French people of the country had been faced with a proposal for a voluntary equity program they would have rejected it, and their numbers would have caused their rejection to be taken seriously.

This proposed amendment would provide for penalties for the failure by an employer to proceed with the provisions of Clauses 4, 5 and 6. It presents the Government with an opportunity to ensure mandatory affirmative action. We do not want merely a reporting, on an annual basis, of the number of women, disabled, and visible minorities employed, but rather we want to have specified goals which must be achieved. That is mandatory affirmative action which was recommended by Judge Abella and which is unanimously demanded by all representatives of the designated groups.

The Government is now in a position to respond to those demands. It is at last in a position to be taken seriously because it will have manifestly taken a serious action in response to the cry for mandatory affirmative action which will respond to those in need rather than those who will be inconvenienced because they must correct the injustices of the past.

[*Translation*]

Ms. Sheila Copps (Hamilton East): I would like to join the other Members of this House who have already established the importance of the amendment and the sub-amendment.

[*English*]

We are probably now considering the most crucial amendment of all those which have been proposed. There have been a couple of dozen of amendments proposed by the Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand) and members of the NDP. This particular amendment goes to the core of why those handicapped persons brought their grievances to the House of Commons and demonstrated on the Hill yesterday. We heard the chant: "Mulroney, baloney, your equity Bill is phoney". The reason for that chant is specifically the lack of enforcement which exists in the current proposed legislation. Clause 7 reads:

> An employer who fails to comply with section 6 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

That sounds fairly ominous to the lay people in the gallery. Fifty thousand dollars seems like a very substantial amount of money. However, the motion, without the amendment, does

not refer to a $50,000 fine for non-compliance, but simply for failing to report. When employer ABC of the Hamilton East Widget Company sends his report to Ottawa advising that he hired one woman this year, one woman last year, and one woman the year before, for a total of three out of 3,000 employees, the report will be tabled and there will be no fine. The fact that there are only three women working in a company which employs 3,000 people is immaterial. It will continue to be irrelevant and immaterial unless and until the House accepts the amendment and the amendment to the amendment proposed by the Liberals and the New Democratic Party.

Clauses 4 and 5 deal with the issue of employment equity. Until we introduce a specific amendment, including Clauses 4 and 5, we will continue to have a toothless piece of legislation which is nothing more than a phoney and a sham, an attempt by the Government to pretend it is doing something with regard to employment equity when, in fact, it is doing nothing.

The first part of the amendment suggests that the fine be raised to $.5 million. A major corporation with thousands of employees may consider $50,000 to be the cost of doing business. Unless the Minister is given the power to bring forth a summary conviction and a fine for failure to implement a program of employment equity or affirmative action in a business, all of the Government Members who say that they believe in equality for women, for minorities and for the handicapped are fooling themselves, but are not fooling the Canadian people.

In the women's debate the Prime Minister (Mr. Mulroney) promised all the women of Canada that the moment he was elected he would immediately begin to reclassify tens of thousands of jobs in the Public Service to ensure that women get their fair share of promotions within the Public Service. Through this Bill the Government is failing to move on the issue of enforcement with respect to employment equity and is also determining that no government agency will be covered by this legislation.

[*Translation*]

If they really believe in the principle of equity, Mr. Speaker, all Members will at least have to agree with the amendment that has just been moved. I know that about two dozen amendments have been presented by Opposition Members , and I realize the Government cannot accept all these amendments. I know that. I know how Parliament works. But I think it should be said that with the amendment moved by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and the new amendment to the amendment, moved by the Hon. Member for Ottawa Centre (Mr. Cassidy), we now at least have the principal that equity should apply and not just for reporting purposes. We are not sitting here in the House just to make the headlines and to report on the lack of progress in providing equity for the disabled, the blind, women and the neediest in our society.

If we really believe in equity, Mr. Speaker, I urge all Members of this House to at least accept this small amendment that could enhance the equity principle so eagerly sought after by the Members of this House, or so they say.

Mr. Speaker, are you trying to tell me that my time has expired?

The Acting Speaker (Mr. Tremblay) (Lotbinière): No.

Ms. Copps: Excuse me. I would like to go on for a while. Because the Speaker nodded, I thought my time had expired. I know the rules for playing basketball better than the rules of the House of Commons. I didn't see the "timeout".

• (1700)

[*English*]

I am sorry, Mr. Speaker, I realize we are all new to this business. If I have four minutes left, I have many, many important points.

Those points harken back to the demonstration we saw on the Hill yesterday. Unfortunately, the reality is that many disabled Canadians are frustrated. This is, on the one hand, because of the promises they get from the Government and directly from the Prime Minister, and, on the other hand, because of that same Prime Minister's failure to respond. We heard some promises made during the women's debate. We heard the mellifluous baritone telling the women of Canada that if they vote for the Conservative Party everything is going to be all right because Mr. Mulroney will look after things.

There was another promise made and it was exposed yesterday on the Hill for the sham and fraud it was. We saw a representative of the disabled community who had literally snagged the Prime Minister with her wheelchair a couple of weeks ago. I want to give her full credit for snagging the Prime Minister, which is no mean feat when he is racing away from a horde of media who were trying to get answers from him on a number of issues. She told him directly that they were not satisfied with this law. It has no teeth. It is a phoney Bill. They wanted him to have a look at it. He promised her that he would personally review the legislation and before it came back to the House he would personally ensure that enforcement mechanisms were applied and see that the Bill had some teeth. Unfortunately, as soon as he escaped from the clutches of this particular woman, who was prepared to confront him and force him to tell the truth, he not only refused to review the Bill or come before the committee, he not only refused to allow any amendments to be carried forward from the government side of the House, he totally ignored phone calls and other contacts from the woman who had originally approached him about this question. This woman was in the House yesterday. Only 10 persons in wheelchairs were allowed into the House, and she was one of them. She cried out from the seats on high: "What about the promise that was made by the Prime Minister?"

We know that if he were really sincere about his promise to review the legislation and ensure that this particular Bill had an enforcement mechanism and the kind of teeth that would at least begin to address the problems of employment equity among the handicapped, minority and women of this country, he would have allowed this amendment to pass. This amendment is not offensive. All it says is that an employer who fails to comply with Clauses 4, 5 and 6 is guilty of an offence. Clauses 4 and 5, as you know, deal with employment equity.

Hopefully I have explained the case to the House. I wish the Prime Minister were here to explain his position. I urge Government Members to support at least this amendment.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am interested in participating in today's debate, although I do not do it with too much heart because I think the Bill is unworthy of this House. Obviously it is not considered unworthy of the Government side, and I suppose it is for that reason that the Minister responsible has not taken too much personal interest in seeing it go through the House. It must be a bit of an embarrassment because it really is a hollow Bill.

I want to refer Members back to the what the purpose of this Bill is and demonstrate why Clause 7, as it stands, is really of little value to those who are discriminated against in the workplace. The purpose is the following:

> The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

Let us start by looking at the special measure which the Minister and the Government have included in the Bill. As other Members have pointed out, Clause 7 simply says:

> An employer who fails to comply with section 6 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

I think we have to be practical. There are all kinds of corporations, from small to big, who will simply say there are lots of ways to get around this. It is not as complicated as you might think. Turn back to Clause 6 and all you have to do, as other Members have pointed out, is to take a single sheet of paper and write down:

> (a) the industrial sector in which employees of the employer are employed—persons in designated groups so employed;
>
> (b) the occupational groups—and the degree of representation—in designated groups in each occupational group;
>
> (c) the salary ranges of employees—
>
> (d) the number of employees hired, promoted and terminated and the degree of representation—of persons in designated groups.

It would take you a grand total of five minutes once a year to do that. We have to keep in mind what the courts would think. Obviously the judge is going to read that clause, flip to Clause 7 and say, "It is a maximum fine of $50,000. They did not get it in the first year, it is new, so we will not give them a fine, we will give them a conditional or absolute discharge". The Government might not even proceed with prosecution.

If Government Members have any integrity at all regarding putting teeth in this legislation, they will accept the amendment moved by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and the subamendment moved by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Hon. Member for Windsor—Walkerville (Mr. McCurdy), to provide some kind of substantive usefulness to this Bill. Otherwise we are really spinning the wheels of the taxpayers of Canada. The Bill states that it has a purpose, but the rest of the Act has nothing in it. Employers are not really required to do anything. Obviously various employer groups have managed to get to Government Members, lobby them, and get this Bill watered down to where it is not just pretty thin soup, it is gruel. It is pretty tough stuff for anyone to stomach who has been discriminated against on the basis of anything in Canada.

I am going to be interested to hear what Government Members have to say as to why the penalty section is the way it is. I came to this House after having worked in the courts. I was a probation and parole officer. I can read the penalty section probably better than anyone else. I know that people who are looking for ways around things go straight to the penalty clause first as well. I would like to hear from Government Members why it should not apply to Clauses 4 and 5, because that is really where something could be done. It would be some way of giving some kind of realistic stimulation to employers to get on with the job of providing employment equity.

• (1710)

Let's take a look at the size of the fine. There is a maximum fine of $50,000, and only by summary conviction. Why does it not allow for an indictable section or, as is proposed, a fine that is reasonable, say $500,000, where it gives the courts some leeway when a large corporation with a couple of hundred or a couple of thousand employees simply is not living up to it? How is it reasonable to expect that a fine that is so small, one which is only the amount they would be paying a couple of employees per year or one management person per year, is a realistic penalty? This is not incentive legislation, this is disincentive legislation in that a business is punished, supposedly, if it does not live up to the intentions of the Bill.

We have to look carefully at the purpose section. Clearly that is what the Government and its Members are going to peddle to the public saying, "Here is the purpose and let us look back to the purpose section". Why are they bringing this in? We are intending to assist women who are being taken advantage of in many situations, aboriginal peoples, persons with disabilities, and people because of their race or colour or in a visible minority who are discriminated against in the workplace.

The understanding of it can be promulgated through all kinds of propaganda that can be put out by the Government.

There are very few people in the workplace who have the time, the interest or the opportunity to go through a Bill like this and ask themselves whether it is really worth the paper it is written on. Certainly in this situation it is clear, judging by the overwhelming majority of Members speaking on this Bill who are saying that there is nothing in this Bill, that it is unworthy of parliamentary time in the form that it is written in.

The penalty section is inadequate and totally inappropriate. Why bother to have a section in there providing a fine of up to $50,000 if someone does not fill out a form that is going to take them five minutes? The reporting section may be of interest bureaucratically, but it really does not strike at what the purpose section has outlined in terms of employment equity, which is the employer's duty. Clause 4, is very specific in that there must be an identification and elimination of employers' employment practices which set up barriers to those designated groups in terms of bringing in new policies and practices which will accommodate those groups. These things are seen as being an employer's duty. If the employer is not living up to these guidelines, then clearly there should be a penalty section. I stand to be corrected by anyone who studied any law who would not agree that that should be the purpose of the penalty section. You find that in almost every seasoned and reasonable piece of legislation that this House has ever passed, from the Fisheries Act on down those parts of an Act that are going to require some kind of stimulation by the courts, some kind of realistic and persuasive action by the House of Commons, are drafted in. The House should not pass Bills that are so totally inadequate that the penalty section applies only to reporting.

The other section in which this amendment would require the use of fines would be in relation to the plans of goals to be prepared, where an employer shall, in respect of each year, prepare the plan and the goals to achieve and implement employment and the timetable for it in relation to places of work and in relation to the groups that are identified in the purpose section of this Act. If the employment equity Bill is going to work and actually pick up some steam from British Columbia through to Newfoundland, then clearly the Government has a responsibility to accept the amendment and the subamendment that has just been proposed. The mover of the amendment has agreed that this is a wise subamendment.

I am very interested to hear from the Minister or from any Government Members, the Parliamentary Secretary or others, how it is possible to achieve what is laid out in the purpose section of this Act without bringing in some kind of enforcement and compliance section with a reasonable level of fines that can apply on a downward scale. I suggest that the maximum fine should be $500,000 down to $1, which would give the courts some leeway. If it is only from $1 to $50,000, a large corporation in this country might or might not file. Obviously it would want to comply bureaucratically, so it might not even get the fine.

If these amendments are not accepted, I would write the employment equity Bill C-62 off as a dead loss and no one should see it as anything other than that.

Mr. Roland de Corneille (Eglinton—Lawrence): I am addressing the matter of the subamendment to call upon the Government in this House to amend the present proposed employment equity Bill, as it is called, to include Clauses 4 and 5, as well as 6 to be subject to penalties. The Bill as it presently stands finally ends up being nothing more than an employment report, which, in fact, is incomplete in itself. It is nothing but a reporting mechanism.

One of the members of the committee said that she was an eternal optimist. She believed in the good will and the good faith of the Canadian people. She thought that by waving the flag and saying this it should make us all feel content and go back to sleep and count on the idea that all will be well if we leave things in the hands of the good will of the Canadian people. First of all, it is a *non sequitur* because we are not talking about the Canadian people in general, we are talking about people who are trying to run their organizations and who are interested in profit and who, perhaps, are interested in keeping the *status quo*. It is always easier to keep the *status quo*. I have to say that the Member for Capilano (Mrs. Collins) who was counting on the good will of Canadian people is perhaps so naive that she might as well write off the fact that we have worked our way out of the primeval ooze of human exploitation of fellow man, and realize that we have had to fight over centuries to bring about charters of human rights.

In fact, human rights are a relatively new idea, tragic as this may be. We cannot count on good will, so we must count on penalties. We must count on law. We must count on regulations and orders. That is why the House is here. The House is here to pass laws for this country. We are sent as parliamentarians to this House to represent the people and to make sure that their interests are protected and that law and order prevail, an order that is humane, civil and caring.

That is why we have penalties. We have, of course, the carrots with which to encourage, but we have penalties to discourage inhumane action by people. While we would prefer always to appeal to the best sides of people and to their better emotions and better instincts, we know we also have to provide penalties.

The penalties in this Bill are only $50,000 and apply only to whether or not somebody sent in a report. That is why the people across this country, the various groups that this purports to protect, are protesting that this is a sham, a phoney. It is not coming to grips with anything. The Government is trying to make it look as if it were doing something when, in reality, it is doing nothing for those people.

The reason for the amendment is to try to make this apply to something more than reporting. It is to try to make it apply to other aspects which make companies responsible citizens. Not

only must we talk about rights, we must talk about responsibilities. We are not only concerned about human rights, we are concerned about the responsibility of being a good citizen, a good corporate citizen and a good employer in Canada.

• (1720)

The Government would have people believe that it has done something to bring about responsibility. I am afraid that there is a type of cynicism involved here. Perhaps Members opposite could understand what is at stake by imagining themselves in a situation that could happen to them at any time. They could have an accident and be in exactly the same situation as the handicapped who were on the Hill protesting on behalf of all people with disabilities.

According to Statistics Canada, one in every eight Canadians has a disability. Perhaps these Members could imagine themselves being handicapped and trying to find a job. If they had to wait from five to thirty years to get a job, feeling worthless, they would be concerned about providing penalties. They would be serious about this Bill instead of making it into a political mockery. It is grossly cynical.

The Government counts on making promises during elections. We saw its promises about patronage and about support for post-secondary education. In fact, the Government has broken hundreds of promises, but it wants to tell women, native people, the disabled, and the minority groups of this country that it passed a Bill to ensure that they would have employment equity, which has never been done before. What cynicism! Rather, the Government should be telling those groups what it is taking away from them. People may believe they are protected, but that is not the case. People are promised that they will be protected, but they will not be protected unless amendments such as this, which provide for penalties rather than simple reporting, are accepted. The Bill is a sham. It is phoney, as the handicapped people said yesterday.

My colleague from Hamilton said the Canadian people will not be taken in. I am afraid that sometimes they are taken in because they are not told the truth.

When the time comes for the Government to talk about its record, it will not talk about how it fought against the Charter of Rights and Freedoms for months and months, thereby tying up the House of Commons. It will say that it has accomplished a great deal because it brought about employment equity for the first time. It will not talk about the Abella Report which recommended what was necessary in order to provide a Bill that would have any effect at all. It ignored the reports of the commissions and it ignored the groups that are supposedly being protected. It simply carried on in this cynical fashion.

If the Government does not consider this kind of amendment seriously, it is throwing away its chance to make a truly meaningful contribution. If the Government accepted such an amendment it could truly take credit for passing a Bill that has achieved something. No one could take that away from the Government.

Mr. Dan Heap (Spadina): Mr. Speaker, I find it necessary to speak against the Bill in the form of speaking for this subamendment. The Bill is bad.

Bill C-62, called the employment equity Bill, is so bad that without this subamendment and the amendment it is a sick joke. All that the Bill provides without the amendment is that an employer will send in a list of how many employees he has, how many women, how many visible minorities, how many native people and how many disabled people and send in a list of last year's promotions, firings, et cetera, and how many of each. He will do nothing more.

For this, the Government has wasted over half a year of the time of this Parliament and has raised the hopes of the target groups in the public and disappointed them.

If this amendment is to be adopted, then the Bill would have some effect. Right now, the Bill does nothing for employment equity. It does provide a little bit of employment for clerks or other minor officials in some Department of the Government who will receive some reports from some employers and file them. It may provide some work for a post-graduate student who is doing a thesis 10 years from now and wants to look at some records. Apart from that, it will not provide work for the disabled, native people, visible minorities or women to the extent that they are now being mistreated and discriminated against in employment. That is a fact.

This subamendment would extend the penalty provision two ways: increasing it to $500,000 so that the big corporations would not laugh at the penalty; extend the penalty so that it applies to Clauses 4 and 5 of the Bill.

Those are the only clauses that, by themselves, have any real meaning.

Clause 4 begins very boldly by saying:

> An employer shall, in consultation with such persons as have been designated by the employees to act as their representatives or, where a bargaining agent represents the employees, in consultation with the bargaining agent, implement employment equity by—

The way it is worded it says that the employer shall implement employment equity. It lays that on not just as good advice, not just as something that the Minister of Employment and Immigration (Miss MacDonald) wishes they would do or her Parliamentary Secretary wishes they would do, it says with the force of Parliament that the employer shall implement. He shall identify and eliminate the employment practices that result in employment barriers. He shall institute positive policies, making reasonable accommodation and ensure that persons in designated groups achieve a degree of representation that is at least proportionate to their representation in the workplace. The employer shall do these things.

Clause 5 goes on to say that the employer shall, in respect of each year, prepare a plan. He is going to make a plan that will set out the goals that the employer intends to achieve in implementing employment—what he is ordered to do in Clause 4—and the timetable.

• (1730)

With respect to the timetable, how many corrections is he going to make in his workforce next year and the year after so as to bring up a more just balance of the disadvantaged groups with which this Bill is supposedly concerned? That is fine as far as it goes but it does not go far enough. What it does not do is to provide any reason for an unwilling employer to do those things which the law says he shall do. The Minister has prated and preached about the court of public opinion. We know from experience in this country and in the United States that the court of public opinion cannot make most employers do those things the Minister claims this law makes them do. So the Minister's claim is not to be believed. Whether she can wake up in the morning and believe what she is saying is not the point. The point is that no one outside Parliament can believe it.

This is not only the opinion of members of the Opposition. This is the opinion which was expressed by the representatives of the very groups the Minister claims she wants to help. Last October there was a press release from a coalition of these groups. For example, Chaviva Hosek, the President of the National Action Committee on the Status of Women, said, and I quote:

> We are disturbed and disappointed by the Government's responses. We hope to be successful in persuading the Government to amend Bill C-62, which is presently before the House, to make it an effective tool for creating equality.

That is what she said back in October. She and other persons came and spoke to the committee and were ignored. The Parliamentary Secretary and other members of the Government majority ignored the witnesses and stonewalled every amendment made by opposition Members at the request of those witnesses. These feelings were not only expressed by the representative of the National Action Committee on the Status of Women. Navin Parekh, President of the National Ethnocultural Council, said, and I quote:

> Mandatory affirmative action has been recommended in Canada by report after report from Parliamentary Committees, Commissions and Inquiries. Most recently, the Abella Commission squarely addressed the problem of inequality in employment experienced by all the groups represented here today and recommended that mandatory affirmative action with strong enforcement procedures be introduced now.

It was not only the women and the Ethnocultural Council but Mr. Jim Derksen of the Coalition of Provincial Organizations of the Handicapped who said, and I quote:

> If employers do not voluntarily undertake affirmative action programs, and if their yearly reports on their workforce show no progress towards equality, nothing happens. Bill C-62 only requires reports. Reports are not enough.

Joan Brown-Hicks, President of the Canadian Congress for Learning Opportunities for Women, said, and I quote:

> Data collection and reporting are essential parts of mandatory affirmative action systems because they allow measurement of change. But the Government's Bill gives us no mandatory affirmative action system; it gives us only data. With no programs and no enforcement, this is form without substance.

Carol Tator of the Urban Alliance on Race Relations, a group which went to some trouble to develop the scientific evidence that a white person has three times as many chances of getting a job as a black person with the very same qualifications, said about the Bill, and I quote:

> This is simply unacceptable. The point of affirmative action programs is to move away from the complaint system which places the onus for change on the victims of discrimination and instead place the onus where it properly belongs, on the employment systems themselves.

The Canadian Labour Congress, which represents the major part of the organized workforce in Canada, which this Bill pretends to respect by requiring the employer to consult, also condemned the Bill, as well as did the whole coalition of these groups.

Although we tried in committee to move the amendments asked for by these people, the Government stonewalled everyone. Clause 8 is only a sick joke because it states that the Human Rights Commission will have a report about which its statute does not enable it to do anything. That report is nowhere reflected in the duties given to the Human Rights Commission. Therefore, this law is a monumental fraud on the part of the Government as the Bill before us stands. Without the subamendment which would require enforcement of Sections 4 and 5, it would be better for this Government and the people of this country if this Bill were withdrawn now and buried. That would save the Government any further embarrassment.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I will be brief, since as you may recall, I spoke previously at the second reading stage of Bill C-62. However, luck would have it that today I was on duty again, so in these last two days, I have listened to a lot of debate on the many amendments that were moved and that are supposed to improve this legislation.

A while ago, when I was sitting in your chair, Mr. Speaker, I heard the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) say that we are here to pass laws. Of course, that is what it says in our job description. No one will disagree. But if we take a closer look at this definition, this job description it is not something that happens automatically, it is not an obligation that means we absolutely have to pass laws, because if people, if society were to exercise its judgment the way we would like to see it exercised, the way a good citizen would do, in many cases we would not have to pass laws.

So we often pass legislation when a majority or a large part of the population is not progressing at the same rate as the average citizen.

I may also recall, Mr. Speaker, that I was a member of the Committee on Equality Rights and that I signed the report. During the last two days frequent references have been made to that report. I would say it is a fact that out of the 85 recommendations made by our committee, 61—not 59, not 60, but 61 have been accepted by our Government.

I said so on several occasions during committee proceedings, and I repeat today that if the citizens expect the legislator to find a solution to their problem, they are mistaken. The way of thinking has to change if the problem is to be resolved. Indeed,

but how? The mentality has to be changed, and legislation is one way to do it.

As far as I know, Mr. Speaker, and I stand to be corrected if I am wrong, this is the first Government, yes, the first Government in a long time—

Mr. Lanthier: —in 22 years.

Mr. Tremblay (Lotbinière): —in 22 years I am told, and I stand to be corrected which will enact such legislation on the right to employment equity.

Mr. Speaker, I think this approach is insidious at best, considering these individuals — let us be honest and give credit where credit is due— gave their time and energy for years, to the Council on the Status of Women among others, in a sustained effort to convince the former Government to promote this cause through legislation which would have changed this mentality. They never ever did anything. The Liberal Government did not make a move when it was in office. So the least I can say is that it is indecent that we should now be lumped together with that Party.

It has been said that the Bill does not have enough teeth. Maybe so, but admittedly it does have some. To those who claim that it is not compulsory I say that indeed there is a clear and specific obligation, that the companies affected under this Bill will have to meet their responsibilities. They want more. They are already passing judgment on Canadian men and women affected by this Bill, claiming that they will automatically ignore it. They would prefer that not a single citizen, not a single company be given the opportunity to have free and ready access to what everybody with common sense would strive for, equity.

Mr. Speaker, again I say that this Bill is unprecedented, and I fail to understand why they speak so harshly against a measure introduced by a Government which, as I said, has been responsive by endorsing 61 of the 85 committee recommendations. This Bill may not be perfect, I agree, but then show me perfect legislation. Once again, the legislation will be there so that those who unfortunately would ignore common sense will be forced to toe the line.

We are dealing with a very special sector. It is a matter that affects us all. Access to equality. In the last two days, I heard no one speak out against that principle. Through our 282 ridings, we represent all Canadian men and women. Now, no one here in the House said they were against the principle. The Bill may not be perfect, but why should we waste our time saying it isn't perfect? Let us speed up the process and adopt the Bill, and we will see how it turns out in practice. We never had this kind of legislation. Let us start for heaven's sake! It will be very interesting to see how this evolves.

Mr. Speaker, once again I would urge all those taking part in this debate, and especially Opposition Members, to consider what, in the final instance, is reasonable. It is all very well to be highminded, but we still have to run the country. And running the country means making decisions, and I think we have made the right decision. And once again, let it be understood that we hope we never will have to amend this Bill. We hope that the companies in question will basically implement what the House of Commons is asking everyone to practise.

• (1740)

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I say through you to my friend, the Hon. Member for Lotbinière (Mr. Tremblay), with whom it was my pleasure to travel across the country with the Special Committee on Equality Rights, that I listened with a great deal of interest and some considerable concern to his remarks. I thought that the Hon. Member would have learned a great deal as a result of being a member of the committee. He certainly seemed to be very sensitive. We enjoyed his presence. However, I think that his learning stopped somewhere along the way.

Mr. Rodriguez: He's a Tory!

Mrs. Finestone: The penalty clause should not be restricted to the implementation clause r and the action plans clause 5. This is why I will support the proposal put forward by the Hon. Member from the New Democratic Party.

The Hon. Member for Lotbinière referred to the 22 years in which nothing had been done. If we lived in a perfect society, as he says, we would not need laws to effect change. Perhaps I am quoting him out of context. However, he seems to think that citizens should not wait for the Government to resolve their problems. He seems to think that it just takes a change of attitude, a change of mind and a change of heart.

[*Translation*]

A change of heart sounds lovely, except that the Government's role is to show leadership. And I am sorry, but with all the action that has been taken, the requisite changes have not taken place. I hope the Hon. Member for Lotbinière (Mr. Tremblay) is listening, so he will learn what we in the Liberal Party have done in the last 22 years, something about which he is unduly concerned, because I can assure you that we have accomplished a great deal. And that is why I believe these amendments are so important. In this respect . . .

[*English*]

Apart from environmental concerns, issues which directly affect women have risen to the forefront faster than any other concern in our society in the last 20 years. The Hon. Member spoke of 22 years in his remarks; I will give him two years. I will talk about 20 years of accomplishment.

I think that that issue is of equal concern to men as it is to women since we are looking to a partnership society. We are looking to a society based on merit for the job—just remove the barriers to getting those jobs. We are not saying: "Hire people for the sake of hiring them". We are saying: "Hire where they have the capacity to fulfil the task". If a few

modifications need to be made, then make them, and put them into practice.

Mr. Cassidy: No Liberal Bill was ever brought in.

Mrs. Finestone: I would ask the Hon. Member to wait and listen. I will give him a few history lessons, too.

Over the past 15 years, female participation in the Canadian labour force has grown at a greater rate than in any other OECD country. I suggest that the Hon. Member cut my remarks out once they have been printed so that he can use them in his speeches. It grew from 41.9 per cent in 1973 to 51.6 per cent in 1982. That was when we were moving into the height of the recession.

I would now like to move on to the major steps which were taken which brought us to this point of evolution today. Hopefully, they would have brought us to a point of changed mentality so that we would not need to have a law of this nature, so that the actions we take would lead to the natural maturation of our society where equality between men and women would be a reality. They should have brought us to a point where we would have acceptance on merit, not blocking through systems which are rampant in our society.

In 1967 the Royal Commission on the Status of Women looked at the problems which were creating economic difficulties for women in our society. These are two of the questions which were asked at that time: What was making older women poor in our society? What was the problem with part-time work? For the first time the women sat down together and drew up a list of the problems which they faced in an evolving 20th century society.

Following the report of the commission in 1967 we saw many issues undertaken, most of them voluntary. I am sorry to say that those voluntary issues which my Party put into place were not sufficient. That is why the Bill before us is necessary. It is necessary as mandatory legislation with enforcement principles.

In 1969 we saw the first of the revisions to the divorce laws which came about as a result of a great deal of economic suffering for families, and therefore pressures on women were created. There was an unfortunate series of family breakdowns of which we were not even aware. That is when the issue of the single-parent family first came to the fore.

• (1750)

In 1971, Canada was the first country to appoint a woman to a cabinet Minister position specifically responsible for the status of women. That was the first appointment ever to be made that recognized the role of women. In 1972, we ratified the International Labour Organization's convention concerning remuneration to men and women workers for work of equal value, the first of the equal-pay legislation, which we cannot even find in this Bill. Hon. Members should be ashamed of that. If Hon. Members are using a principle of sensitizing and growing and of having society take those obligations upon itself in a voluntary way, then equal pay for work of equal value should be part of the mores of society, but it is not, and that is a key point.

In 1977, we had the Canadian Human Rights Act which forbids discrimination on the basis of sex and ensures equal pay for work of equal value. That provision is still not applied and is still going before the courts. Women still need financing so that they may get their right to equal pay. This is true as well for visible minorities, the handicapped and native peoples.

In 1978, we took a good look at the Canada Pension Plan and put in equal splitting of pensions between spouses on divorce or annulment of a marriage. In 1978, the Canada Labour Code was amended to eliminate pregnancy as a basis for lay-off or dismissal. Are Hon. Members telling me that we did not do things that were sensitive and in the interests of women? We did do those things because we heard from councils and groups that spoke about the concerns of women.

In 1979, we composed a five-year national plan of action for the status of women called *Toward Equality for Women*, and 114 legislative and administrative changes were made. I suggest that Hon. Members look at those 114 legislative changes that were made and tell me that we did not bring in good, substantive legislative change.

In 1982, the Charter of Rights and Freedoms, to which my hon. friend just referred, was brought in against screaming voices from the Party across the way, but we still brought it in with an equality section. In 1984, we developed a new plan of action, which I am sure will not see the light of day under the Conservative option.

We have had a child care task force. We have done something about divorce reform. We did something about the enforcement of maintenance orders. As I said, we reformed the pensions. Take a look at our views with respect to sexual stereotyping and affirmative action.

For many women, the first of the affirmative action programs were put into place by Treasury Board directive. Those Treasury Board directives still did not bring about the kind of change we want in a voluntary way, and that is why we say that this Bill should apply to public servants. If affirmative action objectives were being reached, that would be fine and dandy, but we should be using this Bill as a yardstick and move on from there.

Many Candian women saw affirmative action as the central issue in economic inequality. While 40 per cent of the workforce is composed of women, they still earn only about 64 per cent of men's wages. That is why we need equal pay for work of equal value entrenched in the Bill as well as affirmative action. As Hon. Members well know, 70 per cent of women work in job ghettos.

After the affirmative action plan was successfully implemented in five federal Departments and was carefully watched, it was then extended throughout the federal Government, but because it was not mandatory as it should be, it has

not had the same degree of impact. Where are the handicapped and the visible minorities? Are they reflected here as they are in society? They are not and we should be ashamed of that. That is why affirmative action needs to be mandatory and monitored and why a simple payment of a fine for not filing is no action plan at all. The Harvard Business School would not give very good marks for that kind of action.

The Abella Commission studied every one of the kinds of concerns to which I am referring today and showed where affirmative action, when undertaken in a voluntary way by our Crown corporations, did not have the success rate that we want for society. Here we are committing the same error by not making it mandatory. In 1983, when that affirmative action plan came into force, we set up the Abella Commission because we knew the plan was a temporary step that would be in place only until the study was done. What did the Conservative Government do with the study when it came back? It turned it around ignored its advice and that is very unfortunate.

The Acting Speaker (Mr. Charest): Order, please. I am sorry to have to inform the Hon. Member for Mount Royal (Mrs. Finestone) that her time has expired.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I would like to rise in support of the subamendment which was moved by the Hon. Member for Ottawa Centre (Mr. Cassidy). In effect, that subamendment attaches a penalty to Clauses 4 and 5 of the Bill.

The Hon. Member for Lotbinière (Mr. Tremblay) said that never before have we had a Bill like this. I would like to remind the House that we have had Bills like this. I recall the competition policy Bills brought into the House by the Liberal Government. Even Bill C-91, which was brought before the House the other day to provide for competition and control mergers, was, as were previous competition Bills, designed to give the impression that something was being done when in fact we were not really serious about doing anything. This Bill is of the same genre.

Clause 4 of the Bill reads as follows:

> An employer shall, in consultation with such persons as have been designated by the employees to act as their representatives or, where a bargaining agent represents the employees, in consultation with the bargaining agent, implement employment equity by—

The clause goes on to indicate what they have to do. One must ask oneself, what if they do not do it? I have not been convinced that employers are really interested in creating a climate in the workplace which would eliminate the kinds of discriminatory practices which have existed. As a matter of fact, as reported by today's *Toronto Star*, Judge Rosalie Abella addressed the Canadian Club in Toronto.
The article reads in part as follows:

> More women are working in Canada than ever before—but most are still "ghettoized" in the occupations they have been confined to since 1901—

The article goes on to say:

> Sixty per cent of working women in Canada remain "occupationally segregated," receiving 60 per cent of men's wages, "an 11 per cent improvement over 70 years," Abella said.

The article goes on:

> It's clear, that expectations about the role of women are so deeply rooted "that without active and persistent intervention, the subtle barriers women experience will remain stalwartly erect."

Is the Tory Government a neophyte in this field? We realize it is inexperienced in governing. Perhaps Conservative Members are looking in the mirror and seeing their own reflections. As members of a business-oriented Party, they do not want to put some teeth in this Bill. We have enough legislation in Canada without any teeth. In this particular Bill, the only penalty provided is the filling out of forms as prescribed by Clause 6 of the Bill. If Hon. Members have not read it, I suggest they should, because Clause 6 creates more bureaucratic red tape for businesses and corporations. They have to fill out a form indicating how many employees they have and how many are working in certain sectors. If they do not file that form, they get a $50,000 fine.

The real meat of the Bill is employment equity, and that is where the penalty of $50,000 should apply. It should not apply for paper shuffling. All you guys are interested in is bureaucratic paper shuffling. That is what you are involved in. You are not involved in any meaningful changes. You are not interested in that at all.

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

Mr. Rodriguez: I have five minutes more, Mr. Speaker.

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Nickel Belt (Mr. Rodriguez) has asked for unanimous consent to proceed. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Rodriguez: I call it six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Nickel Belt wants to call it six o'clock.

[*Translation*]

It being six o'clock, the House will now adjourn until eight o'clock, when the House will proceed with a debate on the U.S. attack on Libya.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 29

[*Translation*]

EXTERNAL AFFAIRS

U.S.-LYBIA CONFRONTATION—SAFETY OF CANADIAN CITIZENS

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 29, the Hon. Member for Oshawa (Mr. Broadbent) has obtained leave to move a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the attack of the United States against Libya

[*English*]

Hon. Edward Broadbent (Oshawa) moved:

That this House do now adjourn.

He said: Mr. Speaker, the reason we are having this emergency debate tonight in the Canadian House of Commons is that within the past 24 hours there has been an attack by United States forces on Libya in many locations, in response to what the United States Government has described as a Libyan-sponsored act of terrorism in a West German night-club not many days ago. According to President Reagan, the evidence for this specific Libyan link to what the whole world would describe as a deplorable act of terrorism is, to use President Reagan's words, "direct, precise and irrefutable". That is the contention of the President of the United States. If that turns out to be direct, precise and irrefutable, it is indeed a damning case made against the Government of Libya.

The Canadian interests in this tragic historic situation in the Middle East are twofold. First, there are upwards of 1,300 Canadians living in Libya and therefore we as a Parliament have a direct interest in and concern about the security of those Canadians. Second, like men and women in nations all over the world today, Canadians have to be assessing the implications of the response to the acts of terrorism which the United States has attributed to the Government of Libya; that is to say, we have to be concerned and we have to assess the response of one of the world's superpowers in this circumstance. I want to deal with both these questions, the Canadian situation specifically and the broader international implications of the situation in the Middle East today. First I make clear, and I am sure I speak for all Members of Parliament on this particular matter, that anyone living in a free and democratic society who believes in freedom and democracy has to abhor terrorist violence in all its forms. I take that as a given which all of us in Parliament share.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The use of violence against men, women and children to express a political will in a free society is completely and utterly abominal, and I am sure everyone in this Parliament agrees with that. The use of violence, I say immediately, in an unfree society, as the Catholic Church has recently noted, sometimes regrettably becomes a moral necessity. That is an entirely different circumstance. We are talking about violence against innocent people in free societies as a political weapon.

I have done some checking into the matter of violence in Europe over the past 12 months. Apart from the Middle East itself, almost all the violence in the past few years about which we have been concerned, to put it in those terms, has been violence that has taken place in European countries—Spain, Belgium, West Germany, Austria, Greece, Italy, Ireland and Sweden. All these countries in the past 12 months have had acts of violence within their borders. These are free, democratic, peace-loving societies. I could go outside these northern democratic nations and talk about violence elsewhere in the world, but I am restricting my comments and observations now to that part of the world alone to say that even in genuinely free societies where means are available to all citizens to bring about political change, this modern plague of terrorism has been demonstrating its evil force.

In a few moments I will come to the European reaction to the course of action taken by President Reagan in the present circumstances. However, before doing that, I want to pause and briefly consider the Canadian situation in this important matter. Unless the Deputy Prime Minister (Mr. Nielsen) who will be participating in the debate shortly has some different information to give us, the information which is most current in terms of news broadcasts is that no Canadians have been injured in any way. For that we as Canadians can be thankful, but there are some unanswered questions which have to be answered by the Government.

I want to say at the outset, and I do not say it lightly, that I think on a matter this serious, affecting Canadians as well as the international order and the principle of international law, the Prime Minister of Canada (Mr. Mulroney) ought to have been here to participate and to explain the Government's case. I regret that he is not participating in this debate.

Mr. Speaker: Order, please. The Hon. Member knows that the mention of the presence or non-presence of another Member is out of order.

Mr. Broadbent: I am not talking about his presence. I am talking about what I regard as the obligation of a Leader of a Government in a free society in which his citizens are involved to talk on the issue.

Some Hon. Members: Hear, hear!

Mr. Broadbent: There are a number of questions which I think ought to be answered and have not yet been answered by the Government of Canada. I want to list some of them, and I hope the Deputy Prime Minister will deal with them.

For example, has the Government or has it not spoken directly in the past 12 hours to Libyan authorities to ascertain whether or not the Canadians who are still in Libya and want to leave that country are able to do so without any hindrance whatsoever? It seems to me that the Government ought to have answered that question today, and it did not. Has the

Government provided aircraft and made it known to Canadians that they will facilitate their exit if they so desire?

I would like to know, as I asked yesterday and as the House Leader of the New Democratic Party specifically asked today, when the Prime Minister was informed of the specific nature of the plan of attack or approach that was to be taken by the United States. Did he know this before last Friday when he said in the House: "There is no immediate cause for undue concern for Canadians"? Again that question was not answered today in the House of Commons. We are not concerned here with quibbling about a small matter of history; it is a rather important matter. We now know, for example, that Margaret Thatcher knew about the middle of last week, and there is good reason to believe—and I will not put it any stronger than that—that the Prime Minister of Canada knew about the same time.? We attempted to obtain that information earlier today; we did not. I say to the Deputy Prime Minister that he has an obligation tonight when he speaks to come totally clean with Members of Parliament and the people of Canada about the degree of knowledge the Canadian Government had and when it obtained that knowledge. We want that information.

• (2010)

These are not matters in a particular order of importance. They are all important to us and to the people of Canada, in what the Deputy Prime Minister has described the ongoing discussions with the United States in the past week or so. We want to know on this side of the House, and virtually every European Government would like to know I suspect, with the exception of Margaret Thatcher in England, what proposals were made by the Government of Canada to President Reagan as alternatives to the use of violence. Did we have something to suggest concretely, and if we did, will the Government now tell the people of Canada what we suggested to President Reagan?

Beyond these important Canadian questions to which we would like answers, there is the broader question on which I would like to spend some time, namely, whether under the present circumstances in the Middle East the United States ought to have used its power in a military attack on a number of targets in Libya.

Is the death of an American soldier in a dance hall or a club of some kind in West Berlin—as horrendous and as horrible as it was, and it was an action to be deplored by us all—a cause for response such as that taken by the United States? Is it appropriate to use military forces and attack another nation's capital and kill—we do not know the numbers yet—a number of innocent victims as retribution for an earlier abominable act, assuming for a moment that the evidence is very clear that the Libyan Government itself is responsible for the murder that took place, and that is what it is, in West Germany? Surely that is a fundamental question.

As well, Margaret Thatcher, who has always supported President Reagan quite clearly in the past, has said that when you deal with violence and acts of terrorism, the response has to be commensurate with the act itself. You have the violent death of a young American soldier on the one hand and you have this response. I am raising the question; whether that is appropriate. I want to raise some related questions about that.

As I mentioned a minute ago in listing the countries in western Europe, there has been great concern in the past 12 months among the peoples of western Europe with violence. They have lived with it much more than we have in this part of the world, not only in the past 12 months but in the past dozen years. They have had to live with a modern form of political terrorist violence in democratic society. One would have thought that under such circumstances the United States of America would have considered very seriously the views of their friends and allies in western Europe.

I have been on the phone today with people in West Germany and with people in Great Britain, Government and non-government sources, to get from them their response to what President Reagan has done in the present circumstances.

What do we know, Mr. Speaker? We know that one of the most respected foreign affairs ministers in the world—not simply in Europe, but the present foreign minister of West Germany, who does not belong to my Party, Hans Dietrich Genscher—was en route by air yesterday bringing a message, not simply from his Government but from the whole European Parliament. All the Governments in the European Parliament, with the exception of the Government of the United Kingdom, wanted to send a clear message to President Reagan late yesterday. That clear message was: "Don't use force. Don't take military action at this time". He was speaking at that time for his Government and, I repeat, for all the other governments in western Europe except that of the U.K.

We now know also that France and Spain not only opposed this action, but refused the granting of their airspace to the American aircraft en route to their attack in Libya. That is how strongly the Governments of Spain and France, which have had to deal with terrorism themselves, felt about this action by the United States. The Government of the Netherlands has publicly condemned the action; Prime Minister Craxi of Italy has publicly condemned the action by the United States. The West German Government, I was informed just before coming into the House tonight, described the American action as scarcely understandable.

I ask you, Mr. Speaker, to consider the response of all these countries which have had to live with terrorism and which are democratic societies, not namby-pamby or wishy-washy, but made up of serious men and women who want to maintain peace in their own society for their own members. They want to maintain international order and international law. They have said under these circumstances to the United States that a wise superpower knows when not to use its power. They have objected very clearly. Why have they objected very clearly? Why, Mr. Speaker?

One reason was given to me in a conversation with a former Chancellor of the Exchequer of Great Britain. He said that in

his understanding, and in that of most international law experts, the United States has violated international law. It is as simple and as clear as that, in his view. It is as important as that. It is a violation of international law; not according to some young person or some activist but, I repeat, according to a former Chancellor of the Exchequer of the U.K. who told me that that is a commonly held view in Europe. There is an objection to a democratic state like the United States, which ought to be upholding the principles of law, going against international law.

The second reason, for which they are opposed is that this kind of violence by the state—because that is what it is when you use military force—simply does not work. It has had a tendency, a history, of simply causing repetition, more violence.

I ask the Prime Minister through you, Mr. Speaker, to consider a man like Mr. Khadafy. We would like to see evidence in this case, but let us assume that the Libyans are guilty. We know they have been guilty before. It is quite possible they were. We know that Mr. Khadafy is quite an irrational man. We know that moderate states in the Middle East like Egypt have been wanting for a long time to put distance between themselves and Mr. Khadafy. We know that the Soviet Union for a long time has wanted to put distance between itself and Mr. Khadafy. When a superpower uses this kind of violence against a Government headed by this kind of man, how is he likely to respond? Is he likely to respond calmly, coolly and rationally? Is he likely to say "Oh, my goodness, I better not do any more violent things because they may hit us again"? Not at all. That is a profound misunderstanding in my view of modern terrorism. The more likely response from such a man is to accelerate his own violent propensities. If it does not happen this week, this month or a month from now, the likelihood is that we can see more acts of violence in the future by Mr. Khadafy, violence of the kind we have seen in the past. I suggest that this kind of response is not likely to be very effective at all. It is likely to produce just the opposite of what is intended.

• (2020)

The other concern I have relates to the Middle East, and I am going to come to the broader question with regard to the Middle East in a moment. Some years ago the courageous Egyptian Government worked out the Camp David Accord with the Israelis and the United States. The very courageous head of the Egyptian Government, Anwar Sadat, moved in a constructive way. Ever since then the Egyptian people have been under pressure in the Arab community to lend support, from time to time, to more violent regimes. The western world, including the United States, has caused all kinds of emotional tension and conflict among the Egyptian people, and others who will be emotionally drawn toward Mr. Khadafy. When one of their own is attacked, the immediate tendency is to move with their own, rather than against them.

Mr. Speaker: This seems to be an appropriate time to ask whether the House gives its unanimous consent for the Hon. Member to continue.

Some Hon. Members: Agreed.

Mr. Broadbent: I appreciate that, Mr. Speaker.

That is another reason for our being opposed to the means which the United States has decided to use to deal with the deplorable practice of modern terrorism.

I want to list some alternative approaches, and I do not want to pretend they would guarantee the disappearance of terrorism. However, I do not believe that the action which the United States has taken in the past 24 hours will cause it to go away either. Indeed, we have already heard about an attack, allegedly initiated by Libya in the early hours this morning in response to the attack made on that country. However, there is a stronger list, in terms of effectiveness of approaches which ought to have been pursued, and which our Government ought to be urging upon the Government of the United States.

When we ascertain with clearly understood evidence that a state is perpetuating state terrorism against innocent people or other states, the Government of Canada should willingly and eagerly participate in the following kinds of action. It should partake in tough economic sanctions. I remind Members of Parliament that in 1980 we passed an Act of Parliament with reference to the Iranian crisis. It was a measure that had teeth, a measure of economic sanctions. It had punitive provisions for violation. We set an example, because in that instance there was a clearly perceived act of terrorism under way in the form of a hostage taking.

There is a variety of sanctions which can be taken. By way of example, there is no real movement to get rid of the apartheid regime in South Africa. Our Government has stated that it is prepared to act in terms of economic sanctions. With regard to acts of terrorism instead of using the state power with equal acts of terrorism, we should be using law and economic sanctions. That is the kind of thing which makes sense.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In dealing with a violent state which perpetuates terrorist acts against others we should, as a nation, totally isolate such a state diplomatically. Things can be done to bring that about.

I would suggest that efforts be made outside the framework of Interpol. Interpol is not an effective instrument to deal with political terrorism. It was set up to deal with conventional crime, if I can put it that way, rather than with political crime. The world knows that certain state members of Interpol have been involved in state terrorism, so that is not effective. I suggest that we, with other like-minded states, perhaps the Europeans and the Americans, make a determined effort to co-ordinate anti-terrorist police investigations among ourselves, creating a special council of Ministers representing our

Governments which would have the responsibility of coping in a tough way with international violence, which Interpol has not been able to act upon. That is a practical proposal I would like to see tried.

I would like to conclude with the following observation. We as a nation must recognize the historical origin of terrorism in the Middle East—not to condone it. To recognize the human and sociological origin of crime is not to condone crime. However, if you do understand some of the background you can cope with it more adequately, and remove it in some cases. To understand modern political terrorism which comes out of the Middle East we must have other than a mad-dog view of human history. The truth is that most terrorist activities coming from Arab countries is directly related to the very sad post-war history of the Palestinians and their quest for a homeland. The Secretary of State for External Affairs (Mr. Clark) in his recent statement made in the Middle East showed that there is one member of the Government who has some understanding of what is required historically. Until Israel is left with secure borders, until the Palestinians are granted their homeland and, in short, until some solution is found to what is called the Middle East problem, there can be no real solution to the violence. In my view this is sad, but it is also true. In the meantime we need understanding, not slogans; we need firmness, not violence. Instead of undermining international law, we need to adhere to its fundamental principles.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister (Mr. Mulroney) is not here. This is a matter affecting the peace of the world, and the Prime Minister should be here.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I was giving the Deputy Prime Minister (Mr. Nielsen) an opportunity to respond to the case put by the Leader of the New Democratic Party (Mr. Broadbent).

An Hon. Member: He chickened out.

Mr. Turner (Vancouver Quadra): No, he is not a chicken, but he is waiting to see what the Opposition has to say and will try to gather whatever argument the Government can muster in favour of a very obscure position. This is not the first time that the Prime Minister has not met a major national issue in the House of Commons. This is where the issues ought to be discussed. I do not care whether it is a television world or an immediate electronic world, the issues of the country are discussed here on the floor of the House of Commons, and the Prime Minister ought to be here.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, we are pleased to have the opportunity to discuss a very important international issue involving all nations, including Canadians who do not yield in their thrust for peace to any other people on the face of the globe.

I want to second what the Hon. Member for Oshawa (Mr. Broadbent) has so eloquently said. I am sure that we prompt the unanimity of the Canadian community when we say that as far as we are concerned international terrorism is a cancer afflicting mankind. It is indiscriminate in wiping out innocent victims. The lives lost now are beyond count. People in civilized communities are now afraid to travel. I agree at this stage with the Prime Minister (Mr. Mulroney) when he said we in this country must all work together to eliminate terrorism. It has become a new style of guerrilla warfare. It is a blight on civilization and we in Canada should do everything we can within the framework of international law and international comity, in conjunction with our friends and allies and other civilized nations, to meet it on a mutual basis. Libya has made no secret of its support for some of these terrorist groups. Its leader, Colonel Khadafy, has been, if nothing else, a cheer-leader in support of some of those attacks.

• (2030)

Before I get into the issues as we see them I want to summarize our position. We support the U.S. objective in its strike against the core of terrorism. We at this stage are obliged to accept the word of the President and that of his Secretary of State and Secretary of Defense. Our Government, whether or not it was in consultation with or informed by the U.S., has not given us, and Canadians through us, information upon which to make a firm judgment. We do not have the facts. We have not been told what the linkage is between terrorism in West Germany and other parts of the world, and Libya. We have not been told of the nature of the consultation between the American and Canadian Governments. We do not know whether the President personally informed the Prime Minister, or whether the consultation was only between an anonymous American official and the Deputy Prime Minister of Canada. What was the nature of those discussions? Was it a one-sided conversation? What questions were asked by the Deputy Prime Minister? Indeed, what questions were asked by the Prime Minister of the President of the United States before a position was taken this morning by the Canadian Government? Did we ask the U.S. and the U.S. President whether there was to be a limited military engagement against specific terrorist targets? Did we ask the President where the U.S. goes from here? Did we have any evaluation from the President as to the risks of escalation? We do not know, and today's Question Period did not enlighten us one whit.

The Liberal Party has a long tradition of seeking ways to end terrorism. Mr. Trudeau, Prime Minister of our country for 16 years, raised the issue many times. We in this corner of the House await with interest what the Deputy Prime Minister has to say, but we are disturbed that we do not have the information upon which to make a secure judgment. Whatever information the Government of Canada may or may not have

obtained from the President or senior U.S. officials has not been communicated to us.

We note that the President personally briefed senior U.S. senators, as I believe he was properly obliged to do under current U.S. legislation, and certainly because of the responsibility for foreign poilcy which the U.S. Senate has. However, we in the Opposition have received no such briefing from the Prime Minister or the Deputy Prime Minister or any of their officials. We have this evening been placed in a position where we have to take on faith, if you will, the statements of the U.S. President. We have not been given any assurances from our Government or our Prime Minister as to the questions we put to the President or the problems the world faces on this issue.

Our immediate concern, and it was reflected of course in the statement of the Prime Minister this morning, is for the safety of 1,300 Canadians living and working in Libya. We say at the outset that the Government of Canada did not take strong and definitive action immediately it learned of the escalating tension. If it is true, as the Prime Minister suggested to the House this afternoon, that the Government has been kept continually informed of the American intentions and their estimate of the situation in the Middle East, particularly in Libya, as this tension escalated, then we feel it was the duty of the Government of Canada to indicate to Canadians living in Libya that the situation had changed from that statement of January 10. We believe it was the duty of our Government to advise Canadians to come home.

What has the position of the Government been with respect to our fellow citizens working in Libya? The Prime Minister stated that his Government "repeatedly exhorted them to look to their own security. Make up your own mind. It is your decision. Make your own judgment". Here we have a Government derelict in its duty, knowing that those people are working in a land which is engulfed in crisis, engulfed in terrorism, saying to its own citizens: "Make up your own mind. It is up to you. Your own decision." We do not believe that is nearly good enough. Surely, if the Canadian Government was brought in to the confidence of the U.S. administration, as the Prime Minister suggested to us this afternoon, and, to use his words, "fully consulted by the U.S. all along", we should have communicated immediately upon learning from American intelligence with our own citizens, and attempted to get them out. How are they going to travel, by regular airline? Who is flying into Tripoli these days? The International Federation of Airline Pilots Associations has recommended a unanimous boycott of Libya. Who is going to get them out? The Deputy Prime Minister may have some resources that he is going to explain to us. We would like to hear about that when he gets up.

The Government's immediate concurrence, ambiguous as it is, in the U.S. action raises serious questions. We note that the Prime Minister, while applauding the U.S. objective in this action, neither supports nor condemns the American method of attack. Of all the leaders that were apparently briefed by the President of the U.S., our Prime Minister is the only one who had all the information, and perhaps had it earlier than most—we do not know—yet he failed to take a stand on a military strike. Canadians deserve to know at least where the Government stands. The Hon. Member for Oshawa (Mr. Broadbent) took us through some of those positions.

Major allies were consulted by the U.S. on the specific action of a military strike. Every one of those countries has taken a stand. Britain supports the action. West Germany has given—well, the phrases are difficult to evaluate, but let us call it moderate support. France, Spain, The Netherlands and Italy are opposed. The Prime Minister has said that he supported the objective of stopping terrorism, but he has refused to say whether or not he supported this specific American military strike.

• (2040)

If the Prime Minister has been consulted as intimately as he claims to have been the question that hits my mind immediately is, was he continually informed—and if the President or senior members of the administration told him the crisis was worsening and the United States had intelligence indicating a link between terrorism and the Libyan Government and the United States intended to take action, why did our Prime Minister not suggest other avenues?

The United States has been frustrated because its European partners have not supported the economic sanctions. Why did our Prime Minister not suggest an alternative route? Why did he not say to the President: "Give us a day or two; give us an opportunity to see whether there are other ways we can go about it; see what we can do within NATO to bring a more coherent economic response"? The question that hits everybody in this country and I am sure in the House is, if we were informed and if the information was directly communicated by the President to the Prime Minister, and the Prime Minister was apprised of the growing situation, why did we not offer some alternative solutions or offer to intermediate with our European friends? This is a question that only the Prime Minister can answer.

[*Translation*]

Mr. Speaker, we know that the Deputy Prime Minister (Mr. Nielsen) was told about the attack by an American official. But questions remain: Did the Prime Minister and the President of the United States discuss this question and this operation? Were they in complete agreement? Did our Prime Minister approve of the military strike? Did our Prime Minister suggest options, other alternatives to cope with this situation? Did American leaders ask for Canada's advice? Did Canada propose other solutions?

[*English*]

Was there a conversation or a one-way information ritual between the President, or whoever he delegated, and whomever that delegate spoke to, conveying information but did not asking for our views, our co-operation, or for other ways of solving the problem? The Government is putting the country in

a terribly difficult position it they will not tell us what it knew, when it knew it, what alternatives it proposed and what basis there is for Canadian support of the American action.

[*Translation*]

What instructions did we give our ambassador to the United Nations?

Article 2.4 of the Charter of the United Nations prohibits the use of force. However, Article 51 allows the use of force as a temporary measure of self-defence. And that is why the arguments of our colleague from Oshawa (Mr. Broadbent) may be somewhat ambiguous, because that article is subject to interpretation. In any event, perhaps the forum ought to be the United Nations, sooner rather than later.

In this instance we fear that such an exceptional use of force might become the rule.

Was the Government convinced that all other avenues had been explored? Were other political, diplomatic or economic sanctions considered? We have no idea. Communication is not the forte of this Government, and especially of our Deputy Prime Minister. To him, silence is always golden, but we needed more specific information to pass judgment.

Is Canada committed to take any other measure? Does the Government have a plan to convince our allies in Europe, for example, that strict economic sanctions are required to prevent further military action?

[*English*]

We welcome the assurances of the Prime Minister that the Secretary of State for External Affairs (Mr. Clark) will be presenting a plan when he attends the OECD meetings in Paris this week. We look forward to a report from the Secretary of State for External Affairs in this House. We will also be interested in knowing what he and his officials have concluded will be the possible impact on Soviet-United States relations, given the fact that the Soviets have cited earlier today that this incident in Libya is the reason for cancelling the high level pre-summit meeting.

We believe the battle against terorism can only be won if we and our allies are willing to impose tough economic sanctions and reinforce our commitment to international anti-terrorism organizations, and also by renewing our commitment to the institutions of international law and order. We should also work through the United Nations, where our recent initiative to break the link between drug trafficking and some forms of terrorism is an example of the role that the United Nations can play. We also have the advantage of hosting the International Civil Aviation Organization in Montreal. A proper response in airports around the world, by way of an international treaty, is an element we can advance to meet this threat of terrorism. We have the avenues of the Commonwealth, and we have the avenues of NATO.

The United States is our closest friend and good neighbour. We share their frustration and their dismay when planes are bombed, airports are attacked, ships are hijacked, people are maimed, and lives are lost. We also share their deep and abiding respect for the rule of law, and the search for peaceful settlements and negotiations in areas of international tension. We have not heard the full story. If the Government does not know the story then we believe there is negligence. If the Government does know the story then we believe the Deputy Prime Minister owes it to us this evening to tell us and the country. We will give the President the benefit of the doubt, subject to receiving further facts. We would urge the Government of our country to caution our friends south of the border to pursue prudence and restraint in this exercise. The stakes are too high and the risks are too great. We would have preferred to enjoy an atmosphere in which our Government had been less of a passive partner in what has been happenng.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the events of the past 24 hours have directed our attention once again to the tension and conflict in the Middle East. In essence the United States, after vigorously pursuing a variety of diplomatic and economic options, was left with no alternative but to take military action against a country which posed an even greater threat to the citizens and interests of the United States and, indeed, to those of all democratic countries throughout the world. Libya has demonstrated a consistent lack of respect for international law and for the accepted norms of behaviour. We know that the American decision was not taken lightly. We remember that only last month United States' aircraft were fired upon by Libyans in international airspace over the Gulf of Sidra.

• (2050)

The House will recall that on January 10 the Prime Minister (Mr. Mulroney) announced a series of economic measures against Libya following terrorist attacks in Rome and Vienna. On that occasion the Prime Minister reviewed existing policy. He said that we had already developed over the years a comprehensive series of measures to limit our bilateral relationship with Libya, including the prohibition of the export of all military or strategic equipment to Libya. We had refrained from opening an embassy in Tripoli, although it would have been to our commercial advantage to do so. There had also been restrictions on the number of Libyan students in Canada and on their areas of study.

On January 10 of this year this Government went further. New contracts for the export of oil drilling equipment containing unique western technology were stopped. Canadians and Canadian companies were advised against seeking to fill jobs which were vacated by Americans leaving Libya.

Most importantly, in recognition of the seriousness of the escalating tension and Libya's unwillingness to end its support of terrorism, Canadians were advised at that time to look to their own personal circumstances, to ascertain whether they had grounds for anxiety about their security. The Prime Minister reiterated this warning last Friday afternoon, both in the House of Commons and at his press conference, urging

Canadians to reassess their position very carefully. He added that Canadians should refrain from travelling to Libya.

We are profoundly concerned by recent terrorist incidents, including the attack on a West Berlin discotheque on April 5 and the bombing of the TWA airliner near Athens on April 2. The Government has accepted the substantial body of evidence linking Libya directly to the Berlin attack and to plans for further operations in Europe and elsewhere. The Prime Minister and Ministers of this Government have repeated on many occasions that terrorism is reprehensible and an evil which all members of the international community must work to eliminate.

We continue to believe that all states have a responsibility to make concerted efforts to develop more effective measures to eradicate terrorism. Canada has been in the forefront of all of these efforts, and we were instrumental in the development of the 1978 Bonn Declaration on Terrorism at the Economic Summit meeting. While the effectiveness of the Declaration has not lived up to our expectations, we have to pursue a broadly based approach, since it is through collective international effort that the solution is most likely to be found.

We stand resolutely opposed to those individuals and Governments who turn to terrorism as a means to achieve their ends. Canada has long abided by the principle embodied in the United Nations Charter that only peaceful means should be used to resolve differences. While it is unfortunate that our neighbour and ally, the United States, found it necessary to take military action in order to combat Libyan state support for international terrorism, we have accepted the American explanation that their action was not based on reprisal or revenge, but rather on a need to demonstrate to those who continue to support terrorism that they will pay an extremely high price for their actions.

In order for the cycle of violence to end, Libya must end its support for extremists and its savage attacks against innocent and defenceless individuals thoughout the world. The American strike against Libyan terrorists and military targets was an extraordinary measure, taken in response to a particularly difficult set of international circumstances. Although the United States bent every effort to avoid civilian targets, we cannot but profoundly regret the loss of innocent life in their undertaking.

In advance of last evening's events, the Government had been in close and continuing consultation with senior United States officials. We are satisfied with the evidence available to us of Libyan complicity in recent terrorist actions. Over the past days and weeks, we had informed American authorities of the location of Canadians in Libya and stressed that they not be endangered directly or indirectly by any American military response to the support Col. Khadafy's regime continued to provide to international terrorists. They assured us that they were fully seized of the Government's overriding concern for the safety of Canadians in Libya and would take those concerns fully into account in their planning.

The safety of Canadians remains of paramount importance to us. The Canadian Consul in Tripoli has informed us that throughout last night and today he has been in close contact with the Canadian community throughout Libya. He has reported that no Canadians have been killed or injured as a result of last night's events.

There are approximately 1,300 Canadians working in Libya, mostly in the petroleum industry. Many of them work on a rotation system whereby for every four weeks they spend in Libya they are granted four weeks leave out of the country. It is therefore difficult to establish precisely the number of Canadians in Libya at any given time. We have therefore established a system of wardens which permits our consular officials to contact efficiently and positively the various Canadian communities. This system, which has been in place for some years, continues to work well. We have also maintained close contact with those Canadian companies with employees in Libya.

• (2100)

Since the beginning of the crisis, we have been in regular touch with our western allies; France, Italy, the United Kingdom and the Federal Republic of Germany—which themselves have large numbers of nationals in Libya—in order to co-ordinate any evacuation plans which may become necessary.

We have, of course, continued diplomatic contacts with the Libyan Government. Our concerns about the safety of our citizens have been made abundantly clear on several recent occasions. The Libyan authorities have assured us that Canadians are welcome in Libya and will be protected there. They also assured us that should conditions in Libya deteriorate to the point where it would be best for Canadians to leave, the Libyan Government would facilitate their departure. As the Prime Minister said in his press conference on April 11, the Government is reviewing and updating plans to deal with contingencies as the situation warrants.

Let me sum up the Government's position. As the Prime Minister reiterated again today, our overriding concern has been and remains the safety of Canadians, and this has been paramount throughout. Second, we recognize clearly that the American action was an extraordinary one, taken after careful consideration, in order to demonstrate that terrorism will incur an unacceptable cost to its supporters. Third, the cycle of violence must be broken and Libya must resume its place as a responsible member of the international community.

Finally, we will continue to look to concerted international action to achieve the eradication of the evil scourge of terrorism. We recognize clearly, however, that this approach must of necessity entail co-operative efforts to resolve the root political causes of tension, conflict and instability in the Middle East.

Some Hon. Members: Hear, hear!

S.O. 29

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Deputy Prime Minister (Mr. Nielsen), speaking on behalf of the Prime Minister (Mr. Mulroney), says the cycle of terrorism and violence must be broken. The act of the United States, as has been pointed out by other speakers tonight, excluding the Deputy Prime Minister, will only exacerbate terrorism and violence just as other acts taken by the United States sorrowfully in the past have exacerbated terrorism and violence.

We who say tonight that we must eradicate international terrorism are, however, being told by the Government that this was an exceptional occasion, that the United States had to take this action against Libya, that it did not really want to have to do it, but Libya was such a mad dog that it had to do it. Only a year ago the United States was looking at Syria and Iran, countries which may indeed be a dangerous source of terrorism, for all we know. We have had a great deal of evidence provided that there were probably more centres of terrorism in other countries than, in fact, Libya. However, the United States has made up its mind that it would be in its best interests, not in the interests of eradicating terrorism, to have a military strike against this particular nation.

I believe we are never going to understand and attack the root problems of terrorism, as the Deputy Prime Minister said at the end of his speech we should be doing, unless we really try to understand the root causes of terrorism, particularly terrorism in the Middle East. I would suggest that all Hon. Members of the House read an excellent presentation made to the Joint Committee on Canada's International Relations less than a month ago by SFU Professor Allan Cunningham, who is an expert on the Middle East. He said, and I quote:

> Too often we talk about terrorism and treat it as a phenomenon whose causes we do not actually bother to investigate too carefully and we therefore give our attention to the immediate problem of counteraction to it.
>
> I think that terrorism should be seen as a measure of the prevalence of diplomatic failure on the part of many states.
>
> There is, of course, a mindless degree of terrorism and this is the sort of terrorism which tends to hit the headlines but is actually less often present than people are led to believe if they just read today's paper re the episode and do not inquire, as newspapers usually do not, about what lies behind the episode in question. In fact, more often than not, people who do try to get behind terrorism to explanations and causes find themselves dismissed to the extent that it is sometimes thought to be a disadvantage to know something about.
>
> William Casey, Director of the CIA, himself tells us there is no evidence that the Soviet Union orchestrates international terrorism, a theme which he seems to have not communicated to his President.

Professor Cunningham continues:

> The President of the United States presents the United States as a country on guard for civilization against barbarian challengers. The barbarian is usually an Arab or a Latin American, . . . But this is playing both sides of the street. One is on the one hand condemning terrorism and on the other practising it, often on a much larger dimension. For Canadians it is important to recognize the associated language, the language which is all symbols rather than substance, and this is all, I think, very dangerous and to be guarded against in our own country because the argument tends to run that if terrorism is generally in our interests then it ceases to be terrorism.
>
> But if it is against our interests, then of course it genuinely is terrorism.

That is the end of the quotation. That is what we should be discussing tonight in this debate. Unfortunately, that is not where the Government has helped to place the debate. Did the Government express any profound concerns about the causes of terrorism to the United States Government? Did it express what, in its view, if it had a view, were some of the causes of terrorism in the Middle East? Did it have any assessment of its own on the degree to which the evidence produced by the President was in fact reliable? Did it have any evidence about other sources of terrorism in the Middle East and did it communicate these to the President or to his advisers? Did the Canadian Government, as we asked earlier today, actually propose alternatives to this military strike which, unhappily, is going to lead only to more terrorism?

Did Canada, a nation which has supported the United Nations from the very beginning present international alternatives? Did the Canadian Government say: "We feel this matter should be brought before the Security Council of the United Nations before any military action is taken"? Did the Canadian Government even mention the United Nations in its discussions with the United States? I see it is not one of those nations which has now put the matter before the Security Council. The Deputy Prime Minister has not even mentioned the Security Council or the United Nations in the context of trying to resolve the conflict about which we are speaking tonight. Apparently we took no initiatives, or they surely would have been mentioned. Did the Prime Minister say to President Reagan before this act was perpetrated: "In light of the Soviet Union's equal concern regarding Khadafy, as has been evidenced over the past months, have you discussed with it what diplomatic initiatives you might take together to isolate Khadafy?". Was that ever done? Did the Government take that type of initiative when it was talking with the President of the United States?

• (2110)

Mr. Rodriguez: I don't think so.

Ms. Jewett: There were United Nations initiatives. There were diplomatic initiatives. We talk about wanting to see the development of crisis management. However, did the Canadian Government have any suggestion for crisis management in this particular instance? I am sure that if it had, we would have heard about it today or this evening.

Thus one is reluctantly led to the conclusion—and I do mean reluctantly because Canada has a good record on these types of initiatives at the UN and elsewhere—that Canada took no initiatives on this matter. It simply accepted the American decision to follow the military course of action. That country now says, well, it's too bad but this type of thing has to be done from time to time.

It appears that the Government will just follow suit and not take any initiatives when the next action is taken, and the one after that, and the one after that. As I said at the beginning of my remarks, and I think all of us in the House would agree, the cycle of terrorism will not stop. It will be exacerbated by

this very act. I take it that we will not now take any diplomatic or political initiatives *vis-à-vis* the United States, or the Soviet Union, in terms of dealing with the problems of terrorism in the Middle East.

Not only do we not attempt to understand the causes of terrorism, we make no attempt to at least present some alternatives to military solutions. In this connection, one of the most frightening aspects of all is that there now appears to be an attempt to link the provision of aid to the Contras, who are terrorists in Central America—

Mr. Stevens: You are now getting ridiculous.

Some Hon. Members: Hear, hear!

Ms. Jewett: — to some Libyan action taken in Nicaragua against the Contras. It was distressing to hear live today over television the President of the United States addressing a business luncheon bringing out what I am told is total misinformation with respect to $400 million having gone from Libya to Nicaragua, as well as an arsenal of weapons and advisors. There is no evidence whatsoever from any reliable source in Washington that this is the case. Even the Department of the Secretary of State in Washington says that there are only a small number of advisors and that there have been no weapons since a report in 1982. The report to which I refer proved to be erroneous since the planes in question were carrying non-military aid. This is an absolute nightmare coming to us once again. Is it only coincidence that this happened today when the vote is tomorrow or the next day and the attack on Libya took place yesterday?

It is somehow being suggested that Libya, which is not a democracy and in which there is no freely-elected Government, is pushing to develop a support system for Nicaragua which will in turn justify the Americans sending more aid to the terrorists in Central America. To all of us—and I hope it is to all of us—this is frightening as it makes one wonder if the timing of this particular raid on Khadafy was deliberate because of the coming vote this week in the United States Congress.

We are all terrified by the possibility of the use of force becoming a pattern in our lives, be it the force of the Libyans, the force of Khadafy, the force of the Americans, the force of the Contras, all the violence and the repression. As Canadians, surely it is incumbent upon us, and upon our Government, to try to persuade the Americans, the Soviets, whoever is exercising this pattern of violence, that to try to end violence with violence will not end it.

It is a great disappointment that the Canadian Government, rather than propose strong, valuable and constructive alternatives to the United States, simply said when it was informed of what it planned to do: "Ready, aye, ready". Surely we could have asked more, and must ask more, now, today and tomorrow, of the Government of Canada.

Some Hon. Members: Hear, hear!

S.O. 29

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I came to this Chamber tonight with all other Members in the hope that it would be the first real opportunity for Members of Parliament to gather the information necessary to make an informed judgment, to draw conclusions and to comment intelligently on the events which have unfolded over the last number of weeks with respect to Libya and the United States Government.

We have heard some interesting speeches this evening. The most important speech, the one which Members waited for with bated breath, was that speech delivered by the Deputy Prime Minister (Mr. Nielsen). It was to be beyond the opportunity in Question Period today, which I do not believe elicited too much real information. It was to be the speech which would say to Members of Parliament, and through Parliament to Canadians, exactly what information the Government of Canada had in the days, weeks, perhaps even the months, preceding this military action. More than that, it would indicate to Canadians in a more tangible way than we have seen thus far what the position of the Government of Canada is with respect to the military action which occurred last night.

In my judgment, two things came out of the speech of the Deputy Prime Minister. First, he began his speech by saying that the United States had no alternative in this matter. That is a radical departure from the position which has been taken by the Prime Minister (Mr. Mulroney), even as late as this afternoon. This afternoon the Prime Minister said that Canada supported the objective of the United States Government in combating terrorism. However, under questioning by both the press and by Members in the House, he refused to take a position on the military action by which the United States tried to meet its objective last night. He refused to say whether he condemned it, condoned it, or what he felt with respect to it.

• (2120)

This evening, the Deputy Prime Minister, who, as the Prime Minister himself has said, has been charged with Canada's response in this matter, said that the United States had no alternative whatsoever other than the military action that took place last night. That is new information. For the first time, the Prime Minister, if he will not be contradicted or has not spoken out of turn, has indicated Canada's position on that military action. That is useful when one is trying to find a road map of the position of the Government of Canada on this very serious affair.

What the Deputy Prime Minister did not do is share with Members of this House, and through them the public, or with the leaders of the various Parties in private, any of the information that was communicated to the Deputy Prime Minister by the American administration official who came to Canada to provide the Government with a briefing and with the so-called unassailable information which indicated that Libya was involved in the terrorism of recent weeks and furthermore that Libya has planned for additional attacks. He

did not share with us any of the unassailable logic that would lead one to the conclusion that there simply was no other way of dealing with the situation of international terrorism, and particularly Libyan-sponsored international terrorism, other than sending in the F-111s and dropping bombs on military targets as well as, as we learned today, civilian targets and populated areas. We have not heard that rationale from the Deputy Prime Minister.

The Leader of the Liberal Party (Mr. Turner) has said that for the moment, we in this Party accept the word of the President of the United States and the Secretary of State of the United States with respect to the military attack which occurred last night because we have no other means of information; not even the most obvious source, that of our own Government. It seems to me to be an unhealthy and frightening precedent that a matter with which Canadians are deeply concerned, and on which the Government on behalf of Canadians should take a position, is something that is discussed only in the context of Question Period and its 45 minutes of gamesmanship and partisanship.

It seems to me to be almost unbelievable that the Deputy Prime Minister and the Prime Minister would not have called the Leader of the Liberal Party and the Leader of the New Democratic Party into a private conference, if necessary, to share the information upon which the Government of Canada has taken the decision it has taken. It is unbelievable that they would not have expected, given that kind of co-operation and sharing of information with parliamentary leaders, that that confidential information would be respected.

The Government has invited many Parliamentarians to stand in this Chamber to cast their minds around the subject, to seize upon suspicions about the extent to which we really have been briefed and to vocalize those suspicions because the Government has acted in a very strange manner. I have a personal view about this matter. I find it tragic that tonight we are discussing last night's military attack on Libya in a black-and-white context. We are discussing whether the strike was right or wrong. We are tempted by those who would like to see this matter in only black or white as being either for "Madman" Khadafy or for Uncle Sam. The issue is not that simple; it is far more complex.

We are cast in these roles because the western world has been unable to develop constructive, effective and real sanctions to deal with Libyan-sponsored terrorism until today. I believe there is another alternative other than direct military action. I believe there is another alternative other than terrorizing the terrorists and expanding the cycle of violence. The alternative would not put us in a position of voting either yea or nay to U.S. action when that country finally moves out of frustration. The alternative is to see the western world act in a co-ordinated manner to develop real sanctions that have teeth.

In reality, what have we seen happen? Every time there has been a bombing, every time an innocent life has been taken, every time the cameras have shown us the destruction and blood on the floors of terminal buildings, we have seen every western nation in chorus condemn Libyan-sponsored terrorism. We have seen every leader proud to put himself in the national spotlight of his respective country to condemn Colonel Khadafy. We have seen an inability to enforce effective sanctions because those same national leaders who have condemned Libyan-sponsored terrorism have continued to do business indirectly through their citizens with the terrorist leadership of that country. Those who condemn that country have continued to provide the means to fuel the machines that produce the dollars required to sponsor terrorism all around the world.

In that regard, it is my view that Canada is equally guilty. That is why we are debating a military alternative, rightly or wrongly, out of frustration or out of genuine belief. It is because we have not been able to get our act together. It is because we wanted on the one hand to be principled people who would oppose terrorism wherever it is found and on the other to share in the dollars being generated by an oil economy in Libya. We have not been able to walk away from the opportunity to compete for those dollars, and that is why there is a massive foreign workforce in Libya. That is why that workforce is composed of Americans, Canadians and citizens of those countries which are today condemning the U.S. action in Libya.

I believe there is another alternative. I do not believe that every other avenue has been tried. I do not believe that there have ever been real effective sanctions developed and applied to Libya in a co-ordinated fashion. I believe we have been talking collectively through our hats for too many years about the renegade and murderous leadership that exists in that country. We cannot have it both ways.

I say to the Government of Canada that if we are to develop alternatives that work, if we are to develop a way beyond sending F-111s in a long and arduous flight path around France to drop bombs, then Canada can play a key role in this. We can begin, not by asking people to make their own decisions, but by asking our citizens to come home. We can begin by saying that Canadians will no longer on the one hand condemn terrorism and state-paid-for and sponsored murder while on the other expect to fill their pockets with the money generated in Libyan oil fields.

• (2130)

We can no longer expect to have it both ways. In taking that kind of decisive action, perhaps we will set an example of the effective leadership which must occur throughout western Europe. The brutal reality is that it is foreign workers, be they Canadians, Americans, West Germans, French or Italians, and foreign technology and know-how which keep the engine running that generates the billions of dollars used to purchase, manage and sponsor the terrorist attacks that occur all over the world.

President Reagan said over television today that Libya had sent $400 million worth of arms to the Sandinistas. Representatives in the U.S. Congress today talked about the shiploads of Libyan purchased arms which have gone into that country. Let them remember as well that it is American technology, and in many cases American workers, that feed, fine tune and keep the engine running which produces the capital required to buy those weapons.

We cannot have it both ways any longer. If we are to find consensus in the world for real, meaningful sanctions, if we are to avoid having any country finding itself frustrated enough to say that it had no alternative, the job and challenge of the Government of Canada is to take a leadership role in putting an end to the international hypocrisy which has existed in respect of the state of affairs in Libya and in a number of other similar regimes around the world.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the emergency debate we have been asked to take part in this evening should be seen as an opportunity for the Members of this House and for all Canadian men and women to reflect on violence and its underlying causes.

Mr. Speaker, Canadians are generally reputed to be a profoundly peace-loving people. Abroad, our country enjoys an enviable reputation. Whenever the opportunity arose, we have managed to be peacemakers instead of warmongers. Other countries have often turned to Canada for advice, and I saw an example of this last year in Central America, where we were asked to share our expertise in the area of control commissions and peacekeeping forces.

I think I should also mention our efforts, as a Government and as a country, to fight poverty and neglect and try and bring greater social justice wherever possible. We are trying to achieve social justice through a substantial co-operation program in over 100 countries on continents.

That being said, Mr. Speaker, we cannot but be deeply concerned about the rise of terrorism in the world. Terrorism is a thoroughly repugnant evil. It strikes down innocent victims. It paralyzes, through fear, the free movement of persons. It engenders suspicion, misunderstanding and hate.

Although up to now, its effects have been felt largely in Europe and the Middle East, the violence of terrorism has not spared Canadians. We need only recall the Air India disaster which claimed the lives of so many Canadians last year. I am also reminded of the highjacking of an EgyptAir jet to Malta, which led to the death of a Canadian woman and her young child. The highjacking of the Achille Lauro off the Egyptian coast also illustrates the increasing risk to innocent victims when travelling abroad.

The Canadian Government emphatically condemns all terrorist acts as unacceptable, irrespective of where they take place and what motivated them. I say it this evening in this House, and I will say it again in every international forum where I am given a chance to do so.

Mr. Speaker, I have no hesitation in stating that this Government has set a very high priority on promoting various initiatives designed to counter international terrorism.

For the first time in its history, on December 9 last year the U.N. General Assembly condemned all terrorist acts as being criminal acts. Canada made every effort to get this resolution adopted. Similarly, at the International Civil Aviation Organization, we have spoken out most emphatically in favour of reinforcing aviation security. In two weeks, the Prime Minister (Mr. Mulroney) will take part in the Tokyo Summit, and I know that he will be examining with his colleagues, the heads of State of the large industrialized countries, ways of further enhancing co-operation between our countries in fighting against this scourge.

Mr. Speaker, last night, the United States of America attacked in Libya a number of centres of terrorist activity and military targets. The Canadian Government had been informed of the imminence of this raid. As stated in an official press release, we accepted the statement by the President of the United States in which he said that Libya was involved in perpetrating terrorist attacks in Europe.

Mr. Speaker, we can always try to understand the psychology of the terrorist. A man who destroys, who wounds and kills is often a human being who has been deeply wounded himself. However, I cannot understand a country that agrees to train, help and officially support such people by encouraging them to commit such desperate and hopeless acts. We are seeing the birth of state-supported terrorism which can only be countered by a response at the same level. That is what we saw last night. The United States acted on a principle that is well known in law, the principle of self-defence.

Without applauding the American raid, we understand it was unavoidable in the circumstances.

That being said, Mr. Speaker, the Canadian Government will continue to work on identifying political and thus peaceful solutions to the various international conflicts that have engendered terrorism. I am of course thinking first of all of the tensions existing in the Middle East.

Our policy in this region consists in encouraging as much as possible the use of negotiations to resolve this conflict. This concern for peace was reiterated by the Secretary of State for External Affairs (Mr. Clark) on his recent tour in the Middle East.

Canada has long since declared itself supportive of a fair, lasting and full settlement of the Israel-Arab conflict, on the basis of UN Security Council Resolutions 242 and 338. These resolutions acknowledge the right of all countries of that region to exist within safe and accepted borders, and they ask for the withdrawal of Israel from the territories occupied in 1967.

We have given our support to initiate peace negotiations between Israel and Arab countries. With that in mind, we rejoiced at the moderation shown in this respect by many Arab

nations. For instance, we greeted with satisfaction Egypt's decision to conclude a peace treaty with Israel, and the will shown since then by the Egyptian Government to abide by the treaty.

For its part, Jordania has long been seeking a formula of co-existence with Israel and has shown leadership in all endeavours to that end. During his recent visit to Jordania, our Secretary of state clearly expressed his appreciation concerning King Hussein's efforts to promote peace.

On several occasions Canada also expressed its concern about the civil war in Lebanon. We sincerely deplore the untold sufferings this conflict continues to inflict upon the Lebanese people, and did not spare any effort to lessen their plight by regularly providing emergency humanitarian assistance to Lebanon. Canada has often voiced support for Lebanon's sovereignty, independence and territorial integrity, particularly before the UN General Assembly in the fall of 1984. We sincerely wish that a genuine and lasting national reconciliation will soon enable the Lebanese people to live in peace again.

The ongoing Irak-Iran war is also an issue which gives us great concern. Canada spoke in favour of a peaceful settlement of that conflict, to the extent that we readily endorsed all international efforts to achieve a negotiated settlement and made representations to both sides urging them to show moderation. We have placed an embargo on our arms shipments to both warring parties, who have been urged to avail themselves of the good offices of the U.N. Secretary General. We have also protested against the international human rights violations that continue to arise from this war.

Mr. Speaker, in making its positions clear on the conflicts that are raging in the Middle East, Canada's sole concern is to promote peace. We want an end to the suffering and misery caused by war and violence. We want a return to peace, a precondition for all economic and social development.

At this point, I would like to reiterate the feelings of friendship we, as Canadians, have for the Arab nations. The isolated actions of a single government will not be allowed to cloud our perception of the grandeur of their civilization, nor to diminish our desire for substantial and cordial relations with these countries.

Mr. Speaker, even in this hour of crisis, I remain confident that moderation and the brotherhood of man will prevail.

• (2140)

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, I do not particularly relish intervening in this kind of debate this evening. It has been a rather sad 24 hours, sad for the world in general in view of the fact that a major power, indeed a superpower, has seen fit for whatever reason to launch a pre-emptive military strike in a part of the world that is a tinder-box of political conflict and, in some areas, in political chaos. No one yet knows, and we will not know for a long time, all of the ramifications that can flow or possibly will flow from the action taken at Tripoli just about 24 hours ago.

It is late in the day to be entering into debate. We should face the fact that we are basically debating in the dark, both literally and figuratively, because we do not have all the facts at our disposal. What little we have comes largely from news reports, and most of these reports come from the United States.

We have the public statements of American officials, President Reagan, Secretary of State Shultz and Secretary of Defence Weinberger. We also have one short press release from the Prime Minister's office, and some rather circumspect answers from Question Period today; all in all very little hard information.

Certainly all Members of this House share my concern for the safety and security of Canadians presently resident in Libya and, indeed, all people resident from foreign countries in that state. We feel helpless that we can do so little at this hour to ensure their safety. If we feel helpless and ill informed, just think how Canadians in Libya feel this evening. They have even fewer sources of information at their disposal. What sorts of questions might they be asking themselves? They know, of course, there has been an armed attack by the United States.

When exactly did the Government of Canada learn the nature and details of the U.S. action in Libya? Were we consulted before the pre-emptive strike? Was Canada merely informed of the mission to be carried out? What was the Government's immediate reaction? Did our Government initially disagree with the information given it by the special envoy? Did we encourage or attempt to dissuade the United States? Did Canada present any other options for the U.S. to consider? Did the Government do anything to ensure the safety of its citizens in Libya before the air strike last evening?

I cannot help but recall the era in which I grew up in this country, the era of Pearsonian diplomacy when Canada made every effort to be an active peacemaker. We did not go in lock step every time a major power made a move. That established Canada in world fora as a cautious, reasonable country, concerned more about peace than scoring military brownie points or launching full scale vengeful type or pre-emptive type military strikes.

I am not blaming the United States entirely at this hour for what it did. I do not know what the evidence is. I do not think any Member sitting in this House knows the evidence that existed and on which the American military strike was based. We can only go by those reports and those statements on television last night and what little information has come to us today.

For example, I would like to know when the Prime Minister first learned the exact time of the attack. Only the Prime Minister or the Deputy Prime Minister (Mr. Nielsen) have the anwers to these questions. The Prime Minister has suddenly become as tight-lipped as his friend across the aisle. We know

that he issued a statement which offered a qualified endorsement of the American position, even if it stopped short of support for the military response. The Prime Minister has also told Canadians to "look to their own safety". Under the circumstances, that is hardly adequate. As we have already noted, they lack significant information to make a rational decision in this matter.

A few things are certain. The attack did take place. The Canadian Government's action was restrained. Therefore, it seems reasonable to assume that Canada at least acquiesced in the American military action. What were the results of these developments? Are Canadians more or less safe as a consequence of the U.S. attack? That should be the focal point of our debate. We should not be quick to condemn the United States, at this point at least, for we lack the information which President Reagan says justifies his ordering the attack. Can we say that the safety and interests of Canadians have been enhanced by the developments of the last two days? I think not.

There are Canadians in Libya, and Libya is under attack. As we have seen from television reports, civilians are not immune to military action. The notion of a surgical military strike is a myth. There is no way, no matter how sophisticated the weapons employed, that any armed force can guarantee that only military targets and personnel will be affected.

• (2150)

Last night there existed the real possiblity that Canadians might have been injured or killed in the violence in Libya, because innocent people have already died in that attack. Civilian areas of the city of Tripoli were hit, one in particular in downtown Tripoli. Some may say that Canadians were not near the targets hit by U.S. forces. That is not true this time. The danger of escalation exists. Libyan radio has called for reprisals against both the United States and its allies. Canadians are not immune to mob violence either.

Are Canadians elsewhere safe from terrorism as a result of this strike? I, personally, do not think so. If Libya chooses to make reprisals, it will not confine itself to Libyan or American territory. Remember that an innocent Turkish woman died in the same Berlin bomb blast which Presiden Reagan says he is avenging. Remember, too, that the Berlin bombing was said to be retaliation for Libya's embarrassment in the Gulf of Sidra. We saw that same sort of attack today on an American installation in the Mediterranean resulting from last night's pre-emptive strike.

In other words, we already see violence begetting violence. We see a pattern of escalating violence, not a pre-emptive strike which will eliminate terrorism. I fear that we can expect further reprisals from both sides. Sadly, it will not only be their own armies or citizens which will be affected. Already violence is begetting violence, the very thing this attack was supposed to diminish.

Their allies will be expected to take sides. Already we have seen Egypt line up behind more radical Arab states and condemn the U.S. raid. Does this further the cause of peace in which we all have a stake? Clearly, the answer is "no". We are all the poorer as a result of the degenerating situation in the Mediterranean and the Middle East in general.

We should be asking ourselves if other options would be better to serve our interests. There is diplomacy, as others have mentioned this evening. Some scoff at the notion of diplomatic pressure reducing terrorism. It may be that diplomacy cannot solve this problem by itself, but diplomacy has a place, and certainly has its uses.

It may strengthen the position of the United States to seek a United Nations condemnation of Libyan terrorism. It is unfortunate that the Reagan administration has spent so much time attacking the UN. It has effectively closed off that course of action by alienating the UN and its supporters. The UN's critics say that it is a useless institution anyway. They fail to realize that their own criticism undermines the political will to give international bodies the muscle to be more effective. If the UN enjoyed wider support, its members might, for example, consider economic sanctions against Libya. There is an oil glut now. Surely Libya would be vulnerable to concerted economic pressure.

I recall a speech presented to the political committee of the North Atlantic Assembly in mid-February in Brussels by Professor Wilkinson of Aberdeen University, an acknowledged international authority on terrorism. I remember his remarks of that Saturday morning very clearly. He said that military strikes and military action will not solve the problem of terrorism in the Middle East, in Europe, or anywhere else. He argued most strongly that the only effective weapon which will diminish terrorism in that part of the world is effective economic sanctions. If you begin to tear down the economies of the host countries which permit terrorist training and activity to take place, the pressure will build up and become so intense that even Colonel Moammar Khadafy would have to relent and stop allowing terrorists to be trained in his country. That is important.

We have other examples as well. A very pertinent example is Ireland where, for 300 years, the United Kingdom attempted to "solve the Irish problem" by force upon force upon force. Yet, as we all know, today there is more violence and terrorism in Northern Ireland than ever before in those 300 years of violence. Military intervention, pre-emptive strikes, and the use of missiles in the missile age will not bring to an end terrorism in the Middle East or in Europe.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): I want to suggest now, as has been mentioned by my Leader and the cabinet Minister who spoke just before me that, for perhaps the first time in 40 years, we must look at the disease. Let us stop looking at the symptoms. Let us, for the first time in a debate in this House, try to think

about the cause of terrorism rather than simply treating the symptoms, as President Reagan did last night.

The cause of terrorism in the Middle East is the 40-year struggle of the Palestinians to regain a homeland. Bombing Tripoli will not eliminate that terrorism, but will exacerbate the problem. It will intensify the hatred, bitterness, and disillusionment. Young Palestinians would not be engaged in acts of terrorism if they were working in pharmacies, teaching school, acting in local politics, farming their lands, or had a flag flying over their homeland.

I am not suggesting for a moment, Mr. Speaker, that we embark upon the dismemberment of the state of Israel. There is room in the Middle East for both of those peoples to live in peace. It will not come overnight, but neither will it come as long as the President Reagans of the world continue to send pre-emptive military strikes against Tripoli, Damascus, Beirut, or wherever it happens to be. Peace will come about in the Middle East and there will be a diminution of terrorism if the major powers; the United States, the U.S.S.R., western Europe, and Canada, recognize the true cause of the terrorism, the disease which has caused this cancer that has killed so many innocent people on both sides in the Middle East and in Europe, and perhaps, as a result of last night's actions, in North America as well.

I call upon my colleagues to consider the real issue. Certainly part of the real issue of paramount importance is to bring terrorism to an end, to protect the lives of future innocent people, and to pay homage and respect to the innocents who have already died as a result of that conflict, that cancer, in the Middle East. We are not going to solve the problem, cure the disease, or actually perform a true political surgical operation, unless we recognize the cause. I sincerely hope that other nations will make an effort to bring the Palestinians and the Israelis together in order that they can solve and settle their problems so that they do not continue to spill over throughout the entire Middle East, Europe, and perhaps even North America.

There is a major problem, Mr. Speaker. That problem is simply that one of the two superpowers, the United States, has consistently chosen to give almost its total support to the one side. In doing so, it has lost almost the entire support of the other side. I do not know whether that damage is irreparable. I do not think it is. Muslims are anti-communists by nature. I see very little future for the Soviet Union anywhere in the Arab world if we begin to change our attitude toward the Israeli-Palestinian conflict. However, as long as the U.S. supports only one side, as it has consistently done, you can expect the others to look elsewhere for support. That, too, must be addressed.

• (2200)

I hope, in the spirit of Pearsonian diplomacy to which I made reference a moment ago, that Canada will return to the role of peace-maker and not say: "Yes, go ahead, bomb them", or: "We agree", or ring our hands and say there is nothing we can do. I congratulate the Secretary of State for External Affairs (Mr. Clark) for what he said in the Middle East a couple of days ago with respect to the Palestinian problem. I continue to hope that both he and our Prime Minister (Mr. Mulroney), the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen), and the Government Party, will bring pressure to bear on our American neighbours and friends to try to take a more balanced view of the Middle East, to try to bring peace to that troubled part of the world. In doing so I am convinced that there would be a very perceptible diminution of state sponsored terrorism and violence in that part of the world. Unless we are prepared to take the tough, moral road, that will not come about. If we simply continue, as the U.S. did last night, to exert violence against violence, the Middle East will continue to be the world's northern Ireland and we will all suffer the sadness that will come from that.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, like other Members of Parliament who have spoken in this debate I want to start by saying that we in Government, we in Parliament, must do everything possible and reasonable to combat and destroy terrorism. Surreptitious terrorism is the instrument of demented cowards. It is not acceptable that ordinary citizens from any part of the world, including the United States, the Soviet Union and the Arab world, should be unable to travel freely by air, to visit places of entertainment, or to go to public places at all, without fear of terrorist attack. That is not acceptable in 1986. As I said, we in Government, we in Parliament, must apply our intelligence and political will to provide creative solutions to this most important problem. It must be a priority. It must be a commitment. I do not believe that has been the case up until now.

While I say that we must combat terrorism with all our intelligence and might, I am not convinced at this point that the U.S. military action last night was the appropriate response at this time. I may very well be convinced with the proper evidence and information, with the intelligence which has been provided to certain groups around the world. However, I stand here with doubt in my mind. Certainly there was no justification for the bombing of civilian targets.

This makes me wonder about the alleged technology of our military equipment. We hear how we are so advanced that we can strike a target 3,000 miles away with a nuclear missile; we have aircraft that can go beyond the speed of sound; we can do all sorts of marvellous things. Yet here we have American aircraft attacking what the President said were military and terrorist targets and by mistake they hit civilians. That makes us wonder. If that is being done in a limited operation like that, what could happen with respect to our nuclear arsenals?

As I say, I have these doubts in my mind with respect to the attack which took place last night and much depends upon the intelligence and information which should be provided to us by the Government. I was sincerely disappointed in the speech of the Deputy Prime Minister tonight. As a matter of fact, it is my submission that he gave us a different version than was

given to us this morning in the official release by the Prime Minister (Mr. Mulroney). At the beginning of his address this evening the Deputy Prime Minister said that the U.S. had no alternative. I thought he was then going to provide us with a good deal of information to substantiate that alarming statement because it is not contained in the statement released by the Prime Minister this morning. I ask again, as others have asked before me, what information did the President of the U.S. give the Prime Minister or Canadian officials? What information did they give to connect Libya with the recent terrorist attack in Germany? Was this a one-sided conversation? Did the Americans simply advise us of what they were going to do and not ask us as a good ally for our advice and suggestions? What attempt was made to explore alternatives, economic and political?

As was mentioned a few minutes ago, in the days of Pearsonian diplomacy, when Mike Pearson was the Foreign Minister of this country and the Prime Minister, we had a reputation of exploring peaceful solutions to very difficult and complex world problems. Perhaps my doubts with respect to the statements made by the President last night are based in part on what we have been told in recent months about what was happening in Central America. A few weeks ago the American Government told us, at the time a vote was taking place in the American Congress, that there was a massive incursion into Honduras by Nicaraguan troops. When journalists and others went down there to search out evidence of this attack, they found it was not at all what had been alleged. It appeared to be some kind of trumped-up story simply to justify the U.S. Congress authorizing funds for the Contras. One must also ask: Even if Libya can be connected to the most recent terrorism, will this sort of action by the U.S. stop a person— and I only go by his reputation—like Colonel Khadafy? We must remember in using this type of action that we could trigger an even worse situation.

The U.S. and the Soviet Union as well bear a very heavy responsibility when they use their military power. I say this as a friend of the U.S. We cannot forget that any small incident, and this is not small, can escalate into a much more serious war, one which brings with it the threat of nuclear terror. I remind the House that the United States and the Soviet Union now have between them 50,000 nuclear weapons that are more accurate, more concealable, more destructive than ever before. These weapons have one million times the destructive power of the bomb that fell on Hiroshima. It is alleged by experts that they could destroy 800 million lives in less than one day.

• (2210)

This is the concern of many Canadians. I spoke to a man this afternoon who told me that his 12-year-old son asked him this morning, "Daddy, are we going to have a war? Are we going to have a nuclear war?" That is the kind of concern that touches many Canadians when they see a superpower like the United States launch a military attack like this in a situation where all the facts are not known, where we do not know the basis for their attack, the justification and so on.

As was pointed out by other Hon. Members in this House, many of the United States allies in NATO have rejected this action: Spain, France, Italy and the Netherlands. I presume they know much more than we know here in the Opposition. The United Kingdom has given its approval, and West Germany has given a limited approval. This contributes to the doubt that many of us have. Many who have disagreed with the United States on this are their good friends. I am a good friend of the United States, and I expect much of the United States because they are my friend. Maybe I am more critical of them on occasions because I expect so much of them. I expect certainly more of them than I expect of Khadafy and Libya, and I expect more of them than I would expect of the Soviet bloc.

We must also consider what this action will do to the balance of power, to the realignment of forces in the Middle East and the world, and the shift of certain countries in that area more to the Soviet bloc and away from non-aligned positions. That is a possibility that is being discussed by the experts. There are other alternatives. I do not believe that we used the economic sanctions that were possible to the extent they could be used. I do not believe that we used international forums, the United Nations, the World Court, and other instruments of international action—political and legal action—to the extent they could be used.

In conclusion, and I repeat once again that certainly we cannot tolerate terrorism in any form, and we must attack and destroy terrorism. Military intervention must be the last resort in dealing with a problem like this, and never the first resort. We must always prefer the rule of law and non-military solutions. Those with great military power like the United States and the Soviet Union must use that power with great wisdom and discretion. I and some of my colleagues are still awaiting evidence, information that this was done in this case in this unfortunate incident.

Mr. William C. Winegard (Guelph): Mr. Speaker, I am grateful for the opportunity to participate in this debate this evening. We Canadians are fortunate in the freedoms that we possess. Chief among them is freedom from fear. Terrorism is challenging that freedom. It has disrupted the lives of many Canadians, and for some has brought their lives to a tragic end. In looking at events in the Middle East we should recall that they represent no isolated incidents, no "bolt from the blue". Canada's own experience with terrorism extends back many decades. The tragedies have been many. According to figures published in 1984 by the Department of National Defence, between 1964 and 1983 there were 64 politically-motivated terrorist incidents involving Canada, all of which were violent, and some of which resulted in death. Here I recall the words of the Secretary of State for External Affairs (Mr. Clark) when he spoke before an audience gathered in commemoration of the Air India flight 182:

> We are in real danger of allowing a new form of global conflict to dominate the international order and govern our lives. Death, as a result of international terrorism is as real and as shocking as any of the deaths in the last global conflict.

S.O. 29

For Canada and Canadians the past 12 months have seen tragedy upon tragedy. In March of 1985 the Turkish Embassy was taken over and a Canadian died. Less than two weeks later the Toronto subway system was held to ransom. In June there were the double tragedies of the Air India flight 182 and the Canadian Pacific Air explosion at Narita Airport. In October Canadians were again confronted with terrorists aboard the *Achille Lauro*, and the following month witnessed the death of two Canadians at Valletta Airport in Malta.

We have yesterday witnessed yet another consequence of the global conflict to which the Minister referred. There are causes and effects not only in the Middle East but in all parts of the world. We recognize the tragedy of terrorism. First, there is an immediate tragedy visited upon innocent victims, their family and friends. Their lives have been sacrificed for causes which were not their own. In company with others we must seek to break the logic of terrorism which so often exploits the very freedoms we take for granted. We must improve our security preparedness and strengthen our laws against this crime. I note that certain steps have already been taken. The Solicitor General of Canada (Mr. Beatty), for instance, announced on March 10 a comprehensive upgrading of our counter-terrorism program. He created a special emergency response team and substantially strengthened the protection of foreign missions and personnel. In addition, the Minister of Transport (Mr. Mazankowski), both within the context of the International Civil Aviation Organization and at international airports in Canada has come to grips with wide-ranging improvements in aviation security. I believe Canadians will support this initiatve.

Second, a terrorist act is carried out in the name of a cause often born in tragic circumstances. The tragedy of terrorism has political roots. We must seek, as indeed we have sought, to contribute to the search for peace and justice in the Middle East and elsewhere. This cannot be obtained by means of terror. Canada is second to none in its search for civilized solutions to world problems.

• (2220)

Third, there is the tragic potential that terrorism holds for disrupting orderly discourse among nations. The terrorist cause becomes identified with the terrorist consequence, and this complicates the conduct of international relations. Terrorism itself becomes the issue rather than the conditions which created it.

We must resist the terrorist goal, which is, of course, to force political change through violence. We support negotiations and we support the peaceful settlement of disputes. We will not be deviated from this principle by those who would seek their political ends by bringing suffering to innocent people.

In this regard, the words of the Prime Minister on April 9 are particularly apt. He referred to the concern about:

> The irresponsible and criminal misconduct of some agents of countries which appear to be giving succour to terrorism and terrorist activity which is reprehensible and completely unacceptable to Canada and every other civilized country.

Leaving aside the latest American action in Libya, we should remind ourselves that terrorism has suffered some defeats, although at great costs. Those responsible for the deaths of Valletta were brought to ground. Terrorists responsible for the *Achille Lauro* incident were also apprehended. For the first time in its history, on December 9 the General Assembly of the United Nations unanimously adopted a landmark resolution that condemned all acts of terrorism as criminal. This latest action by the international community was presaged by a ground swell of international public opinion against terrorism expressed in world institutions as diverse as the Association of South East Asian Nations and the Commonwealth. We should also recall that in the aftermath of the abhorrent attacks at the Rome and Vienna airports in December, Canada undertook a comprehensive series of measures to signal clearly that the Government will not condone the terrorist activity of Libya.

Speaking before the United Nations this fall, the Prime Minister said that no nation alone can combat terrorism; it demands concerted international action. We must exchange information. There must be nation-to-nation understanding and we must have international conventions.

Those who murder and maim innocent people, those who bring anarchy to civilized society can have no sanctuary, no comfort, and no indulgence. Canada has a commitment in joining with other countries around the world in the search for a determined and effective response against terrorism.

Canada has already taken a number of measures and is in the forefront of the struggle to make the world safe from terrorism. For example, at the ICAO, Canada, in company with others, is leading in efforts to make international air travel safer. Within the context of the economic summit, we and our partners are examining further co-operative means to come to grips with terrorism. Heads of Government of the economic summit countries—the leaders of the industrialized democracies—will meet in Tokyo in May. Preparations for this meeting are already well in hand. There is an opportunity for further international co-operation in this context and our goal should be to promote it and thus defeat this terrible scourge of terrorism once and for all.

I have no doubt that the war against international terrorism will be prolonged and that further tragedy lies ahead. But I also have no doubt that with resolution and determination we can move toward eliminating that evil.

The battle against terrorism can be won on the basis of the following principles and objectives: First, it is in the interest of all countries to oppose international terrorism. No nation is safe.

Second, no nation alone can combat terrorism. It demands concerted international action.

Third, Canada will seek international action against international terrorism in all available places.

Fourth, Canada will take, as it has taken, fitting action against states which support international terrorism.

Fifth, Canada will co-operate in developing consistent and effective measures to improve civilian aviation security and to ensure that there is effective international action in the resolution of crimes committed by terrorists.

These principles have already found their voice in the international economic community. I believe that this voice will grow in strength. I also believe that our country's great strengths derive from the resilience and tolerance of its peoples and from the freedoms we possess. We can build on these strengths in the conviction that we can achieve a safer and better world.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks in the debate this evening. I want to begin by quoting some words from the Prime Minister, as reported at page 9722 of *Hansard* on January 13, when he was introducing Prime Minister Nakasone from Japan.
He said:

> There is a new, insidious threat to stability in the world, the murderous scourge of terrorism, an international plague that knows and respects no boundaries, from which no person is safe, and to which democracies such as Canada and Japan, to name but two, are most vulnerable. Japan and Canada were linked in the horror of terrorism last year when a bomb exploded among the luggage of a Canadian commercial flight after its arrival in Tokyo. Our people have a right to expect their Governments to take forceful action to rid the world of these cowardly creatures who do not recognize the bounds of decency or the dictates of reason.
>
> As it happens, Prime Minister, we, as leaders, are not powerless to do something about this. We can encourage support for more effective enforcement of international law, as you have done on many occasions. Under your leadership at the summit the partners may yet contemplate effective, co-ordinated action against terrorists of every origin and terrorism in every form.

These were the comments of our Prime Minister when he was welcoming Prime Minister Nakasone. We are not powerless when it comes to dealing with international terrorism. We can work through international law.

Unfortunately, the American bombing of the cities of Tripoli and Benghazi in Libya last night has to be seen as a confession of powerlessness, a confession of weakness when the mightiest nation on the face of the earth had to resort to a kind of naked force to deal with a question of terrorism in a way that is not at all effective. It has been pointed out several times already this evening that this is a breach of international law. The Americans talked about a so-called surgical strike. How can we talk about a surgical strike when 100 civilians were killed, when innocent babies are killed? What kind of surgery is this? It is surgery with a meat axe.

• (2230)

The Deputy Secretary of State for the United States, John Whitehead, said that the United States planned to avoid casualties. He even made the bizarre suggestion that perhaps the casualties which took place were as a result of misdirected anti-aircraft fire. That kind of self excuse just does not make sense when we are faced with the enormity of what happened last night.

The Americans are pleading self-defence as the reason for this strike. I would like to suggest that instead of a plea of self-defence, perhaps a plea of temporary insanity might make more sense. What happened last night does not make sense to any sane or rational person who looks at our world.

I would like to suggest five reasons why I think we have to oppose what the Americans did last night. First, it increases world tension. We have already seen the results of that in the cancellation of the planning meeting which was to have led up to the United States-U.S.S.R. Summit. We have great hopes that somehow when the leaders of the superpowers sit down together they will be able to reach some kind of understanding with each other, some kind of resolution of world tensions. These summit meetings are very important. The fact that the planning meeting has been cancelled is something that has to be regretted very seriously.

In addition to that, the tension has been increased in the Arab world. In fact, the effect of last night's bombing has been to solidify the Arab world in support of the extremists. It has solidified the Arab world behind Colonel Khadafy and instead of rooting out terrorism, it has made a hero of him among his fellow countrymen and other Arab nations.

Second, we oppose this action because innocent civilians were killed. I know we feel very strongly when innocent civilians are killed by terrorist actions, for example the commercial air flight, the bombing of the discotheque and other terrorist actions which have taken place. However, two wrongs do not make a right. The bombing of civilian areas of Tripoli and the killing of upwards of 100 civilians is not something that can be condoned. Certainly we have to oppose this action because it is not at all effective in dealing with terrorism. As I have already pointed out, it has unified the Arab world in support of Khadafy and Libya. It has marginalized people who were moderates. People who wanted to speak up in the Arab world for a more moderate position have been pushed off to one side by the American action. This American action has been very counterproductive in terms of the long-term objectives which the Americans themselves should be seeking.

By the same token, if, as President Reagan says, Colonel Khadafy is a mad dog, we can be very sure that this kind of action is not going to have any effect on him at all. We do not try to solve the problems of a mad dog by giving it a kick. That in effect is not going to help the question of international terrorism. In fact, it will exacerbate it. Fourth, we have to be very concerned about this action because of the fact that some 1,300 Canadian lives are involved. We heard from the Government that it has no real plans on how to deal with the situation if a real crisis should erupt which involves those lives.

Finally, I think we have to recognize that the United States does not come to this situation with clean hands. The Americans do not have clean hands when it comes to international

terrorism. In 1975, Senator Frank Church chaired a committee which studied U.S. intelligence activity around the world. That committee detailed CIA involvement in assassination attempts on such diverse world leaders as Fidel Castro of Cuba, Patrice Lumumba of Zaire, Rafael Trujillo of the Dominican Republic and Diem of South Vietnam. These were people on all sides of the political spectrum, just people who happened to be in the way of the CIA at that particular time. These particular attempts at assassination did not succeed. We still have Fidel Castro very much with us. But other attempts did succeed. Right now President Reagan is attempting to link the situation in Libya with the situation in Nicaragua and at the same time he is again coming before the House of Representatives for $100 million worth of support for the Contras, the people whom President Reagan calls freedom fighters.

I would like to give some details of those so-called freedom fighters. On February 16 a Swiss development worker in Nicaragua was driving a truck home when he saw a group of 16 women who asked for a ride. He picked them up, and as they drove along they hit a land mine. The truck was forced to stop, and as it stopped the Contras stepped out of a ditch and gunned down the development worker and four of the women. The Washington office on Latin America has sponsored a report on violations of the laws of war by both sides in Nicaragua. It was prepared by Mary Dutcher, a former Assistant Attorney General for the State of Missouri. I would like to read the following dominant conclusions of this report:

> The preponderance of the evidence indicates the continuation of a systematic pattern of gross violations committed by Contra forces ... The presence of Contra troops in a given locale seemed to give rise to a pattern of indiscriminate attacks against civilian targests, kidnappings, rapes, assassinations, mutilations and other forms of violence—
>
> On the other hand, the violations that were committed by members of the Nicaraguan armed forces appear to be relatively isolated cases of abuses of authority and breaches of military discipline. There was no evidence that violations were condoned by superiors.

The report also shows that in a number of cases Nicaraguan soldiers or militia who were guilty of abuses were punished with long jail terms. The preponderance of evidence indicates that the great majority of abuses in Nicaragua have been committed by the Contras, the very people for whose support President Reagan is asking for $100 million.

A few months ago it came to the attention of the American public that the CIA had published a manual, quite contrary to American legislation, on psychological operations in guerrilla warfare for the Contras operating in Nicaragua. This manual calls for a selective neutralizing, or assassination—that is what the word "neutralizing" means—of targets such as judges, police, security officers and local militia heads. It calls for that kind of selective assassination as a way of inducing terror among the Sandinista people, those people who would want to support their Government. These are the Contras for whom President Reagan wants to provide $100 million in support. Yesterday morning I heard a report on the CBC that I can scarcely credit. I would be interested in having this chased down because it seems to have disappeared from the news. However, I heard it twice yesterday on early morning news reports. They indicated that the Contras had considered a plan to assassinate the United States Ambassador in Costa Rica, with the idea that this assassination would later be blamed on the Sandinistas, giving a pretext for an invasion of Nicaragua. These were reports I heard on the CBC.

• (2240)

We are talking about Americans concerned about terrorism in Libya. I want to emphasize the fact that the Americans do not come to this situation with clean hands. We want to see an end to terrorism. We want to see an end to terrorism in the Middle East. We want to see an end to American-sponsored terrorism in Central America. I think the answer has to be a greater reliance on world law and world opinion. Unfortunately, the United States turned its back on world law by withdrawing from the jurisdiction of the World Court in its dispute with Nicaragua last year. Today, world law is needed more than ever. Today, reliance on the United Nations and the offices of the United Nations is needed more than ever.

In the face of the threat of international terrorism what we need is not hasty, ill-considered vigilante action. Rather, what we need is a degree of patience, self-control, a co-ordinated attempt to work with all nations to eradicate this evil. Terrorism will not be defeated by vigilante action. It has to be defeated by the rule of law, and the rule of law has to be based on justice. We have to make sure that we provide justice for the people of our world, otherwise we will continue to face the threat of terrorism.

There have been alternatives suggested. Unfortunately, those alternatives were not suggested by our Government when it was in touch with the United States. I think we should be pushing for tough economic sanctions when we have conclusive evidence that one country is harbouring terrorism. We should be pushing for an international anti-terrorist police force which can act effectively in this area. Given the historical origins of terrorism, we need more than a mad dog view of human history which feels that by hitting at someone such as Khadafy we will solve the problem.

In conclusion, I would like to quote again the words of our Prime Minister (Mr. Mulroney) from Janaury 13 when he said:

> —we, as leaders, are not powerless to do something about this. We can encourage support for more effective enforcement of international law—

I only wish that our Prime Minister had done this during this past week when he was aware of the threat of the American invasion.

Some Hon. Members: Hear, hear!

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I submit to you that it is impossible to remain silent and indifferent in this debate. I admire the cool and the indifference of Tory back-benchers who so far have chosen not to participate in it. I look forward to hearing some voices of Members from across the way taking a stand on this very important resolution before us.

Mr. McDermid: What about the speech of the Hon. Member for Guelph (Mr. Winegard)? It was brilliant. Where were you?

Mr. Caccia: We will hear what comes next. I entered this debate with the intent to be concise since a great deal has been said on this issue which makes it difficult to be novel. However, there are a few things which, in my way of looking at parliamentary debate and politics, need to be said. I build my reasoning on this base; when a civilized nation decides to answer terrorism with an act of war, it seems to me that then it gives legitimacy to terrorism. It elevates terrorists to the level of those who attack them, or believe that they are attacking them, with sophisticated weapons. I do not think that I am alone in adopting this starting point in thought. I believe that tonight there are millions of Canadians and Americans who think that way. I believe they are asking themselves questions about what is happening to the reputation of that great nation in this world.

Acts of terrorism, as we all know and concur, are awful. This act of war, too, is awful. Last night on television we saw the destruction of homes and the killing and maiming of civilians. That is awful, too. Tonight, when the Deputy Prime Minister (Mr. Nielsen) told us that in his view the United States had no alternative, I held my breath waiting for the evidence, since a statement like that requires some pretty heavy, and important, convincing evidence. When he finished his speech and sat down, and this is why I am surprised at the indifference of the Tory back-benchers, I asked myself: Does he really believe in what he said tonight and does this Government really believe in what it put forward?

If he condones the attack provided that Canadians are not hurt, as he put it to us implicitly in his speech, then let us suppose—and perish the thought—that Canadians were to get hurt. Would he still condone the attack? Would he still say that the United States had no alternative? Last night watching what happened we saw that the attack was not just on military bases. We saw that by condoning this act, or by accepting the inevitability of it, the Government of Canada took a big risk.

The question is also one that goes beyond our own individual interests as a nation concerned with 1,300 Canadians in Libya. We must also ask ourselves the question: Can terrorism be checked by moving a fleet near Libyan waters? What does this achieve? I really do not know. I do not think that it goes to the root of the question. Can Khadafy be isolated from the Arab world by an attack on him? I submit that if the attack which we have just witnessed succeeds in doing anything it is in consolidating Khadafy's status in the Arab world.

The next question is: Is the threat to Libya not a way of enhancing the shaky status of Khadafy in the Arab world? The most overriding and dominant question, in my mind at least, behind all this is: Does the Libya-U.S. confrontation in the Mediterranean not pose a threat to peace in the whole world? What does it do to East-West relations and, in particular, what does it do to the relations between the two superpowers? Does yesterday's U.S. attack represent a danger to Canadians who are in Libya? If it does, as I believe it does, how can we be ambivalent to the U.S. attack on that country? There is a contradiction here. The Government of Canada has to protect the interest of Canadians in Libya, but at the same time it takes an ambivalent stand on the attack. Therefore, the inevitable conclusion in this debate, as it strikes me at this late hour, is in the form of a question which asks: What are the alternatives to gunboat diplomacy? Many other speakers tonight have put forward a number of interesting approaches.

• (2250)

Against the background of violence begetting violence and violence leading eventually to escalation, we must ask what we are doing in terms of economic sanctions. What are we doing by way of taking the appropriate actions at the United Nations? Could we pursue counter-terrorist activities by way of an international police force?

The basic and fundamental questions which have also been asked is, what is at the root of all this, and if there is a solution to the situation in the Middle East, would that not perhaps remove the necessity of becoming engaged in counter-terrorist activities? We must ask if the Government of Canada has pressed these alternatives and if so how and to what degree of success. Is the Canadian public not entitled to know that at this stage?

I also ask myself some other questions, and I will conclude with them. I ask myself if the so-called Progressive Conservative Government of Canada understands the potential danger of this attack for world stability. Does the Government not realize that with this attack, the United States may have moved the world one step closer to midnight, the hour of World War III? Does the Government of Canada not realize that if Spain, France, Italy and Greece are opposed to the attack on Libya, and these are countries across the street from Libya, so to speak, there must be reason for this that we, comfortably sheltered by distance and the Atlantic Ocean, must understand and take into account in the formulation of our own foreign policy? I also ask myself if the Government of Canada does not realize that this attack is more than just a matter between the United States and Libya. It is an issue that could escalate into a world-wide conflagration.

My conclusion would be this: these are dangerous times. In part they are dangerous because the West is bereft of constructive leadership and resourceful initiatives. Considering how our country contributed to peacekeeping and peacemaking in the fifties, the sixties, the seventies and the early eighties, the inevitable question, almost in the form of a cry, is: "Where are you, Canada?"

Mr. Tom Hockin (London West): Mr. Speaker, I rise to add some thoughts of my own to tonight's debate and I would like to say quite genuinely that I have learned from every speech made tonight. This particular tragedy that is being lived right before us is the kind of tragedy that encourages Members of

Parliament to think more deeply about foreign affairs and to think about the principles that define a country. That, of course, is flawed a bit by this feeling of tremendous distaste and concern for the violence that is sweeping the Middle East.

I would like to share with the House by way of introduction to my comments a preliminary conclusion I am drawing from the travels of the Special Joint Committee on Canada's International Relations as it deals with matters of this sort. I am finding that Canadians are perhaps more than ever before feeling vulnerable to international events. They are feeling more captive of what is happening outside of Canada than ever before. I am not speaking simply of commodity or oil prices or of trading arrangements but of international terrorism and arms control. This feeling of vulnerability is a strong one. I would like to speak to that tonight and explain how I feel that what the Government is doing is trying to come to terms with that.

The second major conclusion I believe anyone would gather after travelling the country and listening to Canadians talk about international relations is the paradox that Canadians seem to be rather ambitious about what Canada can do in the world; we feel vulnerable but there also seems to be an insistence that Canada should act and try to help in what seems to be intractable conflicts around the world. There is a feeling of vulnerability but also, curiously, a feeling that Canada can do something. I believe both feelilngs are responded to in what the Government is trying to do in this tragic situation.

First, dealing with vulnerability, we find ourselves, together with virtually all members of the world community, grappling with the increasingly alarming and seemingly intractable problem of international terrorism. This terrorism is arising from the tensions and conflicts of the Middle East. Canadians have not been unaffected by this cruel scourge of our time. We need only remember the hijacking of the Egyptian aircraft in Malta which led to the death of two innocent Canadians, a mother and her young son. We cannot deplore strongly enough such terrible events and the increasing threat to all international travellers. That is a vivid, sad reminder of our vulnerability. Nevertheless, it is clear that terrorism is not an irrational phenomenon. To analyse it as being simply the work of madmen is deceiving. No, in our view, it has its roots in deep political conflicts. It will not be eradicated until these conflicts are addressed and resolved.

Clearly, the Canadian Government is deeply committed to doing all it can to assist efforts to find political settlements which will reduce the tensions and frustrations which lead to desperate and cruel acts of terrorism and which will enable the countries and peoples of the Middle East to live together in peace. At the same time, even in our pursuit of these political settlements, we recognize the necessity for firm actions to deter those who would use terrorism to their own ends. I repeat, we recognize the necessity for firm action to deter those who will use terror as an instrument of state policy.

As a member of the Special Joint Committee on Canada's International Relations, I was privileged to preside over an extremely productive panel on international terrorism held in Fredericton last month. In that peaceful town, it seemed strange to be speaking about terrorism. However, we had a vivid and very useful discussion of that subject and I commend it to the House as reported in issue 46 of the committee proceedings. As I indicated then, it is my view that if we are going to be constructive internationally, we will have to become more tough minded. Canadians cannot simply retreat behind sentiments and vain hopes. We have to analyse toughly and be willing to take tough actions.

One of the conclusions of the panel discussion was that while most international terrorism is poltically motivated and sometimes the result of political grievances which we recognize to be genuine, nonetheless acts of terrorism try to force compliance with political demands through violence and murder.

• (2300)

Whatever the motivations, these acts must be unequivocably condemned. It was unanimous among the panelists and among members of the committee. Indeed it became clear in that discussion that terror is not an abstraction. It is a psychological strategy and a physical strategy. This being so, it must be responded to not only psychologically with words but with physical reply at times. In addition, we found that terrorist organizations, whatever their original political objectives, tend to become self-sustaining. This is the terrible irony of terrorism. Over time, some terrorist organizations become increasingly less concerned with the political solution which presumably led to their formation in the first place and start to jockey for prominence and try to intimidate more than other terrorist groups. While the resolution of tensions such as those in the Middle East may well help to reduce the level of terrorism, it remains essential for the international community to take firm and courageous stands against terrorist acts so that these organizations will not proliferate or start to develop a life of their own almost independent of chances for a political solution.

At the conclusion of that day's discussion, it seemed to be clear to all those who participated that it was state-inspired terrorism, terrorism which is encouraged and perpetrated by Governments, that is particularly offensive and really calls for the clearest response. In fact, it may be the form of terrorism with which one can come to terms because at least one can communicate with a Government.

Following that discussion and following our examination as a Government in the last two years, there have been clear actions. Canadians are ambitious about what Canada can do in the world. They are insistent that it do something to protect its own citizens. I would argue that the Government has done this. The Prime Minister (Mr. Mulroney) announced a number of economic measures against Libya because of our deep concern that that Government was actively involved in

supporting terrorist activities. That seems to have been acknowledged by all Members of the House tonight. These measures supplemented earlier steps which we took to limit our bilateral relations with Libya. The new measures about which we have heard tonight included a ban on the export of oil drilling equipment containing western technology. Canadians were advised not to take the jobs vacated by Americans leaving Libya. We cautioned Canadians in Libya then, and again last week, about the potential risks to their personal security. Other measures were mentioned by the Deputy Prime Minister (Mr. Nielsen).

Following the recent terrorist attacks against the West Berlin discotheque, the only criticism of what I have heard tonight is that that terrorist bombing was not a surgical act either. It was an indiscriminate act. We have accepted President Reagan's assertion that there is substantial evidence linking Libya directly to terrorist acts and plans for further measures against American targets in Europe. How much do we have to let happen before we reply? There can be no doubt, as the Prime Minister said, that terrorism is reprehensible, an evil which all responsible members of the world community must strive to eliminate. All this is clear. Nonetheless, it is a matter for regret that the situation should have become so serious in that part of the world as to lead the United States to feel obliged to take military action. The Government and I hope that this reply will be sufficient and that restraint on both sides will be the future pattern.

The eradication of terrorism will require a concerted effort by us and what we do in the House and by the entire international community, which we consider must address not only the manifestations of terrorism but also its causes that lie in large part in tensions and instability in the Middle East, and which can only be resolved on a lasting basis by political solutions and negotiated settlements. We have heard a great deal about this in committee, in the House and in past parliamentary committees. Canada has long supported an approach of political solutions and negotiated settlements. The Secretary of State for External Affairs (Mr. Clark) reiterated that last week during his visit to that region.

Clearly the most serious and destabilizing conflict in the Middle East is the Arab-Israeli dispute. That was clearly outlined by the Minister for External Relations (Mrs. Vézina) earlier tonight. Canada's long-standing position has been in support of a just, lasting and global settlement of this dispute. We are clear that this settlement must be based on resolutions Nos. 242 and 338 of the Security Council.

The House also knows our support for the well-being of Israel as a secure and independent state. This is a fundamental principle of Canadian foreign policy. Israel must be secure and it must be an independent state. However, we also recognize—and the Secretary of State for External Affairs has recently reaffirmed this—that there can be no lasting peace in the Middle East which does not take into account the legitimate rights of the Palestinian people. This includes their right to participate fully in negotiations concerning their future and their right, as was said by the Secretary of State for External Affairs a few days ago, to a homeland within the territory of the West Bank and the Gaza Strip.

Consistent with our belief in the necessity of a negotiated settlement, Canada welcomed the efforts of King Hussein to initiate such a process, seeking to find a common position with the PLO which could open the way to negotiations with Israel. Canada's commitment to promoting and encouraging peaceful solutions to the conflicts and tensions in the Middle East is also at the heart of our position on another seemingly impossible regional conflict. I refer here to the awful war between Iran and Iraq about which we do not hear much in the House. It is now well into its sixth year. It is a war which has caused hideous loss of life and human suffering and to which there is sadly no end in sight. Like other Middle Eastern conflicts, this war has its roots in old historic grievances aggravated by a more modern clash between two neighbours with radically opposed religious loyalties as well as by a conflict between political and cultural values. In this case it is Iraq's secularism versus Iran's commitment to the Islamic fundamentalism propounded by the Ayatollah Khomeini. Like other Middle Eastern conflicts, this war is particularly alarming to any civilized observer because of its potential to draw in against their will other moderate neighbours such as the countries of the Gulf.

Our priority as the Government of Canada in this instance, in conjunction with like-minded members of the international community, has been to support strongly all mediation efforts. I refer particularly to the efforts of the Secretary General of the United Nations who is trying to reach a political rather than a military solution to the Gulf conflict.

• (2310)

In keeping with established policy, Canada has banned the exports of armaments to both parties in that conflict. Likewise, consistent with our desire to promote and strengthen respect for international conventions, Canada has been an active player in efforts to proscribe the use of chemical weapons in this war. This was made clear in the Canadian delegation's statement last month to the UN Conference on Disarmament in Geneva. In addition, Canada has co-operated with other western states to prevent the export, to both belligerents, of chemicals used to manufacture such weapons.

Canada particularly welcomed the Security Council's resolution on the Iran-Iraq war, passed unanimously on February 24. This resolution called for an immediate ceasefire first, a return to internationally recognized boundaries second, and the initiation of negotiations toward a peaceful settlement. We have since conveyed Canada's position and support of these proposed measures to the Governments of Iran and Iraq, and we have urged them to comply.

While recognizing that the resolution of these political conflicts and tensions would not necessarily and of itself eradicate international terrorism, we believe that peaceful settlements could eliminate much of the political motivation

behind such acts. Instances of terrorism would then be both much reduced and more amenable to prior detection and appropriate policing action by the international community as a whole.

In conclusion, let me mention a wider point that affects this debate tonight. Not long ago I sent to my colleagues in the House a book sent to me by a constituent entitled *How Democracies Perish* outlining the vulnerability of democracies to all sorts of forms, but primarily terrorism. We do not have many democracies in this world, and they are vulnerable. They are vulnerable to acts of terrorism. This the United States has had to recognize. This, I think, all civilized people will recognize. Peaceful political settlement, especially with the long term objective of democratization of more and more countries, is both the process and objective of our policy. It is our hope this will soon penetrate the Middle East. Let us not give up on this, Mr. Speaker. Let us remember that regional conflicts have been resolved in the past. Regional conflicts can seem intractable but nothing is intractable. Let us resolve again tonight to do what we can to stop the spiral of violence and help bring that region to a new and genuine security.

[*Translation*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) was referring a few minutes ago to an 11-year old boy who asked his father whether there was going to be a World War, when he heard the news about Libya. Mr. Speaker, I remember clearly that as a boy of nine, in 1961 I asked my mother and father the same question: Mom, Dad, is there going to be a World War? They answered: We don't know. We don't know.

[*English*]

It is with a sense of anger, shame and pain that I participate this evening in the debate on the events in Libya. I believe that all of us in this House should share the sense of shame that Canada's voice, which historically has spoken out for peace and against the use of violence to resolve international disputes, has been silenced. Not only has that voice which has been respected in international fora been silenced, but that voice has been joined in unison with the voice of the perpetrator of murder of innocent civilians.

I believe the response of the U.S. Government and of the President of the United States in this instance was fundamentally immoral. I say immoral because surely it cannot be right to suggest that by taking the lives of innocent Libyans, who had no dealings whatever with people in other countries, certainly no dealings with terrorism, that somehow we are reducing the risk of terrorism in other countries. It cannot be right to suggest that by paralyzing a 14 year-old Libyan boy for the rest of his life by breaking his spinal cord that we will in some way be reducing the likelihood that Colonel Khadafy may engage in acts of violence himself.

It cannot be seriously suggested that by murdering the 15 month-old adopted daughter of Colonel Khadafy that we will in any way reduce the possibility that that man, who has certainly been an instrument of hatred, of intolerance, of anti-Semitism and of violence will suddenly become a man of peace. No, Mr. Speaker, by adopting the approach that President Reagan has adopted, far from reducing the likelihood of violence, of the loss of life of innocent civilians, he is increasing the possibility of further death and further violence.

The message which he is giving to the people of this world is that we respond to terrorism with terrorism. I say terrorism, and I say state terrorism, because if we examine the definition of terrorism, I understand that to be the taking of innocent human life for political motives. Innocent human lives have been taken to send a political message by the President of the United States.

What is that message, Mr. Speaker?

[*Translation*]

Mr. Speaker, the message is clear: Violence is being met with violence, murder with murder and terrorism with terrorism.

[*English*]

An eye for an eye, a tooth for a tooth, on an international scale. That cannot be right.

I am ashamed that my Government has sided with the instruments of violence and death in Libya. I am concerned that this decision, this strike by President Reagan is merely a foreshadowing of something else that he has wanted to do for some time. Remember, it was Ronald Reagan who proudly proclaimed "I am a Contra. I am a Contra".

My colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) has very eloquently demonstrated the record of murder, violence and torture of the Contras in Nicaragua. "I am a Contra" the President said. Today he went on and suggested that Libya is involved in the funding of the Sandinistas in Nicaragua. He says that $400 million is going to the Government in Nicaragua.

There is a profound danger that "Rambo Reagan" as the new super cop of the globe will see his next mission to destroy the revolution of the people of Nicaragua using the pretext of a link with Libya.

• (2320)

I remind you, Mr. Speaker, and Members of the House, that it was that same Government which mined the harbours in Managua, an act which surely could have resulted in loss of innocent human lives. Let us examine the rationale of the American Government. It has suggested, and the international community waits for the evidence, that the Libyans are responsible for the death of an American serviceman in West Germany. If that is true, the international community condemns that terrorism. The Americans say that they will respond to that death by bombing in Libya.

What if that logic had been applied by the Government of New Zealand? Would it really have been appropriate for the

Government of New Zealand, in response to a murder on the *Rainbow Warrier*, to send the New Zealand bombers raining bombs on Paris, Marseilles, and Lyon? That kind of response to violence with violence inevitably leads to further deaths.

This act of state terrorism is in breach of international law. It is in breach of the fundamental rules of international ethics. As my colleagues have pointed out, there are other alternatives for responding to international terrorism. Tough economic sanctions are an important and effective means, when taken collectively, of responding to international terrorism.

I note as well that it is important for us to recognize the hypocrisy in the approach of the American President. Are the lives of black South African children worth any less than the lives of other innocent people who are victims of terrorism? Black South African children are dying at the hands of their government, yet we hear nothing from "Rambo Reagan" about sanctions or terrorism against the Government of South Africa. That hypocrisy and silence is shameful.

Finally, and most fundamentally, surely we must recognize that the roots and seeds of terrorism are found, in many cases, and particularly in the context of the Middle East, in desperation and a sense of total powerlessness and lashing out against conditions of economic servitude, poverty, and injustice. Two million Palestinians have been uprooted from their land. A generation has grown up as strangers without any sense of roots in their own land on the West Bank and elsewhere.

Until we come to grips with the reality that the treatment of the Palestinians has been profoundly unjust by the Israeli occupying authorities on the West Bank, that it has discriminated against them, and has resulted in a denial of justice, we will not fully come to grips with the realities of the Middle East. My colleagues have spoken about the fundamental importance of a homeland on the West Bank for the Palestinian people living in an independent state in peaceful coexistence and mutual respect with the State of Israel.

All Members of the House condemn, without equivocation, terrorist attacks against innocent civilians in other countries. However, let us not be deluded into believing that we will reduce the level of intensity of such violence by responding in kind. Indeed, as I pointed out earlier, the opposite will be the case. Ronald Reagan has argued that the Libyan attacks are state-sponsored terrorism. I say that a Government and a president which engages deliberately in bombing attacks on civilian targets is itself guilty of the terrorism which it proclaims to be attacking.

I expect my Government to speak out on that. I would have hoped that, during the consultations which we were told took place, my Government would have had the courage to tell President Reagan to stand back and examine the alternatives, as the European Community did. Instead of our Government taking that responsible approach, it was ready-aye-ready, full steam ahead. That is cause for sadness and shame today.

My colleagues have spoken of the importance of assuring the safety of the 1,300 Canadians in Libya. Indeed, that is a concern which all of us share. I hope that the Government has taken the steps necessary to ensure, if necessary, the evacuation of those Canadians who want to leave Libya.

In conclusion, I want to again emphasize my concern that Canada's voice has not spoken out against this act of international state terrorism. I sense that the support of the Prime Minister (Mr. Mulroney) and the Government of this country will be seen in the future as one of the gravest and most profound black marks in the history of the country. I feel a sense of sadness, shame, and anger that we have allowed this act to go by and that, indeed, we have approved it.

Mr. David Berger (Laurier): Mr. Speaker, terrorism is a threat to all of us. Most visibly, terrorism has killed and maimed thousands of innocent civilians around the world. Because terrorism has blurred the distinction between ends and means and led many in the world to accept violence as a means of settling disputes, it threatens world stability.

I believe that the American attack on Libya was wrong. It is not the way to deal with terrorism. First, it is stupid. Chances are that this attack will trigger a wave of terrorist attacks which will go far beyond what we have seen to date. People who engage in terrorism will not be restrained by the American action of yesterday. Libya was a convenient target for the United States, given some of the outrageous statements of Colonel Khadafy. It was easy for the United States to attack Libya under these circumstances. Why not Syria? Why not Iran? Those countries could just as easily, and probably have, been behind some of the recent terrorist attacks which have occurred in the Middle East and Europe.

Second, I have it on good authority that the attack is a violation of international law. During this debate in the House this evening, no one has quoted from the United Nations Charter. I would like to do so, but without any sense of superior authority. I just had a good teacher a number of years ago. I would like to read from Article 2(4) of the UN Charter which was referred to in one or two interventions.

• (2330)

It states:

> All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

Yes, we have heard President Reagan state that the American action was in self-defence. However, I again quote from the UN Charter, this time from Article 51 which describes the right of self-defence:

> Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a Member of the United Nations, ...

I am not aware of any armed attack against a member state of the UN which would lead to the American response. Therefore, quite clearly, the American response was a violation of international law and the UN Charter. It was not justified under Article 2 and it is not deemed to be an act of self-defence under Article 51.

I am astounded by the response of the Government of Canada as we have heard it in the House over the last few days and from the Deputy Prime Minister (Mr. Nielsen) earlier this evening. He stated that the U.S. had no alternative. This demonstrates a lack of understanding of international law and of the UN Charter, and the basic principles which should govern the conduct of nations.

As well, I believe the American action will add to anti-Americanism and diminish any influence the U.S. has in that part and other parts of the world. I believe the moral position of the U.S. would have been much stronger if it had made greater attempts to deal with terrorism within the bounds of international law. I am not aware of any resolution submitted at the UN in recent weeks as a response to the bombing in Berlin. I believe that, given the right circumstances, it would be possible to get the Soviet Union to agree to a tough proposal before the Security Council. Over the last few nights I saw Mr. Arbatov on television. He has special responsibilities in the Soviet Union for western relations. He took great pains to distance the Soviet Union from Libya. I saw no understanding of that in the response of the U.S. and its spokespersons in recent days.

This attack is a tragedy because we are seeing a breakdown of international order. It demonstrates the extent to which international legal systems and the UN have been unable to cope with terrorism. It demonstrates the extent to which a policy of appeasement of terrorists has undermined the trust and confidence between western democracies. Many countries have accommodated or accepted terrorism. They have not imposed sanctions or used the UN or other international agencies to deal with terrorism and its causes. I have to question whether the U.S. did all that is humanly possible within international law. I ask any Member in this House: Why is it that the U.S., with all its power, was not able to get the Europeans to agree to adequate sanctions? What does that tell us about American foreign policy? What does that tell us about our position and our ability to influence other countries in this world?

We have to develop methods of dealing with terrorism. I suggest that public opinion will play a vital role in dealing with terrorism. However, a vital element in mobilizing public opinion is evidence. You have to present people with evidence which will allow them to come to the necessary conclusions and adopt sanctions. Yesterday Mr. Reagan said that he had irrefutable evidence, but none of us have seen it. He has said he cannot produce it because that would damage the U.S. intelligence system. That is not the first time he has said that. I would like to quote an article from *The New York Times* of January 9, 1986, which dealt with this problem of evidence. It said:

> Claiming "irrefutable evidence" of Colonel Khadafy's role in the airport killings, Mr. Reagan was unwilling to produce it. He said the location of 15 terrorist training camps was known but wouldn't say where "because there are things that should not be revealed."
>
> Such diffidence leaves Mr. Reagan looking like a chronic blusterer. Where are the photographs of those camps? Why aren't they included in the State Department's white paper on Libya's offenses? If they cannot be published, why not at least circulate them among allied leaders, as President Kennedy did when he sent emissaries to document the presence of Soviet missiles in Cuba in 1962?

The New York Times conceded that the President's options were limited but said:

> The way to enlarge them is to share the evidence of Libya's complicity.

That was on January 9 and we have yet to see the evidence.

I also feel a sense of shame because the Government of Canada has been a party to an attack which destroys international order. It has been reported in the media that the United Kingdom and Canada are the only two countries in the world which approved this action. The Prime Minister (Mr. Mulroney) in recent days has proudly said that he was consulted. He was made fully aware of American actions. What does that mean?

Did the Government approve the general idea of an attack? The Deputy Prime Minister said that the U.S. had no alternative. I must believe that the Government came to that conclusion too readily. Did the Government even attempt to convince the U.S. that alternatives were available? Did the Government say that we have imposed sanctions on Libya but we are prepared to upgrade those sanctions? We are prepared to take more increased sanctions. Let us try that before we resort to an armed attack. Was the Government given a list of targets? Did it approve such a list? Were they military targets? Did the Canadian Government tell the U.S. that civilian targets should not be hit? The Deputy Prime Minister earlier this evening said that Canada expressed concern for Canadians. Canada gave the U.S. a list of the locations where Canadians are located in Libya. What does that indicate? Does it indicate that we are only concerned about Canadian lives? Is that the sole responsibility of the Government of Canada?

• (2340)

In trying to come to grips with terrorism perhaps we, who are in Government, might take some advice from younger people. They seem to have more cogent, rational, reasonable answers than we in Government have sometimes. Recently a group of Jewish students lobbied Parliament Hill to encourage the Government to take action against terrorism. These students represented the group, North American Jewish Students Network Canada. They urged three things of the Government and of parliamentarians. They urged the establishment of a joint Senate parliamentary committee on terrorism. They urged the implementation of effective legislation to seek out, investigate, prosecute and punish terrorists and their supporters. They urged that known terrorists and representatives of terrorist organizations be barred from entry into Canada for any purpose. Did they suggest that we should strike at Libya? No. I would suggest again that young people perhaps provide wiser counsel than we get sometimes in the area of Government.

[*Translation*]

Mr. Speaker, I would also like to quote a letter that appeared in Le Devoir on January 18 of this year, signed by a

Mario Lavoie, member of a Canadian delegation to the International Youth Conference held in Kingston, Jamaica from April 6 to April 9, 1985. This young man quoted a resolution adopted by young people representing some 50 countries. In their resolution, they said, and I quote:

> Violent attacks against individuals can never be justified in any way. Few priorities are more important than that of imposing severe sanctions on groups or governments that encourage such practices by training, equipping, sheltering and supporting the people concerned.

In concluding, this young Canadian said:

> The recommendation is clear. It is now up to the governments of the West. If the situation is not remedied as soon as possible, it may become uncontrollable.

Mr. Speaker, we know this letter failed to get the desired results, because the Governments of our western countries have failed to take joint action to impose sanctions on those who propagate terrorism. And although it has made some attempts in this direction, the Canadian Government has failed to do everything in its power to do so.

[*English*]

I am sure there is considerable public support in the United States for the action of its Government. I am sure that many Canadians probably support this action also. The gut feeling that anybody has is, finally, we did something about it. Ronald Reagan gave it to them. What we feel in our guts is not the way we are supposed to govern countries. It is not the kind of feeling which is supposed to govern the actions of nations in this world. It is our heads which count. I am dearly afraid that the wiser counsels, the wiser heads in the American Government and in the Government of Canada have not prevailed in recent days. Thank you, Mr. Speaker.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): I want to begin my remarks, Mr. Speaker, by complimenting those who have entered the debate today. I would say that we do not all share the convictions of our colleagues opposite, but they have spoken with the courage of their conviction, and that is what this House and this debate is all about.

On the Government side we have tried to lay out in our comments, first with the Deputy Prime Minister (Mr. Nielsen), the extent to which the Government of Canada went to ensure the safety of Canadians in Libya. I think that the case was stated very clearly by the Deputy Prime Minister. He also made reference to our general over-all Government response to these very serious events in Libya. The Minister of State for External Affairs (Mr. Clark) dealt with the Middle East and the very, very tragic situation of terrorism which reigns there. The Hon. Member for Guelph (Mr. Winegard) very capably put forward a response of the Government to terrorism and our deep conviction that terrorism is a problem which is stalking the entire free world and that we have to do something about it. My colleague from London West wrapped up, so to speak, and dealt with issues, particularly from his perspective as the chairman of a very important joint committee of the Senate and the House of Commons. I think we have had generally a high tone of debate. We have not had heckling, and I think I speak for all Members of the House when I say that that is because we realize that this is a very serious situation.

We have heard eloquent statements on the crisis in the Mediterranean and on terrorism in general. Some very vivid remarks were made about Ireland by my colleague from Brantford and about terrorism in general, then about the root political causes which bring us to this crisis. We all realize that these problems have to be resolved by responsible members of the international community acting together.

This Government and our Party have been very forthright in our comments on terrorism. I want to reiterate the Prime Minister's statement of January 10 when he said:

> We must look to concerted international action to achieve our objective. We must redouble our efforts, along with our friends and allies in the community of nations to establish the necessary security measures to protect effectively our citizens. We must strive for meaningful international co-operation to this end. We must make better use of the economic summit group and the International Civil Aviation Organization, as well as other forms to achieve these goals.

● (2350)

The Prime Minister (Mr. Mulroney) made special reference to the word "concerted". In the long run, no action against internatiional terrorism will be possible, effective or successful except through international co-operation.

As the United Nations has recognized, terrorism is a world-wide problem that must be tackled through the co-operative efforts of all nations.

We believe there are three areas which deserve intensified Canadian efforts. Within the context of the economic summit, we have already achieved certain success and co-operation on air piracy. We feel that we should look to expanding this co-operation and building on the arrangement which is already in place. Within the International Civil Aviation Organization we should seek, through the Canadian representative, further co-operation on air security measures. International confidence in what is really a remarkable world-wide air travel system that has been developed since World War II is fully justified. We must work at sustaining that effort. The adoption of vigorous methods through the ICAO is a vital element in achieving that goal.

We believe we must take practical steps to build upon the body of international law so as to fill in any gaps which may now exist which allow terrorists to attack aircraft. For example, I pose the question: Should we consider the possibility of a convention on international co-operation on airport security so that we could all share the experiences and methods that various countries use to catch the terrorist before that act of terrorism which we all deplore takes place? If we were to do so, perhaps we could eliminate the tragedies of Vienna and Rome so that they are never repeated and we never witness those shattering pictures of innocent people suffering from the attacks of terrorism.

Perhaps we should consider further agreements among nations to forestall incidents such as that of the *Achille Lauro* hijacking.

We are all fully conscious of the intractability and the bitterness which the tensions and conflicts of the Middle East have engendered. These threaten not only that region but the peace of the entire world. The risk is growing, as we all realize. That is why we are involved in this debate tonight. The risk is growing as problems of economic adjustment due to declining oil revenues pose an economic challenge to the moderates and peacemakers of that region. The unresolved Arab-Israeli dispute and the senseless and bitter fighting in the Iran-Iraq war provide a somber background to the issue which brings us to this debate tonight.

As the House will know, the Secretary of State for External Affairs recently concluded a very successful trip to the Middle East. I am sure all Members will agree that he spoke eloquently of the need to resolve the region's problems. He noted how countries outside the region—countries such as Canada—could help provide the conditions and encouragement that would assist in making that peace possible. He spoke of Israel's right to secure and recognize boundaries. He also spoke of the right of the Palestinians to a homeland within a clearly defined territory—the West Bank and the Gaza Strip. We are on record as saying to both sides that there must be a recognition of this problem and an understanding of each other's position.

If the international community could work to achieve peace in the Middle East and resolve those problems which have been with us for so long and have alienated and embittered a generation of young Palestinians and Israelis, it would remove one of the elements which contributes to the causes of the problems. Many people claim that if this alienation and anti-western feeling that it engenders continue to grow, it will feed the terrorism that we see today.

Canadians are among the most travelled people in the world and mention has been made of the number of Canadians working in Libya. I do not want to overstate the problem but the fact that we travel so much exposes our people to certain risks. The diversity and the ability of Canadians to work in certain fields make it impossible for us to turn into ourselves. We cannot avoid the risks and the problems of international contact and commerce because it is our life blood. Our national reality demands that we work with determination and vigour in conjunction with other members of the world community. For that reason, Canadians have a very real stake in a concerted attack on terrorism itself and its root political causes so that we can overcome this scourge.

It has been stated that we accept President Reagan's assertion that there is substantial evidence directly linking Libya to terrorist acts and plans for further measures against American targets in Europe. The Prime Minister has made it very clear that there is no doubt that terrorism is reprehensible and an evil which all responsible members of the world community must strive to eliminate. Nevertheless, it is a matter for regret that the situation should have become so serious as to lead the United States to feel obliged to take military action. We hope this will be sufficient and will lead to further restraint.

Let me say in closing, the eradication of terrorism will require a concerted effort by the international community which we believe must address not only the manifestations of terrorism but also its causes, which lie, in large part, in the tensions and instability in the Middle East. Terrorism can only be resolved on a lasting basis by political solutions and negotiated settlements. This is an approach which Canada under various Governments, including the previous Government and ourselves, has long supported. I am sure I speak for all Members of the House when I say that we all want a resolution by political means and a negotiated settlement of the root cause of those problems in the Middle East. This is a position that we all support and which the Secretary of State for External Affairs reiterated during his recent visit. I see that you are indicating that it is twelve o'clock, Mr. Speaker. On behalf of all Members, I want to thank you for being with us during this debate.

Mr. Speaker: It being twelve o'clock midnight, pursuant to Standing Order 29(13) I declare the motion carried.

This House stands adjourned until later this day at two o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 12.01 a.m.

HOUSE OF COMMONS

Wednesday, April 16, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

REVENUE CANADA

PREPARATION OF INCOME TAX RETURNS BY SPECIALIST COMPANIES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, *The Gazette* published the results of a survey showing that seven out of seven firms which offer their services to complete tax returns for Canadians were unable to prepare correctly the tax return submitted by the newspaper.

Not long before the *Toronto Star* had revealed that 43 per cent of income tax inquiries directed to Revenue Canada had been erroneously answered.

The Minister of National Revenue is dumbfonded by these facts but has no solution or guarantee for Canadians now facing various problems. The Conservatives made all kinds of promises during the election campaign, but they are not very good at coping with present difficulties.

* * *

[*English*]

SHIPBUILDING

LACK OF POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, this morning I returned from meetings with groups and concerned individuals in Nova Scotia and Prince Edward Island. Among the important issues raised was the lack of clear Government policies regarding the shipbuilding industry. The present Government and previous Governments have failed to provide this clear direction. We do not have a policy on shipbuilding and this has resulted in the closing of shipyards and the laying-off of many workers.

Some Government financed contracts and Crown corporations have gone offshore. Some cabinet Ministers have promoted this process. Some Government work is designated for certain yards while other work is placed for open competition. Yet there are no clear guidelines for taking these diverse courses of action.

Our shipbuilding industry is in shambles. We cannot expect private industry to build ships in Canada, to fly Canadian flags, and to have repair work and renovations done in our own yards if the Government itself fails to provide the necessary leadership.

* * *

[*Translation*]

ENERGY

GASOLINE TAXES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, further to an article that appeared in one of the major Montreal newspapers last Saturday, under the headline: "Ottawa to put 3-cent tax on gas", I want to reassure the many Quebecers who are worried about this rumour which has no basis in fact.

Quebecers have hardly had time to enjoy the recent 10-cent drop in the price per litre when someone tries to spoil it. I hardly think there will be a 3-cent increase per litre, and personally I am confident there will be further price reductions, especially in Quebec. As you all know, we have a 6-cent surtax per litre which has been around for too long.

Furthermore, although our Government realizes that the oil crisis is a matter of national importance and has created a very critical situation, it has not yet made a decision.

But I know that whatever the Government's decision will be, it will be in the best interests of all workers and consumers.

* * *

NATIVE PEOPLES

APPOINTMENTS TO CREE-NASKAPI COMMISSION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, it is a pleasure to inform the House that on February 6, 1986, Justice Réjan Paul, Mr. Robert Kanatewat from Abitibi and Mr. Richard Saunders were appointed members of the Cree-Naskapi Commission. The appointments were made by the Governor General in Council, on the recommendation of the Minister of Indian Affairs and Northern Development, the Hon. David Crombie, and the Cree and Naskapi themselves.

The Commission was established under the Cree and Naskapi of Quebec Act, the first piece of legislation passed by

Parliament that native people can call their own. The Commission's terms of reference include receiving and considering grievances from all parties concerned with respect to implementation of the Act; second, making recommendations with respect to implementation of the legislation, and third, submitting to the Minister of Indian Affairs and Northern Development a report on the Act's implementation, every two years. This Commission is one more step in the Government's plan to support the development of native people's autonomous government.

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THE LATE SIMONE DE BEAUVOIR

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise in the House today to pay tribute to a great feminist and humanist who died the day before yesterday, Simone de Beauvoir.

In addition to having been one of the foremost intellectual figures of the 20th century and an avant-garde militant for every radical cause, she is without a doubt a major figure of contemporary feminism.

Many passages from her brilliant essay, "The Second Sex", have kept their extraordinary resonance today, thirty-seven years later.

With great intelligence and sensitivity, Simone de Beauvoir delivered her response to Aristotle and Freud and others who saw women's inferiority as a result of human nature.

She demonstrated that one is not born a woman, one becomes one. The Western feminist movement is deeply indebted to her.

* * *

• (1405)

[*English*]

OFFICIAL LANGUAGES

ROLE OF PARLIAMENTARY COMMITTEE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Commissioner of Official Languages expressed his disappointment yesterday about the Government's lack of action on official languages.

There has been little action in the key areas of service to people in their chosen official language in ensuring equity in public service participation by the official language minorities, and in the use of French as the language of work.

The Government's lack of action has affected the Standing Joint Committee on Official Languages. Last spring the committee was contemplating holding hearings in the regions, but this resolve collapsed in the fall. This failure to carry the flag into the provinces reflected the Government's lack of energy on such vital federal-provincial matters as education in the minority official language. Deficit reduction conflicts with the national interest in these areas. Statements of good intention become empty protests when Governments do not find the means to demonstrate their resolve.

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[*Translation*]

VETERANS AFFAIRS

IMPROVEMENT OF PENSIONS AND OTHER BENEFITS

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Mr. Speaker, ever since he was sworn in as Minister of Veterans Affairs (Mr. Hees), our colleague has established a new policy based on fast service, generosity and courtesy.

Pension applications have been processed twice as fast since we came into office and the number of favourable responses has doubled.

Veterans now get higher benefits. Under a Pension Act amendment in force since January 1, 1986, the guiding principle is that pensions should increase at the same rate as a mixed salary.

Other improvements include higher deductions for casual earnings, longer disability allowances, extension of Aging Veterans Program benefits, and a number of other measures to help these people who served their country.

Mr. Speaker, I can assure you that the many veterans in my riding of Pontiac—Gatineau—Labelle fully appreciate these improvements which attest to our Government's gratefulness to them.

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[*English*]

TERRORISM

SUPPORT FOR UNITED STATES ACTIONS

Mr. Gordon Taylor (Bow River): Mr. Speaker, Americans are not warmongers. All over the world there is evidence of their concern for the poor and the needy. I saw the hospitals and the roads they built in Central America. Wherever tragedy strikes, they are there to provide help. They stand four-square against terrorism, hijacking, and the murdering of innocent travellers.

• (1410)

Terrorism has been succoured, encouraged, and promoted by Khadafy and his terrorist friends. In answer to the pleadings to cease killing innocent people, he answered with more bombings and threats. Well, enough is enough. The U.S.A. called his bluff. Now he knows and his people know, and the

world knows, that terrorism will not be tolerated. If he ceases his terrorism all will be well, if he continues to live by the sword he will surely die by the sword.

I thank God for the U.S.A. and its President, Ronald Reagan.

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ENERGY

FALLING OIL PRICES—CALL FOR WORLD-WIDE PRODUCTION CUTS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the Petroleum Services Association of Canada, in an employment survey accompanied by projections from engineering and oil companies, indicates that more than 20,000 Albertans will lose their jobs in the next few months as a result of the plunge in world oil prices.

While eastern consuming provinces are benefiting from lower prices and are in a position to take advantage of greater opportunities for exports to the United States, it is Alberta that will experience most of the losses in exploration, development, production, and construction in the energy field.

I believe today is the day that OPEC meets again. There must be some agreement on production cuts world-wide. This is vital to the future of the City of Calgary, the Province of Alberta, and indeed for energy security in our country.

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[*Translation*]

OFFICIAL LANGUAGES

INSULTING WORDS TO FRANCOPHONES USED BY ASSISTANT DEPUTY MINISTER OF FISHERIES AND OCEANS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): In his fifteenth annual report tabled yesterday, Mr. Speaker, the Commissioner of Official Languages gives a depressing account of the equal status of French and English as working languages in the Public Service. I quote the Commissioner:

> Perhaps it is impossible to do better under the existing policy—unfortunately the Federal Establishment did not get the message: generally speaking, senior management gives a pitiful example.

To confirm the Commissioner's statements, I should like to read to the House a memo sent by a Fisheries and Oceans Deputy Minister to one of his employees whom he was asking to have someone check the French version of an invitation to the Neptune awards presentation. Here is what the Deputy Minister wrote:

> Have this checked again by an half decent frog.

The memo is signed L.T.

That, Mr. Speaker, is a pitiful denigrating example given to the employees by some senior Public Service officials. Whether he wanted to denigrate employees or their work, or whether, for example, he wanted to display his morbid sense of humour, the Assistant Deputy Minister has no choice but to apologize to all Francophones in Canada for this insult to—

Mr. Speaker: Order, please, 60 seconds. The Hon. Member for Témiscamingue (Mr. Desjardins).

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CANADIAN JOBS STRATEGY

CREATION OF JOBS FOR STUDENTS—ACTIVE PARTICIPATION OF PRIVATE SECTOR IN TÉMISCAMINGUE REGION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, this year again, Témiscamingue is going to meet the challenge, Challenge '86. Thanks to a favourable response from the private sector, nearly 500 jobs for students will be created in my riding as part of the summer employment program for students, Challenge '86.

We owe this remarkable performance mainly to active participation by the private sector, which has received 31 per cent of the program's budget and will provide 200 jobs. As a result of this very substantial involvement of the private sector, it will be possible to create as many summer jobs for students in '86 as we did in the summer of '85, despite the fact that we have a smaller budget this year.

Mr. Speaker, this is just another example of how you can do more with less money.

I would like to take this opportunity to offer my sincere thanks to the 107 businesses, industries and companies in Témiscamingue that were willing to invest in the talents and know-how of our young people.

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[*English*]

ENVIRONMENTAL AFFAIRS

FUNDING OF VOLUNTARY ENVIRONMENTAL GROUPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I was disturbed to learn this morning that the Govenment has not come through with funding that it promised to the environmental groups Pollution Probe and Friends of the Earth in order to facilitate their continued participation in the hearings being held by the alachlor review board.

I call on the Government to live up to its commitment to those groups to provide funding. They have had to cease their participation in those hearings.

Resignation

It is very important for voluntary groups like Friends of the Earth and Pollution Probe to be able to participate in the environmental hearing process. I hope the Government will soon make it clear to them that it will live up to that commitment and that the review board that has the responsibility for administering the money will be forthcoming with the funding.

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CANADIAN BROADCASTING CORPORATION

PRESIDENT'S AND VICE-PRESIDENTS' TRIP TO CHINA

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, yesterday I spoke about the alleged cuts being claimed by CBC President, Pierre Juneau. The same week that he announced the elimination of 350 jobs, 122 hours of original Canadian programming, and 1,000 hours of regional television, he embarked on a 10-day trip to Communist China. He must be lonely, though, because he has taken not one, not two, but three senior vice-presidents with him. He claims it is to explore the potential for an export market for Canadian programming.

• (1415)

I agree we should attempt to sell Canadian programming abroad, but I question the wisdom of sending four of the Corporation's top officials abroad at a cost of $5,200 each for return air fare, while at the same time giving 350 CBC employees the golden handshake.

This effort to sell Canadian programming abroad is hardly consistent with the latest cut-backs in Canadian programming he announced before he left. The Canadian taxpayers deserve better treatment than this.

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VACANCY

PEMBINA—PETER ELZINGA, BY RESIGNATION

Mr. Speaker: I have received a communication advising me of the following vacancy which has occurred in the representation, namely, Peter Elzinga, Esq., Member for the electoral district of Pembina, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

UNITED STATES-LIBYA CONFRONTATION—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister left him to meet with the American envoy with respect to Libya. We received from the Prime Minister a totally vague statement on the Libyan crisis and the Canadian reaction to it. He refused to answer questions from reporters after making that statement. He was vague yesterday in Question Period. Despite the potential effect on the peace of the world, he did not show up last night to participate in the debate. He is not here again today when we have persistent questions—

Some Hon. Members: Order.

An Hon. Member: Coward.

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): Was the Deputy Prime Minister speaking last night on behalf of the Prime Minister and the Government when he said that it was his view that the Americans had no alternative but to launch the strike against Libya? If that is so, and he was speaking on behalf of the Government, why did the Prime Minister not say so earlier in the day?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well now, let us look at the other side of that, Mr. Speaker. The Prime Minister on behalf of the Government issued a statement late Monday evening. The Prime Minister issued a statement again yesterday morning. The Prime Minister was in the House open to a broad range of questions yesterday.

Mr. Turner (Vancouver Quadra): You took the questions.

Mr. Gauthier: He didn't take the questions.

Mr. Nielsen: And he again saw the media as recently as this morning. There is no inconsistency, indeed there is utter consistency, in what he has been saying as Prime Minister of the country and what I have been saying on behalf of the Government.

[*Translation*]

LIBYA—REQUEST FOR CLARIFICATION OF PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker. If the Prime Minister were here, we would be asking the following questions and I will therefore put them to the Deputy Prime Minister. Did the Prime Minister speak directly to the President of the United

States on the subject of Libya? Did he ask for evidence to justify the action taken by the U.S.? What kind of answer did he get? Did he suggest any alternatives for other options? Could the Deputy Prime Minister explain to the House what he said and tell us what kind of questions he put to the President of the United States?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman obviously has not read both statements to which I referred which were issued by the Prime Minister on behalf of the Government Monday evening and yesterday morning. He obviously was not listening yesterday, nor was he listening to me, or he would have heard that we have been in touch with the United States Government all along.

I do not know where the right hon. gentleman finds inconsistency in what we have been saying repeatedly, which is the same thing.

Mr. Speaker: Question, please.

Mr. Turner (Vancouver Quadra): I suggest to the Deputy Prime Minister that press statements are no substitute for facing the people of Canada through their representatives in the Parliament of Canada.

Mr. Speaker: Order. Is there a question?

CANADIAN WORKERS IN LIBYA

Right Hon. John N. Turner (Leader of the Opposition): My supplementary question is directed to the Deputy Prime Minister. Would he not consider it hypocritical on the part of the Canadian Government to condemn terrorism at one of its sources in Libya, yet allow Canadians to work in that country as technical experts to help the economy which funds that terrorism? Is that not a hypocritical position?

• (1420)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know how many times this has to be repeated before it sinks in. On January 10 the Prime Minister started with a full, complete, and detailed statement at that time with respect to Canadians in Libya. Our primary concern throughout has been the safety of Canadians. As recently as a few minutes before walking into the House, the situation is that there are no Canadians who have been injured, killed or affected, nor has their safety been affected in Libya.

Mr. Turner (Vancouver Quatra): They've been told to stay indoors now.

Mr. Nielsen: However, they have to look to their own assessment of the circumstances, as they were urged to do on January 10, and again last Friday because of the changing circumstances.

ROLE OF CANADIAN GOVERNMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Deputy Prime Minister. How can the Deputy Prime Minister leave it to Canadians working in Libya to assess their own situation when it is supposed to be the position of the Government that it does not condone Libyan terrorism? Obviously the economic system there finances that terrorism. How can it tell Canadians it is up to them to stay there and, potentially at least, support that terrorist activity?

Some Hon. Members: Oh, oh!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Sir, one might put this question to the hon. gentleman: would the Hon. Member evacuate all Canadians from Libya, even against their will, notwithstanding the fact that we have the assurance of the Government of Libya that they will be protected, and notwithstanding the fact that there is no indication of any threat against any Canadian in that country?

SANCTIONS AGAINST LIBYA

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is for the Deputy Prime Minsiter. Does he realize that there is another issue here other than the safety of Canadians? Is the Government serious about effective action against Libya by way of sanctions? If it is, how can it condone and allow Canadians to keep the Libyan oil industry going, the revenues from which support Mr. Khadafy's actions?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is simply not correct, Sir. If the hon. gentleman will refer to the statement of January 10 he will see that there were sanctions imposed. Indeed, among our allies Canada has been in the vanguard in leading us toward a solution to the vicious cycle of terrorism. Certainly what is in issue is getting at the root causes of terrorism and finding a cure. But paramount to all considerations here, surely must be the well-being and safety of Canadians in that country at this moment.

[*Translation*]

INQUIRY IF PRIME MINISTER MADE FIRM SUGGESTIONS BEFORE UNITED STATES DECIDED ON USE OF MILITARY FORCE AGAINST LIBYA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is on the same subject. Yesterday, the Prime Minister said outside the House:

[*English*]

We urge—a renewal of efforts by all concerned to reach negotiated settlements to the tensions that have long plagued the Middle East.

[*Translation*]

In other words, he suggested an approach that did not include military force. Did the Prime Minister actually make such suggestions before the Americans decided to send a military force against Libya?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I listened with care to the Leader of the New Democratic Party last night when, toward the end of his remarks, he brought forward some useful and constructive suggestions with respect to getting at the root causes of terrorism and finding a solution. He can be sure that those considerations have been brought to the attention of the Prime Minister and of the Secretary of State for External Affairs who is having discussions this week, at the official level, with those who are planning for the Tokyo Summit where the matter will be raised.

If the hon. gentleman has any further suggestions along the line of those he was making last night, I would be very happy if he would forward them to the Prime Minister so that they can be added to the agenda.

• (1425)

REQUEST THAT CANADA INTERVENE ON ISSUE WITH SUPERPOWERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question pertains to action that I hoped had been taken before the American Government decided to use force to deal with the situation. I heard the Deputy Prime Minister say that the suggestions I made are going to be considered. I have another concrete suggestion to which I would like the Deputy Prime Minister to give a serious response right now, if he would.

The Soviet Union and the United States have only two strong points upon which they can agree regarding the Middle East and they are important ones. First, they both have opposed state-sanctioned terrorism by the Khadafy regime in Libya. Second, they both have had terribly lamentable hostage experiences in the region. Considering this, will the Government of Canada urge the two superpowers to use their influence, given their strong agreement in the Middle East, to deal with the root problems of tension in that area?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, of course all along that has been the objective of the Canadian Government. Indeed, before we took office, as far back as the Bonn Summit, Canada led the way in urging upon other nations a solution which would end the cycle of violence. It is that ongoing work that will be addressed once again in Tokyo, hopefully—and I think we all feel this way— with even more positive results than we have seen in the past.

CANADIAN APPROACH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the past the Government of Canada has had a good reputation for constructive involvement in the Middle East. Considering that the Soviets put considerable distance between themselves and Mr. Khadafy through a statement made by Mr. Arbatov in the last 72 hours, and considering that the Americans are obviously concerned with terrorism, I would like to ask the Deputy Prime Minister if the Government, rather than waiting for the summit, will diplomatically, correctly, and concretely approach both the Soviet Union and the United States and ask them to begin to work constructively together now to deal with the root causes of terrorism in the Middle East.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, again I remind the hon. gentleman that there are discussions at the official level this very week in preparation for addressing this matter at the Tokyo Summit which is only two weeks away. Certainly the suggestion the Hon. Member makes is a useful one and I am sure it will be considered very carefully by the Secretary of State for External Affairs when that agenda reaches its final stages of preparation and talks begin.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Deputy Prime Minister. The Deputy Prime Minister did not answer the question put to him by the Leader of the Opposition regarding the contradiction between his statement and the statement of the Prime Minister. Last night the Deputy Prime Minister said that the United States had no alternative but to take the action it took the day before, whereas the Prime Minister, in a statement he made yesterday morning, urged negotiated settlements. Would the Deputy Prime Minister tell us which is the official position of the Canadian Government, what he said last night or what the Prime Minister said yesterday morning?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no difference between what the Prime Minister has been saying and what I have been saying. We have been saying all along that terrorism is reprehensible and evil, something which all members of the international community must work to eliminate. We accept the evidence of Libyan complicity in the Berlin nightclub attack. The United States Government, as President Reagan said on television on Monday night, vigorously pursued a variety of diplomatic and economic options but found it was left with no alternative but to attack military installations in Libya—

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

CANADIAN RESPONSE TO TERRORISM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, everyone agrees that terrorism is reprehensible. That is not the question. The question is how we deal with terrorism. The Deputy Prime Minister said last night that the only alternative to this terrorism from Libya or elsewhere was the military attack launched on Libya by the United States, while the Prime Minister said we must have negotiated settlements—

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

Mr. Allmand: Mr. Speaker, he is not answering the question. Once again I ask him what is the Government's response to that situation of terrorism, the answer he gave last night or the answer the Prime Minister gave yesterday morning? The two reponses are different. What is the official position?

• (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no difference, as hard as the hon. gentleman works to manufacture a difference. I reread into the record what I said last night and what the Prime Minister said in his statement. They are entirely consistent, and try as he might to distort that consistency, I am afraid it is there for all to see as plain as the nose on my face.

CANADIAN ALTERNATIVES

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, in order to help clear up this inconsistency for all of us—

Mr. Crosbie: There is no inconsistency.

Ms. Jewett: —would the Deputy Prime Minister, and I give him this opportunity now—

Mr. Epp (Provencher): Oh, thank you.

Ms. Jewett: —tell the House what specific alternatives the Canadian Government presented to the United States in response to the crisis in the Middle East over the past year?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not necessary to stay within the last year. We can go all the way back to Bonn when economic sanctions were first proposed. When the United States imposed sanctions, we were the first to support that route. Diplomacy has not worked. Efforts have been made there. Economic sanctions have not worked. Efforts have been made there. The alternative was left to act as the United States did with the objective of eliminating an evil which we all recognize as evil and reprehensible. That does not mean to say that the matter is cured and stops there. Of course not. Ongoing efforts have to be made, as suggested by the Hon. Member's own Leader. We will take all those suggestions into account in the discussions in Tokyo in two weeks' time.

FORCING DOWN OF EGYPTIAN AIRLINER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, let me be absolutely specific. Did the Government, at the time of the forcing down of the Egyptian airliner, propose specific alternatives to future military action to the United States?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, specifically, efforts have been made, not only by Canada which has led the way, but by other nations ever since Bonn to find a solution to the terrorist problem. Those efforts will have to go on in good faith and in co-operation with other like-minded nations to find that solution. It certainly does not help to try to manufacture discrepancies that do not even exist in respect to our policy, that is, Canada's policy in this regard, which has displayed a good record over the past many years, even before this Government came into office.

NOTIFICATION OF PRIME MINISTER OF PROPOSED U.S. ACTION AGAINST LIBYA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. Did the Prime Minister learn in advance about the American military action from the President directly in any conversation and, if so, was he given evidence by the President justifying such action?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman knows, or should know, that a detailed response to a question of that nature is certainly not helpful to the discussion.

Some Hon. Members: Oh, oh!

Mr. Nielsen: It is certainly not helpful to the safety and well-being of our own citizens in Libya. It is not my intention to respond in that kind of detailed fashion, and the right hon. gentleman should know better than to expect me to, having been a member of a Government and privy to the very reasons which compel me to answer as I do.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES RELATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I do not accept that advice for one moment. Every time the Prime Minister sees or telephones the President of the United States, he loves to boast about it. This time we do not know the answer. If he did not receive a private communication from the President of the United States, how else was the matter dealt with and how else do we have the direct proof of a justification for the American action?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have given the answer to that question. However, I could ask the right hon. gentleman to cast his memory backward, in respect of domestic security

for a moment, to when I was asking the same kind of question of him and he was on this side of the House as Minister of Justice. He had very good reasons then for not responding in the detail that I wanted, and I have very good reasons now for copying his example of those days.

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AGRICULTURE

CANADIAN ATTENDANCE AT OECD MEETING

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. He will be aware that the escalating agricultural trade and pricing dispute between the United States and the European Community is a major topic at the OECD meeting which is taking place in Paris this week. Could he explain why Canada, which is already suffering great losses in its agricultural industry, has no one from the federal Government with a background in agriculture to speak for its agricultural interests or to represent Canadian producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's observation, but I think the record will clearly demonstrate that we have always been in full and complete support of the agricultural industry. One can always find ways and means in this modern world, particularly with the friends we have throughout the world primarily as a result of the election of this Government, to represent this industry.

PRICE OF CANADIAN WHEAT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since the next move of the OECD talks is to Tokyo where Japanese farmers will be getting $20 Canadian per bushel of wheat, while the Europeans will be getting 30 per cent more than the Americans, who next year will be getting in excess of $6 Canadian per bushel, how does the Minister expect Canadian farmers to stay competitive in the world with their pittance of just over $3 Canadian?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the people representing Canada outside our borders are well aware of the agricultural situation and are well able to speak on our behalf. One of the things we have done since assuming office is to ensure that there are representatives of the various industries when we negotiate. It is a healthy development, when we look at what the past Government did.

We have a Prime Minister who has said that there is more we have to do for western agriculture and that we would do it within the constraints imposed upon us by the economic situation. That is a healthy sign. Not only western farmers but all Canadian farmers realize it, as opposed to one of the previous Governments which left a phrase ringing in farmers' ears in the West when its Prime Minister said: "Why should I sell your wheat?" We are very happy to have a Prime Minister who cares.

Mr. Speaker: Order, please.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Deputy Prime Minister. In a speech in Toronto yesterday, Canada's free trade negotiator, Simon Reisman, said: "I made it clear here that I am proceeding on the assumption of a clear launch with everything on the table". How can the Government square the position taken by the trade negotiator with that taken by the Prime Minister and his Government who have repeatedly told Canadians that the Auto Pact was exempt, that cultural industries were exempt, and that unemployment insurance programs were exempt? Who speaks for Canada?

Mr. Turner (Vancouver Quadra): I guess Nielsen speaks for Canada on almost everything.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Prime Minister and his Government, Sir.

• (1440)

NEGOTIATION AGENDA

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, can the Prime Minister and his Government at least get their act together and inform the trade negotiator what is for negotiation and what is not? The Government simply can not confuse Canadians any longer with contradictory positions between itself and Simon Reisman.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, any time I can assist the Hon. Member, or indeed any other Hon. Member in his Party, in curing their confusion, I will be very happy to do so.

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AIRPORTS

FIREFIGHTERS' LABOUR DISPUTE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Minister of Transport. The Minister will know that 1,400 airport firefighters have been without a contract for almost two years now. On April 3 a majority conciliation report was handed down and reluctantly accepted

by the employees. Would the Minister explain why that settlement was rejected by the Government, and would he now indicate that he is prepared to reverse that decision?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member would agree that that is a matter between the firefighters and the President of the Treasury Board who may wish to respond to it.

POSSIBILITY OF STRIKE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question for the Minister of Transport, who is responsible for the operation of the airports. Press reports indicate there is a possibility of using fire chiefs from across Canada to take over airports in case of a strike. Could the Minister tell us how he is going to get the fire chiefs into airports like Ottawa or Thunder Bay if the employees go out on strike? Will he fly them in without any airport fire protection?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, naturally if there is a strike Transport Canada will have to make the necessary contingency plans. I can assure the Hon. Member that that will be done in an orderly fashion.

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INTEREST ACT

PURPOSE OF PROPOSED AMENDMENTS

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, my question is for the Minister of State for Finance. Several months ago the Minister responsible for CMHC indicated that there would be changes brought forward to the Interest Act. Would the Minister of State for Finance tell us what the Government has in mind, especially as it pertains to the interest of consumers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think it is important to note that the Government has done a great deal for homeowners. We have seen average mortgage rates come down 2.75 per cent since the Government took office.

Ms. Copps: Answer the question.

Mrs. McDougall: The purpose of this Government is to promote further housing measures and to lower interest rates further, which are of benefit to the consumer.

Mr. Turner (Vancouver Quadra): Which memo are you reading now?

Mrs. McDougall: I have discussed the Interest Act with the housing industry, with my cabinet colleague, and with my provincial colleagues. We will be doing more for housing, including the Interest Act.

FINANCE

MIDDLE-INCOME TAXPAYERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. Since over 40,000 taxpayers felt strongly enough to write to a Toronto newspaper to protest the burden placed on middle-income Canadians by the Government's recent Budget, will the Minister tell the House why neither the Minister of the Finance nor any Minister of the Crown was willing to meet with representatives of this group today?

Hon. Barbara McDougall (Minister of State (Finance)): First, let me point out, Mr. Speaker, that the Minister of Finance is representing this country with great honour at the OECD meetings in Paris.

Mr. Turner (Vancouver Quadra): What about you?

Mrs. McDougall: Let me also point out that the great burden on the Canadian taxpayer is the average debt of $38,000 per family brought about by the Party which the Hon. Member represents. Third, let me point out that when the Leader of that Party was the Minister of Finance, you could buy a house for half that amount.

REQUEST THAT MINISTER MEET REPRESENTATIVES

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government is depending for its deficit reduction program on the taxes of those people whom the Minister is not willing to see. Surely it is worth while to see them and to hear their views on alternatives?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the latest Budget that was brought out by my colleague, the Minister of Finance, reduced expenditures by $3 for every $1 increase in taxes.

Mr. Turner (Vancouver Quadra): Why don't you see these people?

Mrs. McDougall: What we have to do for this country is to get rid of that deficit which the Hon. Member's Party brought about.

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EXPO 86

EXPENDITURE OF FEDERAL FUNDS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Would the Minister explain to this House why all the federal moneys available for Expo 86 have been spent in Vancouver? Can he tell us why the federal Government has not provided any support in the other areas of British Columbia so that

other British Columbians and communities can benefit from the Expo situation?

Could the Minister explain to this House why all federal moneys were in fact spent in Vancouver and no other support facilities were put into other areas of the province?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, a number of initiatives were undertaken in conjuction with Expo 86, support for the ALRT and a very beautiful Canadian pavillion, Canada Harbour Place Corporation, in Vancouver.

An Hon. Member: Vancouver.

Mr. Mazankowski: Vancouver is part of British Columbia. It will be something which all Canadians and all British Columbians will enjoy.

My understanding as well is that much of the infrastructure that will be removed after Expo 86 is over will be distributed among the various communities throughout the province. I think the Hon. Member should welcome that.

ALLOCATION OF FUNDS THROUGHOUT BRITISH COLUMBIA

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my supplementary question is for the Minister of Regional Economic Expansion. Would the Minister explain to this House why the federal Government, in a sense of fairness, has not allocated funds for a structure in other areas of the province so that local communities could benefit from the tourist initiatives that Expo 86 will draw into Canada and British Columbia?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, obviously from the two questions put by the Hon. Member he is unaware of the federal activity, not just in Vancouver but in B.C. generally. The Hon. Member must know of the hundreds of millions of dollars we have committed to an agreement under ERDA, including tourist and forestry activity throughout British Columbia. He must be aware of the fact that we have one of the most extensive programs through the Federal Business Development Bank in British Columbia which has put, on a per capita basis, perhaps more in that province than in any other part of Canada, the hinterland of British Columbia—

Mr. Speaker: Order, please.

* * *

WESTERN GRAIN STABILIZATION ACT

PAYMENTS TO FARMERS WHO LOST CROPS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is for the Minister of State for the Canadian Wheat Board. Since the Minister has arranged so expeditiously for an early pay-out, will farmers, who have paid into the Western Grain Stabilization Fund for a number of years but during the last couple of years, because of drought, grasshoppers, cutworms, et cetera have made no payment into the fund because they had no crop to deliver to the elevators, be denied a payment this spring?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, a simple answer to the question is no, they will not be denied. The Hon. Member should know that the calculations used to determine the interim payment were based on contributions from the beginning of January, 1983, to July, 1985. The Hon. Member should also know that that includes the crop grown in 1982. If the Hon. Member wants to go back, that would also include final payments from the crop grown in 1981. The Hon. Member should also know—

Mr. Speaker: Order, please.

Mr. Rodriguez: Send a memo.

Mr. Speaker: Order, please. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

* * *

ENERGY

HEAVY OIL UPGRADER PROJECT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister of Finance in his budget forecast predicts that the price of oil will be $22.50 U.S. a barrel for 1986, which is more than enough to justify the loan guarantees for the Husky upgrader. Why won't the Government guarantee these loans for this project, or doesn't it believe its own budget forecasts?

Mr. Crosbie: That's a dirty one.

Ms. Copps: Get your act together.

Mr. Benjamin: Don't fight ladies.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the question is clearly budget related. It should be directed to the Minister of Finance.

Ms. Copps: They don't know what they are doing.

GOVERNMENT ACTION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my supplementary question is likewise to the Minister of Energy, Mines and Resources. Maybe she will be able to answer this one.

Ms. Copps: I doubt it.

Mr. MacLellan: The very least the Government could do would be to show some confidence in the industry and guarantee these loans. How many jobs have to be lost before the Government stops talking and takes some action?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Government has taken action in the past which has generated more jobs in the oil patch than existed under the policies followed by the Party opposite when it was in government.

* * *

LABOUR CONDITIONS

B.C. TELEPHONE COMPANY LAY-OFFS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Employment. Is the Minister aware that in the Kootenay region of British Columbia, where unemployment has been 21 per cent, the B.C. Telephone Company will add to this tragedy by eliminating 70 jobs for telecommunication workers? Will the Minister approve the request of the Telecommunication Workers Union for a grant to study the impact of technological change, which is causing the women workers to be laid off in large numbers with no employment alternative in this area of very high unemployment?

• (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to have the question from the Hon. Member. As she and other Members of the House know, the Canadian Jobs Strategy has a number of programs which allow us the flexibility to look at projects put forward. A great many projects in the Province of British Columbia have been funded. I am sure if she encourages various groups to submit projects in the future they will be considered.

IMPACT OF TECHNOLOGICAL CHANGE ON WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am talking about 70 women working for a telephone company who are being phased out of their jobs because of technological change. Will the Minister work with the Minister of Communications and ask the CRTC to hold special hearings in Cranbrook, B.C., into this emergency? Will she also respond to the community request for a one-year moratorium on these lay-offs? She is interested in technological change and women, and here is her chance to do something about it.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in her first question the Hon. Member asked whether or not a project to address this issue could be considered. I said if a project were put forward it would be considered. I am not quite sure what the Hon. Member expects me to do other than that. I welcome such projects.

* * *

[*Translation*]

REGULATIONS

REQUEST FOR CLARIFICATION OF TASK FORCE CREATED TO STUDY CERTAIN ASPECTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the President of the Privy Council, Government House Leader and Minister responsible for regulations.

The Government of Quebec has set up a task force to analyze regulatory aspects.

Has the Minister responsible taken steps to be in touch with the Government of Quebec, in order to avoid duplication and encourage satisfactory co-ordination of these efforts?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have asked my senior officials at the Secretariat to work in close co-operation with other provincial Governments.

In the case of Quebec, we have had two meetings with Mr. Reed Scowen, Chairman of the task force on regulations.

Mr. Speaker, there is every indication that our efforts will be successful, for the greater benefit of Quebec and the country as a whole.

* * *

[*English*]

AGRICULTURE

MARITIME FARMERS' COUNCIL—LONG-TERM FUNDING REQUEST

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the meetings he conducted yesterday with the Maritime Farmers' Council. He will know that the Council of Maritime Premiers supports their cause for long-term funding for grain price assurance programs, livestock feed development certificate programs, and infrastructure assistance. Will he recommend to his cabinet colleagues full funding of that request? Will he also provide in the first year $23.5 million in order to make that a viable plan to meet a very, very serious problem?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's representations. However, I must remind him and the House that the representations I get on that subject are far more numerous and frequent from Members on this side of the House. I did have an excellent

meeting yesterday as part of the two and a half hour meeting I had with the CFA, and the project is moving along quite well.

GOVERNMENT POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I say this to the Minister sincerely. In view of the urgency and demonstrated need for this funding, in view of the fact that all Members of Parliament on both sides support this project, will he not undertake to assure this House that funding will be provided to the tune of $23.5 million for the first fiscal year, and order that farmers in the Maritime region receive their just due?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, again I appreciate the Hon. Member's representations on behalf of that specific project. One has to recognize we made a number of commitments, 16 in all. Indeed we take a back seat to no one in the fulfilment of those commitments. We feel very strongly about this one as well.

The Hon. Member knows that a project of that kind must clear all necessary legislative challenges and requirements before any Minister can stand in this House and make an announcement one way or the other.

* * *

CORPORATE AFFAIRS

TAKEOVER BID FOR HIRAM WALKER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, will the Minister of Consumer and Corporate Affairs explain why, with hundreds of jobs threatened by the potential takeover of Hiram Walker, he has failed even to respond to a letter from the Hon. Member for Essex—Windsor and myself asking him to intervene to help save those jobs?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Under the Combines Investigation Act, Mr. Speaker, the director enjoys full discretion to review the deals as they occur. He acts as an impartial examiner in each case, as he will do in this one as well.

[*English*]

REQUEST THAT MINISTER MAINTAIN SURVEILLANCE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, will the Minister promise to maintain a close watch to ensure that he is in a position to exercise the powers accorded to him under the Competition Act in any takeover attempt which would result specifically in job loss in the Windsor area?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, that is always the preoccupation that the Director has in mind and that is what he does.

* * *

[*Translation*]

CANADIAN ARSENALS

PRIVATIZATION—EMPLOYEES' PENSIONS—MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Don Boudria (Glengarry—Prescott—Russell): On behalf of the 800 Montreal employees of Canadian Arsenals, Mr. Speaker, I direct my question to the President of the Treasury Board.

The Minister will know that the result of privatizing Canadian Arsenals will be a considerable reduction in employee pension benefits, to such a degree that some of them stand to lose $17,000 a year.

What does the Minister intend to do to help these employees? Or does he plan to stick to the usual Conservative justice standards and do nothing at all?

Hon. Robert de Cotret (President of the Treasury Board): This morning, Mr. Speaker, I met with Public Service Alliance spokesmen before holding discussions with representatives of the Canadian Arsenals union concerning a problem we have been talking about for a number of months, namely pensions.

I can assure my colleague that in the case of the 600 Canadian Arsenals employees the provisions of Bill C-87 contain a prospective solution which they should all find fair and equitable.

[*English*]

MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, is the Minister telling us that losing $17,000 a year in pensions is, in his words, just and equitable? Is this Tory justice being administered to those public servants, our employees?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, what this Minister is saying is that the Hon. Member opposite does not know what he is talking about and does not have the right numbers.

* * *

FINANCIAL INSTITUTIONS

TAKEOVERS—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I would like to ask the Minister of State for Finance if there is any truth in the recent statements of the President of Canada

Trust when he said that the Government's position on take-overs of financial institutions is "a political decision ... swayed by the views of influential party backers and fund raisers rather than by sheer logic" and "common sense" since "several of the trust company owners fall into the category of influential Conservative Party backers and fund raisers."

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the Hon. Member knows better than to ask a question like that.

Mr. Riis: Perhaps I will ask another question then. Is there any truth to the recent report that Imasco and Genstar contributed $55,830 to the Conservative Party in 1984?

Mr. Speaker: Order. That question is clearly out of order.

Some Hon. Members: Why?

Mr. Speaker: Order, please. The Hon. Member for Montreal—Sainte Marie.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DECISION TO CUT BENEFITS—EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Yesterday in Montreal, a group of early retirees got together to challenge your decision to cut unemployment insurance benefits. In addition, Bell Canada employees confirmed that the Personnel Director at Bell Canada got in touch with the Minister's Office, where he was told they could take early retirement without being penalized.

Considering these facts, could the Minister inform the House ...

• (1500)

[*English*]

Mr. Speaker: Order, please. It is now three o'clock. Order, please, order, please. I tried to get in one more question and I am afraid the preamble simply ran us into three o'clock. Order, please. Order, please; order, please; order, please.

Point of Order—Mr. Turner (Vancouver Quadra)

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to Petitions Nos. 331-16, 331-17, 331-18 and 331-19.

[*English*]

Mr. Speaker: I am in receipt of an application on a question of privilege arising out of Question Period from the Hon. Member for Montreal—Sainte-Marie (Mr. Malepart).

* * *

[*Translation*]

PRIVILEGE

THE RIGHT TO ASK A QUESTION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, regarding what just happened, perhaps I may remind you, and you can check it in the blues, that I had started on my question. You could have let me proceed with my question ...

[*English*]

Mr. Speaker: Order, please. I would be perfectly happy to check the blues, but in fact the Member will find that I rose before he began his question. I was listening carefully to the beginning of the question. I say to the Member—

[*Translation*]

I said to the Member that I tried to allow one more question, but his preamble was too long to let him proceed.

* * *

[*English*]

POINT OF ORDER

STATEMENT BY GOVERNMENT HOUSE LEADER

Mr. Speaker: On a point of order, the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): When you are reflecting on this matter over the evening, Mr. Speaker, perhaps you might recall the farce conducted by the House Leader which consumed a good many minutes of Question Period.

Mr. Speaker: Order, please. The right hon. gentleman knows full well that neither the contents of the questions nor

the answers are the Chair's responsibility—neither the questions nor the answers. Order, please.

Mr. Hnatyshyn: Mr. Speaker, if the Right Hon. Leader of the Opposition takes some offence at me trying to speak French, I take exception to that. He should know better. That is a divisive and racist kind of statement.

Mr. Speaker: Order. Order, please, the Hon. Member for Brampton-Georgetown (Mr. McDermid), and Hon. Members over here. Order, please. Can we go on? Order, please. The Right Hon. Leader of the Opposition wishes to raise a question of privilege?

Mr. Turner (Vancouver Quadra): I think the House Leader imputed absolutely false motives to what I suggested about the farce. The farce was that there was a prearranged question and a prearranged answer, either in French or English, that took up the time of the House.

Mr. Speaker: Order, order. The right hon. gentleman will resume his seat. Order, order. The Hon. Member will resume his seat. Hon. Members over here will come to order.

Mr. Guilbault (Saint-Jacques): The worst Speaker we ever had.

Mr. Speaker: I must require that to be withdrawn immediately by the Hon. Member for Saint-Jacques. The Hon. Member knows why I must require it.

Mr. Guilbault (Saint-Jacques): I will withdraw.

Mr. Speaker: Order. I have not heard a question of privilege nor have I heard a point of order. I am therefore going to proceed to statements by Ministers. I have not heard a question of privileges. I have not even heard the beginning of a question of privilege. I will hear the right hon. gentleman on the citation immediately on which he bases his question of privilege.

Mr. Turner (Vancouver Quadra): I in no way challenge the Hon. Member's right to use French and I compliment him on it. I wonder, if we are in the spirit of withdrawal, whether the Hon. Member will withdraw that reflection he made on my remark.

Mr. Speaker: That is not a question or privilege. Order. The Hon. Member for Bourassa (Mr. Rossi) will resume his seat. The Hon. Members over here are also out of order, and that includes the Minister. The Hon. Member for Bourassa will resume his seat and come to order or he will be required to go.

I have not heard a point of order or a question of privilege. Order, please. This is clearly a difficult moment. Order. Statements by Ministers? What is the Member from Hamilton East's point of order?

Ms. Copps: I would like to ask the guidance of the Chair with respect to a Standing Order which states that Members are not allowed to read questions or answers. There is a specific Standing Order which states you are not allowed to read from pieces of paper into the record, which is exactly what the Hon. House Leader of the Government Party did during Question Period and for which he was not—

Mr. Speaker: Order, order, order. There is, indeed, a Standing Order to that effect. The Chair has seen many Members on both sides holding pieces of paper during Question Period, which the Chair has always assumed represent notes for the purpose of the questioner or for the purpose of the answerer. Order, please. The Hon. Member is asking the Chair to find that no Member may hold a piece of paper in his or her hand during Question Period. The Member is asking the Chair to make a determination on the spot whether something is being used as a note or is read. That is a very difficult thing to do during Question Period. On a point of order?

Mr. de Corneille: Is the Speaker going to allow the Hon. Member to accuse the Leader of the Opposition of being a racist? Is he going to permit that?

Mr. Speaker: Please, I listened carefully, I did not hear the accusation made personally. I would assure the Hon. Member if I had I would have ordered it to be withdrawn.

Mr. Hnatyshyn: The question that was posed to me was a serious question of which I had notice. I have no apology to make with respect to the response that I gave. I am not totally fluent in the French language and it may offend some people that I am not able to speak clearly in that language. If there is any suggestion that my comments have offended the House with respect to an allegation made by the Right Hon. Leader of the Opposition then I, of course, unequivocally withdraw that allegation. I simply want to say that I try my best in the French language.

Mr. Speaker: Order. I hope this is the end of it. The Hon. Member for Bourassa has a separate point of order?

Mr. Rossi: Yes, Mr. Speaker.

* * *

[*Translation*]

PRIVILEGE

REMARKS OF THE HON. MEMBER FOR BEAUCE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, when comments were flying fast and furious just now, I clearly heard the Hon. Member for Beauce (Mr. Bernier) say: "Correct, la mafia, assieds-toi!" Mr. Speaker, I cannot tolerate this second slur on my origins. And if the Hon. Member for Beauce has any honour at all, even if his remarks are not on the record, let him stand up and say that once more he has referred to us Italians as the Mafia. I will not tolerate this, Mr. Speaker! If he has

any honour whatsoever, let him rise in the House and repeat what he said.

[*English*]

Mr. Speaker: Order.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, if the Hon. Member for Bourassa (Mr. Rossi) thinks he is being attacked, he has only himself to blame. So if I ever said anything to insult him, I gladly withdraw what I said, but the fact remains that he has only himself to blame.

An Hon. Member: Did he say it, yes or no?

* * *

• (1510)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF INTERIM REPORT OF CANADIAN SECTION OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House in both official languages the interim report of the official parliamentary delegation of the Canadian section of the Canada-Europe Parliamentary Association which visited Italy from March 21 to March 31, 1986.

[*Editor's Note: See today's Votes and Proceedings.*]

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REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF SIXTH REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the sixth report, Statutory Instrument No. 33, of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, again I have the honour to table petitions with respect to the cancellation of Katimavik. I have two petitions containing 200 signatures which brings the total number of petitioners from Windsor who are concerned about the cancellation of Katimavik to over 4,000.

Committee Reports

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of nearly 100 residents expressing strong opposition to the proposal to convert the National Capital Commission greenspace north of Sandridge Road into an embassy enclave and call upon Parliament to reject the proposal to build an embassy on the Mile Circle.

REINSTATEMENT OF KATIMAVIK PROGRAM

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present a petition signed by a number of residents from Toronto who regret the federal Government's decision to cancel the youth program, Katimavik. They are requesting the reinstatement of this program which gave young men and women a chance to fulfil their potential and show leadership by helping others.

USE OF PENSION INCOME IN CALCULATION OF UIC BENEFITS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have the honour to present a petition from hundreds of people from Cape Breton who are asking the Government to immediately revoke changes to the unemployment insurance regulations, particularly Section 57 and Section 58 which pertain to the inclusion of pension income as earnings.

PRICE OF GASOLINE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour and duty to present a petition signed by some 350 residents of Victoria and those who wish they were. They would like to see the price of gasoline lowered, preferably by the lowering of federal and provincial taxes.

ASSESSMENT OF CN MAINTENANCE FACILITIES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, once again I have the honour and privilege to present a petition signed by a number of constituents from southeastern New Brunswick. They are expressing their concern about the assessment currently being conducted by Canadian National of their shop maintenance capacity throughout the country. They are beseeching Members of the House to do everything possible to prevent CN from downgrading these facilities which would have a drastic effect on the employment picture throughout the Province of New Brunswick.

* * *

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I move that the first report of the Standing Committee on Finance and Economic Affairs, presented to the House on Tuesday, April 8, 1986, be concurred in.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would simply ask the Chair to enlighten me and advise the House concerning the acceptability of this procedure. In support I would refer to the Standing Orders, as follows:

"A standing committee of the House does not have the mandate to report on a measure still under second reading consideration", Bill C-103 in this case.

And on page 1946 of *Votes and Proceedings* of the House: "The Standing Committee on Finance and Economic Affairs presented the First Report of the Committee (provisions of Bill C-103, An Act to amend the Loan Companies Act, the Trust Companies Act, the Bank Act and the Quebec Savings Banks Act in respect of certain regulatory matters)." Mr. Speaker, it is because I would not want any misunderstanding about our roles in the House as set forth in the new Standing Orders. I want to be very clear, namely that if a committee is empowered to report on a Bill before the House, a standing committee of the House in this case, I would like to know the full extent of such power.

Referring to Standing Order 96 which empowers standing committees to make certain reports, these reports have a limited scope indeed, and I would remind the House that Standing Order 96(2) clearly defines these powers:

96.(2)—in addition to the powers granted to them pursuant to section (1) of this Standing Order and pursuant to Standing Order 82—

I am reading Standing Order 96.(2):

—the standing committees, except those set out in sections (3) and (4) of this Standing Order shall be empowered to study and report on all matters relating to the mandate, management and operation of the department or departments of Government which are assigned to them from time to time by the House. In general, the committees shall be severally empowered to review and report on—

And this is the point.

(*a*) the statute law—

—meaning legislation adopted by this Parliament—

relating to the department assigned to them;

(*b*) the program and policy objectives of the department—

—not those of the Government—

—and its effectiveness in the implementation of same;

(*c*) the immediate, medium and long term expenditure plans—

—and so on. The point I want to raise is that, in my opinion, a standing committee cannot report on a legislative measure still at second reading in the House because, as I see it, the Bill has not been adopted on second reading. Mr. Speaker, I fail to understand how a standing committee could have such power under the Standing Orders. That is why I rose to avoid a series of committee comments or reports on any question before the House, and so that we will not find ourselves in somewhat difficult situations. So I am asking the Chair for a clear and specific explanation, namely: Can a standing committee report to the House on a legislative measure still before the House at second reading, for instance, or even later, just so my interpretation will be wider ranging? Is that allowed? Can we do that under the new Standing Orders?

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Hon. Member's request is very interesting. However, the very provision that he refers to, Standing Order 96(2)(e), states:

In general, the committees shall be severally empowered to review and report on:

(*e*) other matters, relating to the mandate, management, organization or operation of the department, as the committee deems fit.

The intention of the new Standing Orders, as I see it, was to permit committees of the House of Commons to engage in reviews, as they saw fit, of all matters relating to or falling within the jurisdiction of the Department for which they are responsible. It was done in that way for the reason that, until the change was made in the Standing Orders, committees did require a reference from the House in order to engage in review.

I submit that the committee report is entirely in order inasmuch as it does not require any action to be taken with regard to the law. But rather it is suggesting that the appropriate provisions of a Bill be used to ensure that major financial institutions such as Canada Trustco not be placed under the control of major non-financial institutions such as Imasco.

I contend that it is in fact within the ambit of responsibility of the Department to determine for itself whether to accept the recommendation of the committee that those provisions which are appropriate be used for that purpose. It is not determining for one moment whether or not the Bill in its entirety is valuable. Neither is it passing judgment on the value of the Bill itself. Rather it is suggesting that the Minister, acting on behalf of the department, take into consideration the recommendation that there are provisions in that Bill which, if used judiciously, could be used in such a way as to ensure that what it has requested be done.

• (1520)

I would suggest that it is entirely appropriate for a committee to look at anything which does fall within the jurisdiction of a department, and to look at it in such a way as to offer recommendations on how that might be best used, and to suggest that the department can, if it deems it to be appropriate, take certain actions which it is empowered to take.

In fact, what this committee has done is entirely appropriate. The committee is not restricted in any way in terms of the areas into which it can investigate as long as those areas are deemed to fall within the responsibility of the department. Clearly, the Trust Companies Act, the Bank Act, and the Quebec Savings Banks Act, are all acts which fall within the jurisdiction of the Ministry of Finance to which the committee is responsible.

I would suggest, therefore, that it would be imposing a rather restricted interpretation on the powers of committee at this early stage in the new committee structure if we were to deny a committee the opportunity to make a recommendation to a department on the application of certain sections of Acts

already in place, or propose changes as they would affect the ongoing operations of both the department and the institutions to which they make reference.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if I may I would like to perhaps add something to this very interesting point of order that has been raised. I would draw to the attention of the Chair that the legislation proposed by the Minister of State for Finance (Mrs. McDougall) with respect to the Loan Companies Act, the Trust Companies Act, the Bank Act and the Quebec Savings Banks Act, was in fact tabled on April 7, 1986. It appears on the Order Paper as Item No. 103. The First Report of the Standing Committee on Finance and Economic Affairs presented to the House on April 8, 1986 is the one to which the Hon. Member has moved concurrence. So what we really have here is legislation proposed by the Minister and the Government on April 7 and then the committee report being presented on April 8.

It seems to me that it prejudges legislation and offends the rule of anticipation, and I refer to Beauchesne's Fifth Edition, Citation 342. The Government has the intention of proceeding with this legislation. It is on the Order Paper and would be called in due time. It would appear to me that the appropriate point for committee study of this legislation is after the Bill has cleared second reading and has gone to a Legislative committee.

Mr. Speaker: Order, please. Let me try to deal with these points in order. First, obviously the appropriate time to raise a point of order as to the admissibility or orderliness of the report is now. It cannot be done when the report is made; it can only be done when a motion to concur is moved, in effect.

Second, as I read the report which is before the House, the Committee on Finance is not making a comment to the House on or about the legislation.

Mr. Deans: That is correct.

Mr. Speaker: As I read the report. I am going to try to be careful because I do not want to say what I might say in that situation, except to say there is nothing to say about that situation in this situation because it does not exist. I have gotten myself out of an *obiter dictum*, I hope.

What is before the House is a committee report making a recommendation of the committee in effect to the House or to whomever. I then advise Hon. Members that I have reviewed the rules and I find that the key paragraph appears to be Standing Order 96(2)(e) which reads in part: "In general the committee shall be severally empowered to review and report on . . . " statute law and so on. Subsection (e) reads:

> other matters relating to the mandate, management, organization or operation of the department, as the committee deems fit.

In that context I think I can only find that the report as drafted appears to the Chair to be in order and, therefore, a motion of concurrence is in order.

The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I appreciate your ruling which gives me the opportunity to begin a discussion this afternoon of perhaps one of the most important issues facing Parliament in recent years. It is certainly one which will have immense consequences in the years and decades to come if it is not dealt with in accordance with the recommendation of the committee on finance to the Government, and especially to the Minister of State for Finance (Mrs. McDougall).

I want to say that we have moved today a motion of concurrence for two reasons. The first is to provide an opportunity for Hon. Members, and I suspect Hon. Members from all sides of the House, to speak out against a form of unprecedented corporate cannibalism which has been occurring in our country with large giant corporations gobbling up other smaller corporations in a rather spectacular, if not macabre, corporate type of feasting. There is hardly a newspaper on the newstands these days which does not have a headline on the front page, if not on the business page, heralding another major takeover, another merger, or a further corporate concentration. More and more power is getting into the hands of fewer and fewer Canadians and, in many cases, foreign owners.

This is an opportunity for Members of Parliament on the Government side and in the New Democratic Party to discuss this issue. I am not certain about those Hon. Members on the Liberal side. I was a bit astonished that an initiative was taken by the Liberal Party today to stop this debate. After all, I think this is a discussion which needs to be held, comments need to be made, and I cannot for the life of me understand why there was an effort by the Liberals to stop it unless once again they are wavering in their support for the motion of the committee on finance.

The Department of Consumer and Corporate Affairs recently provided us with data indicating that the amounts and numbers of takeovers are in fact accelerating. In the 1960s the average annual takeovers which occurred in Canada amounted to 253. In the 1970s there was an increase in corporate takeovers averaging out to 382 each year. In the 1980s so far the average has been in access of 500 corporate takeovers each year. Not only is the rate of takeovers increasing, but the number of foreign takeovers is increasing significantly. That means, of course, a country which now has more foreign control over its economy than any other western industrialized nation is now looking at even more foreign control. For example, in the 1960s, of all of the takeovers, 38 per cent were foreign. In the 1970s, that had increased to 42 per cent. Now in the 1980s it is averaging out? at 57 per cent. Some 57 per cent of the corporate takeovers involve foreign enterprises.

The Globe and Mail provided us the other day with a rather interesting insight. It indicated that seven families, the Thomson's, Bronfman's, the Desmarais', the Reichmann's, the Weston's, the Southern's and the Siemen's, now control nearly 50 per cent of the value of the shares in the Toronto stock

exchange 300. Only seven families have an incredible amount of economic, financial and, by definition, political control. In the last 10 years 100 of Canada's largest corporations were involved in 150 takeovers which resulted in 25 per cent of their growth.

• (1530)

When one looks at corporate growth and business growth in our country, and when one considers that 25 per cent of the growth of the 100 largest corporations was accomplished as a result of takeovers, it begs asking the following question. What does this paper entrepreneurialship give us? Does the fact that we are merging and taking over, and the fact that corporate concentration is increasing result in more jobs for Canadians? Not necessarily. One can make a very compelling case that it normally results in the loss of jobs, as the efficiencies of scale are introduced into the corporate sector.

On April 2, *The Gazette* of Montreal, in an editorial, made the following interesting comment:

> What is going on in Canada's industrial circles would surely alarm even a self-respecting cannibal. Having one corporate giant swallow up another giant does not of itself create jobs.

This at a time when surely at the top of all our agendas is job creation through economic expansion. Corporate takeovers are not accomplishing that. Generally speaking, they are working against it.

A second reason for wanting to move concurrence today was to provide not only an opportunity to register our concern with respect to the level of corporate concentration which is occuring but, more important, to ask the Minister to reconsider what appears to be a decision to have the Government approve a takeover of a financial institution by a non-financial institution. Not often do members of the finance committee agree on issues. Yet as a result of nearly seven months of study, and after receiving 137 submissions and testimonies, after hearing from 79 individuals in business, industry and consumer groups, as well as from nine Government bodies, seven individuals from universities and six specialists in financial takeovers, and after holding hearings in all parts of Canada, the committee came to the unanimous conclusion that we ought to recommend to the Minister of State for Finance that no approval of any merger between Canada Trust and Canada Permanent Trust be made until an ownership policy for financial institutions has been developed and implemented.

After considerable thought and reflection, and after hearing from the most highly acclaimed experts in this area, time and time again the point was made that we should stop the takeover of financial institutions by non-financial institutions in the best interests of Canada. While the case can be made that there have been already a number of such takeovers, two wrongs do not make a right. The fact that we have erred in the past in terms of approving these type of takeovers ought not to mean that we must now continue into the future *ad infinitum*.

I wish to say that as a result of this inquiry by the Finance Committee it saw the whole matter coming. As a result, we went on at some length to draw to the attention of the Government some of the concerns which we held as a result of our extensive hearings. I would now like to quote from the report of the committee which indicates:

> The major costs regarding financial and non-financial ownership links is the impact of this on ownership concentration in the economy and the degree of economic and political power that would be concentrated within a few major ownership groups in Canadian society.

The submission of The Cadillac Fairview Corporation included in the report states:

> The concern for public policy is not simply that those with such power will earn excess profits. Rather the concern is that these large groups will have the ability to earn an acceptable level of profits . . . and be able to use their power to achieve objectives other than increasing the shareholders' wealth. This power may be used to alter the behaviour of other firms involuntarily, e.g.,
>
> -by advancing the interests of some customers or suppliers and/or by penalizing others;
>
> -by undermining the position of rivals in ways inconsistent with maximizing the wealth of one's own shareholders;
>
> -by providing excess rewards—to the top management coalition that effectively controls the corporation; or
>
> -by using economic power to influence public policy via the political process, i.e., expenditures on lobbying, advocacy advertising, public relations, campaign contributions and the ability to redirect corporate locational decisions.

As a result of The Cadillac Fairview Corporation's proposal I reminded the Minister today during Question Period that major political contributions have been made by the companies about which we are concerned today, to the governing Party. The Chief Executive Officer and President of Canada Trust, the trust company which brings us to this debate today, has indicated on a number of occasions over the last few months that if this particular move which the Government is now evaluating were to result in the takeover of a financial institution by a non-financial institution without broadly-held ownership it would be wrong. This would not be in the best interests of Canada. It would result and lead to self-dealing and conflict of interest. This is what has been said by the Chief Executive Officer and President of Canada Trust. He has made such points on a number of occasions.

The Cadillac Fairview Corporation went on to suggest the following for consideration by committee members:

> Suppose macro-concentration is allowed to increase and non-financial enterprises are allowed to gain control of very large groups of financial institutions, then in a decade there is sufficient evidence of harm to move Parliament to act. Will Parliament be willing to or be able to force the dismantling of these mega-groups? One can just imagine how much pressure will be brought to bear to leave things pretty much as they are—except perhaps for a symbolic gesture to reassure anxious public opinion. The trouble with "experimenting" with even higher levels of concentration is that it is not a reversible process.

We also heard from other thoughtful groups on this whole matter. I refer to the Canadian Bankers Association. It is a group which we have to recognize has some concerns about the financial health of our country and about the need for fair competition in the financial market-place. We also heard from the Consumers' Association of Canada, which presented a number of thoughtful presentations. We heard from the Canadian Federation of Independent Business and the

Canadian Organization of Small Business and many other groups which expressed serious reservations. They recommended an imposition of ownership limits on all financial institutions and a roll-back of non-financial ownership of financial institutions. The Cadillac Fairview Corporation expressed a concern about retroactive legislation and suggested that a grandfathering of existing ownership investment be made.

There also is a proposal as to what the Government can do. It can say that, yes, it has made mistakes in the past but that it will stop this concentration of power, particularly the takeovers of financial institutions. The Government can say that while it has erred in the past it will grandfather these decisions and from this point on this massing of power will not be seen.

We are concerned here—and I suspect that I say these words as others will on behalf of all Members of the House of Commons—that there is no benefit to Canada if the Minister of State for Finance allows this takeover to occur. My hon. friend, the Hon. Member for Mississauga South (Mr. Blenkarn), the Chairman of the Committee on Finance and Economic Affairs said that Imasco is buying itself a bank. Those are his words. He is a thoughtful individual who knows the system. He understands what is involved here and he says that it is buying itself a bank.

When one examines just exactly what is occuring in terms of the Imasco takeover of Genstar, the reason we are concerned is that this is the first opportunity since the finance committee has studied in detail the implications of such a takeover that this type of takeover is occurring. I do not have to remind you, Mr. Speaker, as a thoughtful individual who is knowledgeable about this concern, that Imasco is one of the major tobacco holders in Canada. It holds Imperial Tobacco. It operates over 2,000 fast food restaurants across the United States. It owns Shopper's Drug Mart with 415 stores across Canada. It owns and operates 800 People's Drug Stores in the United States. It owns and operates 460 tobacco, gift and news-stand outlets across Canada, as well as others. It will now be merging with Genstar Corporation if this takeover is allowed.

• (1540)

Genstar Corporation is involved in marine services including 50 tugboats and 250 barges off the West Coast. It is involved in a whole set of industrial services including 59 plants in Canada and the United States. It is involved in the aggregate concrete business including 100 different plants in the western United States and Canada. It is involved in real estate and land development programs and, of course, has a 10 per cent stake in Gordon Capital Corporation which is the most aggressive investment dealer on Bay Street. However, the real reason for the takeover is that the Genstar group also includes Canada Trust, the sixth largest financial institution in Canada. It is larger than many of the banks in Canada. Its asset base puts it in line with the five largest banks in Canada. Not long ago, we opened up our regional and daily newspapers to find two-page advertisements for Canada Trust saying that now it is one of the biggest financial institutions in Canada.

Let us call Canada Trust a bank, for that is what it really is. It is a large financial institution that provides essentially the same services as do banks. If this merger or takeover is allowed, this bank will be controlled by Imasco Corporation. We are concerned with what this means. This means that there will exist the possibility of self-dealing. We are not unfamiliar with self-dealing in this country.

Earlier today, I spoke to members of the Department of Insurance who told me about companies whose names cannot be used for obvious reasons. They cited an example of a trust company making a loan to another company. The parent of the trust company, however, used the inside financial information that had been given to the first trust subsidiary to determine that the borrower would be a good acquisition. It then went out and bought this company. However, thank goodness, the Department of Insurance was doing its job. It recognized this act of self-dealing and ordered the parent company to divest itself of the company it had recently purchased. That is an example of a Government Department doing its job. I simply use this example as one of many involving self-dealing.

I do not have to remind Members of the House about the Leonard Rosenberg case. Mr. Rosenberg's three companies, Greymac Credit, Greymac Trust and Greymac Mortgage traded real estate among each other for Mr. Rosenberg's own personal gain. That is a whole different story, but it is probably the best example of gross self-dealing that has taken place in times past.

To quote again the oft quoted Merv Lahn, Chief Executive Officer and President of Canada Trust, he has said:

> I don't want to get into all that crap about when one person owns a financial company and loots it but that's what happens.

He went on to talk about self-interest and conflict of interest and said:

> They say, hell, it won't happen with a major company. But have any of the owners had their back absolutely up against the wall in a very difficult period of time? ... Have they ever been tested? The answer is no.

Again, the implication which we heard time and time again in the finance committee was that during good times when everything is fine, self-interest is not necessarily a problem, but when times are tough and competition is fierce, people will use inside information.

I would like to tell Hon. Members what Trilon is doing these days. That was one of the mistakes that was made in the past when two financial corporations were working together in a marriage. Trilon has a program entitled "Share With the Leaders" which essentially rewards its employees with Trilon shares if they buy the products of a related company. For example, if an employee opens a Royal Trust chequing account he receives $20-worth of shares. If he sells a $100,000 home through Royal-Lepage Limited, it is worth $375 in shares. There is now a new plan. The idea of it is to familiarize Trilon employees with Trilon products. This month, the share-bonus program is to be extended to employees who successfully refer clients to a sister company. In other words, if an employee

refers clients to a family corporation he will be rewarded by receiving shares.

Mr. Orlikow: Maybe the customer would be better off if you referred him to a different company.

Mr. Riis: As my friend from Winnipeg has said, the best advice in some cases may be to refer a client to a different company. Again, there is this incestual dealing, this corporate concentration, and now the potential of financial and non-financial corporations working together. In a sense, we are looking at a 2lst century brand of feudalism here. Powerful groups will have tremendous, concentrated power in our economy through the economic, financial and political muscle that will accrue to them.

We are pleased to have an opportunity today—no thanks to our Liberal friends—to discuss the implications of this Imasco-Genstar takeover and to make the point that we in the New Democratic Party, the members of the finance committee, the Consumers' Association of Canada, and even the Superintendent of Insurance himself, Mr. Robert Hammond, have suggested that this kind of takeover is not in the best interests of Canada or Canadians.

Mr. McCrossan: Mr. Speaker, I am pleased to take part in this debate because I was a member of the finance committee and worked on the study of financial institutions—

The Acting Speaker (Mr. Charest): Order, please. Just to make things clear, I understand that the Hon. Member for York-Scarborough (Mr. McCrossan) is either asking a question or making a comment.

Mr. McCrossan: That is right, Mr. Speaker. Actually, I intend to do both.

As I was saying, I appreciate being able to question the Hon. Member because I was a member of the finance committee and I both helped produce the report and indeed voted for the particular resolution. I might begin by making a comment about the process.

On the day the takeover was announced, members of the free enterprise party were questioning this takeover in the House and three days later the representative of the Official Opposition, the mixed economy party, recognized that this was a potential threat and raised it in the House. However, it did take the Party of the Hon. Member who moved concurrence today two weeks to recognize that this was a serious threat and to raise it in the House.

I raise that point because of the process we are going through today. I value the opportunity to discuss today's motion but I would have valued much more the opportunity to discuss the Bill that the Minister of State for Finance (Mrs. McDougall) had brought in some two weeks ago.

Mr. Orlikow: Let her bring it forward.

Mr. McCrossan: Exactly. I have three or four questions to ask the Hon. Member. Perhaps I could ask them all at once and he could respond to them all at once.

First, does the Hon. Member support the principle of Bill C-103 controlling membership, and if so, has he spoken to his House Leader about giving rapid approval in the House to that Bill so that we can get it into committee for study?

The second question I wish to raise is more a matter of record. Would the Hon. Member confirm that both he and the committee do not object to Imasco *per se* or favour Genstar, but indeed would object to any major non-financial corporation taking control of a major financial corporation, whether it be IBM, the Belzbergs or Dominion Stores?

Third, would the Hon. Member confirm that indeed, contrary to the allegations made in this week's *Financial Times*, the committee's recommendations do not imply a *status quo* for Genstar, but indeed the committee recommended that the first step was to stop future control and the second step was to move back the control which already exceeded the committee's limits and that the committee recommended that Genstar in particular would have five years to choose between divesting itself of its non-financial assets or reducing its concentration of its financial assets?

Fourth, would the Hon. Member confirm that the principal concern in his mind and in the minds of members of the committee has to do with non-arm's length dealings and in particular the concern that such dealings are taking place today as mentioned by the President of Canada Trust over the weekend? In a CBC interview Mr. Merv Lahn alleged that non-arms length transactions had indeed taken place between Genstar and its subsidiary trust company.

• (1550)

Mr. Riis: Mr. Speaker, I am pleased to respond to the thoughtful question of my colleague. Just for interest, since we are talking about Canada Trust, I should like to state on the record that according to its 1985 financial statement it made $63,430,000 before taxes. If we look to see what taxes it paid, we find that it did not pay any taxes in 1985; in fact it received a $3 million tax credit. Therefore its net profit for that year was $66,697,737.

This helps me to understand why Merv Lahn is still with the company, considering some of the things he was saying on Sunday morning this past weekend. He, in his position of chief executive officer and president of Canada Trust, said that it was in the best interest of depositors to have a widely held company. In a sense he was arguing against what was going on. However, he remained on as president and I understand why he was able to pull off that kind of situation.

First I should like to say to the Hon. Member that we have no intention of unduly holding up consideration of Bill C-103. It is what we have been calling for—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Kamloops—Shuswap (Mr. Riis) may be a little confused, as may be the Hon. Member for York—Scarborough (Mr. McCrossan). I interrupt at this time because the Hon. Member for Kamloops—Shuswap is answering a question put by the Hon. Member for York—Scarborough with which the Chair has difficulty. I should like to take this opportunity to remind Hon. Members that we are discussing the first report. The question put by the Hon. Member for York—Scarborough referred to the Bill itself and to what would be the reaction of the Opposition to the Bill. Of course the Chair will be lenient, as it always is in such matters, but I remind Hon. Members that the subject matter is the report, not the Bill itself; that is not what is before the House today.

Mr. Riis: Mr. Speaker, I am not exactly certain what was your suggestion. However, in response, we plan to co-operate. We have been calling to get the Bill on the floor of the House as soon as possible. While we have some serious concerns about certain aspects of it, it will not encourage us to stall its consideration or in getting it into committee.

We are very concerned about the limits suggested in the report. We believe very strongly in the 10 per cent rule. We are very strongly on the side of a number of the recommendations before the committee indicating that the 10 per cent ownership rule should remain in place for all financial institutions. Of course that is what we recommended in our dissenting report.

In response to my hon. friend who sugggested that we did not speak some time in the past two weeks or three weeks about the Imasco takeover, my friend from Regina and I actually wrote a report which was tabled in the House. It clearly laid out our position on takeovers and of course concurred with that section of the report which wanted to stop the movement on Genstar. I think we are all on the same wavelength.

I should like to respond to his question concerning not only Imasco. Indeed, we are clearly talking about the principle. We are focusing our attention on this particular takeover bid because of its implications in light of the studies which we have done over the last seven months. Whether it were Imasco, x, y or z, we would be making the same case as strongly, if not more strongly than we already have.

In conclusion, the arms length situation is of utmost concern and is critical in this discussion. As a matter of fact, it is one of the ultimate motivations for moving concurrence and for doing whatever is possible to encourage the Minister of State for Finance not to proceed with approving this takeover bid.

• (1600)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it gives me great pleasure to take part in the discussion on the important issue of financial institutions following presentation of the report of the Committee on Finance and Economic Affairs.

The report tabled in the House represents a very important contribution towards solving a problem which is admittedly complex and which concerns financial institutions in Canada. I think that it should be pointed out right at the start that this report was prepared in an ongoing fashion and with objectivity by the members of the committee for the specific purpose of finding a practical solution to the problem posed by financial institutions.

Mr. Speaker, we have spoken about the urgency of the situation, but I think that we could say that everything we do in this House is always urgent. We are here to legislate, to pass legislation, even if we do not always have a lot of help from the Opposition, and it is always urgent.

Mr. Speaker, the situation is somewhat similar to what you certainly found when you practiced law before the courts; there are always appeals for reasons of urgency. In Trois-Rivières, the cases were always urgent and I think that my colleague will confirm it.

However, Mr. Speaker, urgency is no justification for arbitrary decisions. Issues should always be considered with logic and intelligence. The problem before us goes much beyond the simple takeover of a financial institution. It is a problem of national significance. We should not take this problem of national significance and reduce it to the proportions of a simple takeover.

Without making too much reference to Bill C-103, I think that, we are working for the future. We cannot live in the past. Nothing has been done about financial institutions during the last twenty-five years. That is not our fault, but we have to live with it. There is now nothing in the law which could allow us to tell the Chairman of the Committee on Finance and Economic Affairs, another Member of Parliament or the Minister of State for Finance (Mrs. McDougall): "We are working on the Imasco or Genstar deal and we are for or against it". There is nothing in the statutes.

On the other hand, what have we done these last 18 months, Mr. Speaker? Six months only after we took office, yes within six months the Committee of Finance, Trade and Economic Affairs, chaired by my colleague for Mississauga South (Mr. Blenkarn), brought forth a green paper along with the Minister of Finance (Mr. Wilson) dealing with the situation then prevailing in Canada, namely what we had in terms of legislation, what the problems were and what the solution were that we of the Conservative Party wanted to bring about.

Mr. Speaker, this shows an interest. It shows that when we talk about urgency it is realistic urgency. Within six months of coming to power we tabled a green paper on that issue. Not withstanding the fact that over the last 25 years almost nothing had been done in convection with financial institutions.

Mr. Speaker, we will not deal with the report put forth by the Committee on Finance, Trade and Economic Affairs as the previous Liberal Government attempted to do with the Quebec *Caisse de dépôt et de placement*. I suggest that we must really do our homework and come up with a sensible solution, rather than rush jobs that run the risk of creating serious problems for Quebec's financial institutions, as you will remember, Mr. Speaker.

In November of 1985, we tabled Bill C-86, a piece of legislation that, further to a private committee report and also a report from this House, dealt with the Canada Insurance Deposit Corporation problem. As I said, Mr. Speaker, this came about because of the work done by the Members who sat on the Committee on Finance, Trade and Economic Affairs.

Also in November 1985, Mr. Speaker, we tabled a piece of legislation dealing with regulatory authority, Bill C-103.

All this to say that there has been work done to this day, Mr. Speaker. Indeed, work done towards achieving something which in the long run will be important for our Canadian financial institutions.

Mr. Speaker, without anticipating too much the debate on Bill C-103, we might perhaps take a quick look at its contents. One of the key provisions of Bill C-103 provides the regulator with the authority to issue instructions to cease or refrain, in order to put an end to doubtful practices. This is something that does not now exist, Mr. Speaker, and it is in Bill C-103.

Secondly, the Minister of Finance will have the authority to regulate people who attempt to control financial institutions. As you know, Mr. Speaker, the Minister of Finance now has the authority to say to a loans or trust company that it cannot do business in Canada. Once it has the power to do business in Canada, the Minister of Finance has no way to check whether a transfer of shares is a good thing or not. At the present time, there is no legislation at this level. And that is the purpose of Bill C-103.

There is a third major element in Bill C-103. The superintendent of insurance will be able to carry out proper assessment of all assets held by our financial institutions. Again, Mr. Speaker, this does not exist. Therefore, the superintendent of insurance will be able to assess any real estate property thus held and submit a proper report concerning both the administration and transfer of assets or shares of a loan or trust company.

Mr. Speaker, the major consideration is definitely the public interest. Concerning public interest, I suggest it is necessary to consider the transfer of control of a loan or trust company, to examine who will acquire it. Does the company taking over the control have the necessary know how and expertise to properly administer a loan or trust company the control of which has been transferred? And especially, is this transfer of ownership made in the best interest of Canadian men and women? That is the main recommendation of the finance and economic affairs Committee. That is the main point.

Unfortunately, a moment ago, the Hon. Member for Kamloops—Shuswap (Mr. Riis) mentioned that a company had failed to pay any income tax in 1985. I suggest this is not a recommendation of the Committee on Finance and Economic Affairs. The Committee was looking into the interest of Canadians. The Committee, whose report is here before us, wanted our financial institutions in Canada to be controlled reasonably and fairly.

As far as the Imasco-Genstar dossier is concerned, the Minister of State (Finance) (Mrs. McDougall) indicated in the House on several occasions that she will definitely look into the takeover, keeping in mind the criteria set in Bill C-103, for the purpose of ensuring that the interest of the public, of Canadian men and women is properly protected, as recommended by the Committee on Finance and Economic Affairs.

Mr. Speaker, both Bill C-86 and C-103 are a first step in a thorough reform of the financial sector: power of supervision, power dealing with the industry and the transfer of interests, all things which do not exist at the present time. We are being asked to take action, something the previous Government failed to do; so, we are taking the necessary action. Mr. Speaker, we must live with this situation.

Now, Mr. Speaker, in spite of the urgency of this debate, I think that the Government, the Minister of State (Finance) (Mrs. McDougall), the Committee on Finance and Financial Affairs should also do their job. The Committee on Finance and Financial Affairs has done its job. The Minister of State (Finance) and the Government still have theirs to do. Consultations have to be held. This Government does not reach decisions without consulting anyone and I think that in an 18-month period our record is there to prove it.

In the case under consideration, various consultations have still to be made and it is important to do so. If the Opposition does not agree with Bill C-103, it is unfortunate because it has been submitted to financial institutions which are in agreement. I am sure that there are minor things, that they do not totally agree with and it is normal but they approve of it generally and this is what is meant by consultation.

We have not yet received the report from the Estey Commission and it is an important document on which decisions about Canadian financial institutions will be based. I do not think we can obtain the Estey report overnight and make decisions without referring to it. It would be inconsistent. Inquiries should not be requested if their results are not to be taken into consideration, because we have to be consistent. It has not been stated often enough that this is entirely new, that people are not used to that procedure. For the past 18 months, the Government of Canada has been consulting with the Provinces and this had not been done before. As in every other sector, there were consultations with the provinces regarding financial institutions. As you know, Mr. Speaker, in Quebec we have our own financial institutions that come strictly under provincial jurisdiction. They also have a contribution to make when we are discussing legislation in this area, which is why it

is important to reach agreement with the provinces. However, so our consultations with the provinces are not finished either.

As you probably know, Mr. Speaker, quite recently a meeting was held in Vancouver, which included the Minister of State (Finance) and her provincial counterparts. It was an excellent meeting which produced good results, but there is still work to be done, both on the federal and the provincial side. And this work must be done first, before we get into anything definitive, and this is something they do not always seem to understand on the other side of the House.

There is also the Senate, which also has a report to make on our financial institutions, and this report has not yet arrived. I assume that with the many excellent people we have in the Senate, the report should arrive very shortly, but, I repeat, we do not have it yet.

An Hon. Member: The fast is over!

Mr. Vincent: Mr. Speaker, if everybody has had a square meal I am sure we will get the report today.

So we will have to wait for this report as well, and if we start counting, this is the third report we are expecting. Time is now of the essence. We have done our share, and I think Hon. Members are to be congratulated, Mr. Speaker, because their report has already made it to the House. They did their work within an extraordinarily short time frame, considering the size of their task, but we still have to wait for the other reports.

Mr. Speaker, it is because of these considerations that we cannot just ask the Minister and the Canadian Government to make a final decision on a particular case, when we are talking about a problem of national significance and a matter of principle. We are not talking about a particular question, we are talking about the principles that have been examined. Just ask the Committee on Finance and Economic Affairs. They have been working on the subject for eighteen months, and they know it inside out. Just ask the Chairman of the Committee on Finance and Economic Affairs, and he will explain all the principles, and Mr. Speaker, you can talk to your colleague who is also on the Finance and Economic Affairs Committee. When you work on legislation, you follow the committees and you participate, and that is how you get to know the subject. It is important to know the subject matter. Mr. Speaker, the Government's objective is to come with a solution that will get a consensus, from industry, from the members of the Finance and Economic Affairs Committee, from the Senate, and also from Commissioner Estey, in order to make our financial system a better one, and not just better for the benefit of Members of this House, Mr. Speaker, but better so that the public will have confidence as well. I think that is an important point. It is important for the public to have confidence in our financial system and our financial institutions.

At the same time, along with everything I have just mentioned, we must ensure healthy competition among financial institutions, seen against the background of the kind of situation and the kind of society we have now and will have in the years to come.

When we are dealing with financial legislation, we are not talking about short-term measures, we are talking about long-term measures. That is why we are quite justified to take all the time we need to make sure we are acting in the best interests of Canadians.

Mr. Speaker, the committee report is along the same lines as the green paper of the Minister of State (Finance)(Mrs. McDougall) on supervisory powers and the importance of federal-provincial agreements. As I said earlier, these are new words but they are no less important. And so once again I think we should commend the Members of the Standing Committee on Finance and Economic Affairs for their report and hard work so that, in the future, we will have a policy which will promote the interests of all Canadian men and women, as well as those of financial institutions.

In conclusion, Mr. Speaker, I recommend that we reserve judgment and wait for the various reports before making any final decision.

The Acting Speaker (Mr. Hamelin): Questions and comments. The Hon. Member for Winnipeg North (Mr. Orlikow).

• (1610)

[*English*]

Mr. Orlikow: Mr. Speaker, as I listened to the Hon. Member speak I was reminded of that saying which has been around I suppose for 1,000 years, Nero fiddled while Rome burned. The Member is saying the Government needs more time to study the question and work out its policy. Does the Hon. Member not realize that over the last ten years or so we have had probably 25 or more trust companies go bankrupt with great losses to their depositors? An Hon. Member says "six". I think I can provide a list much longer than six. Does he not remember the case of Leonard Rosenberg who got control of three trust companies and used the depostors' money to wheel and deal in the real estate business. That might have been good for him but it could only cause tremendous problems for the depositors. Does he not remember the case of that great Conservative, Peter Pocklington, who took control of a trust company in Alberta and used the money for his real estate transactions? Most of those turned out to be very bad and they cost the taxpayers of Canada a great deal of money.

We used the report of the Standing Committee on Finance and Economic Affairs today to express our opposition to the takeover by Imasco of Genstar. That involves the takeover of a large trust company, but we are just as opposed to Power Corporation controlling financial institutions. We are just as opposed to Brascan or Brascade, whatever the official name is right now, taking over MacMillan Bloedel and Noranda. We are just as opposed to them controlling Trilon which has assets as large or larger than most Canadian banks.

What is the Government proposing? We do not have to have all the details of the Bill at this time but we want to know where the Government thinks it is going. Is the Minister only going to give consideration to and make a decision that Imasco will not be permitted to take over Genstar and therefore control Canada Trust? Is the Minister going to look at the control which Brascade has over Trilon? Is she going to look at the control which Power Corporation has over trust and insurance companies? Those are the questions we want answered. No single shareholder in a bank can own more than 10 per cent of the shares and so the banks have said that they are opposed to this kind of takeover.

Is the Government just going to oppose the Imasco takeover of Genstar or is it going to, having passed legislation, then call on all the corporations which own mining or forest companies or steel companies and tell them that they ought not to and they will not be permitted to control financial institutions. That leads inevitably to self-dealing and arrangements which may be good for the companies and shareholders' concerned but not so good for, in fact detrimental to the well-being and welfare of the people who deposit and invest their money in those trust companies. That is the question we want answered. It seems to me that the Conservative Member skated around that question, either inadvertently or very skillfully.

[*Translation*]

Mr. Vincent: Mr. Speaker, the Hon. Member from the New Democratic Party says that there have been many bankruptcies of trust companies in the last ten years. If the NPD had not joined with the Liberals in 1979 to defeat the Conservative Party, there would perhaps have been fewer bankruptcies between 1979 and 1984.

Mr. Speaker, we have done more for the financial institutions in eighteen months than had been done during the twenty-five years before that.

Mr. Berger: You are a true historian. Tell us about it!

Mr. Vincent: There was the tabling of the green paper in June 1985, Bill C-86 in November 1985, and now Bill C-103. All this has occurred within one year, even less than eighteen months. Those on the other side who dare criticize today did not have too much to say between 1980 and 1984. There was no danger of that because there were not too many problems.

This is what we have done in eighteen months. What is important is to work on an issue to come up finally with a perfect solution. This is what we are doing. We do not use bandaid solutions. We do not dream up S-31's in the Conservative Party. We do our job, and we shall not use the special case of the Imasco-Genstar transaction to pass legislation which would not be beneficial for Canadians in the future.

We have to take the time to find perfect solutions, and this will be better for everyone. There now is the Imasco-Genstar transaction. The Minister of State for Finance (Mrs. McDougall) has already mentioned that, when we have a proper piece of legislation, and if the Members opposite agree that Bill C-103 should receive passage as quickly as possible, there will be no opposition on our side, we shall finally be able to examine everything to which the NDP objects. Indeed, all that I have heard is that the NDP objects! They should also have objected in 1979.

• (1620)

[*English*]

Mr. Orlikow: Mr. Speaker, just one last question. Is the Member seriously suggesting that if and when the Minister brings down Bill C-103—which she did not seem to want to do until there seemed to be a revolt on the part of her Conservative colleagues—it should get quick passage through all stages in Parliament? Should it be passed without hearing the representations from all of the groups that are interested, such as business groups, banks, credit unions, consumers' organizations and from many business people? It is not just in the financial services industry that we have got too many take-overs, but that most of the take-overs we have had in recent years among non-financial institutions have been useless in terms of providing any new jobs. Is the Member really suggesting that when the Minister finally brings down the Bill we should give it quick passage without the most careful and detailed consideration?

[*Translation*]

The Acting Speaker (Mr. Hamelin): The Parliamentary Secretary to the Minister of Finance (Mr. Vincent) has one minute left.

Mr. Vincent: Mr. Speaker, I am quite stunned. This is the first time I see a Member of the New Democratic Party ask that financial institutions and businessmen be heard. Frankly, I am quite pleased to be in the House this afternoon to have at least seen that.

Mr. Speaker, this is not what I suggested. I said that financial institutions and businessmen have examined Bill C-103 in its draft form and have stated that they agreed with it. The two parties opposite have known about it since it was tabled in November 1985. They have seen its contents so we should proceed in an orderly manner and perhaps waste less time as with other bills, so that Bill C-103 may be passed and implemented as soon as possible.

The Acting Speaker (Mr. Hamelin): The period for questions and comments is over. Debate. The Hon. Member for Trinity (Mrs. Nicholson).

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to have the opportunity to put before the House the concerns of the Official Opposition on the issue of financial institutions being owned by industrial conglomerates—the Imasco takeover, or proposed takeover of Genstar being the case in point. The Government has yet to come forward with a policy or statement of position on the matter, apart from Bill C-103 which had its first reading on April 7.

The finance committee of this House held extensive hearings on the Government Green Paper proposals for restructuring of the financial services industry in Canada. There was a very high degree of unanimity on the proposals. We, as the Official Opposition, did issue a minority report to spell out certain concerns we had, but Members of all Parties on that committee were concerned about the concentration of power in the industry, and the trend to increasing concentration, which was building up in the absence of a relevant and up-to-date ownership policy, even as the committee proceeded with its work.

In both the report of the finance committee and the minority report of my Party the concern about non-financial institutions controlling financial institutions was spelled out. I would like to quote those remarks. In the Liberal minority report in the Green Paper we said:

> We are concerned about more concentration of financial power. Moreover, we do not believe that financial activities and non-financial activities should be combined.

The finance committee report also included these words:

> The committee is concerned about the increasing trend towards non-financial ownership of financial institutions and feels that concentrated ownership, particularly that of large financial institutions, should be limited.

This was a view that was reflected in many of the briefs received by the committee. The Canadian Bankers' Association said:

> We believe that this co-mingling of non-financial and financial businesses is undesirable. It would try the confidence and trust that Canadians place in their financial system.

There was also one very specific recommendation in the committee report. In the course of the committee's work last fall the merger of Canada Trust and Canada Permanent Trust was in the works, and the committee specifically recommended that the Government not approve this merger until such time as there was an ownership policy in place. The Government chose not to act on that recommendation and the merger went ahead, directly contributing to the situation we have before us today. Genstar Corporation owned Canada Permanent Trust and it then acquired Canada Trust, against the finance committee's recommendation, which gave to Genstar Canada's biggest trust company. It has been described as the jewel among Genstar's holdings now, and is the main reason for Imasco's interest in taking over Genstar.

In the case of Genstar and Canada Trust the concern is that Genstar, with very extensive holdings in construction and development, would have, in effect, its own source of capital. Canada Trust is now the country's largest trust company, one which reportedly is Canada's largest mortgage lender and the fourth largest holder of personal savings accounts.

There was another concern that ran all through the hearings of the finance committee, and that was the concentration of power in fewer and fewer hands, which is a growing trend in Canada. At this point about 25 companies control between one-third and 40 per cent of our economy. The main concern I wish to address today is the potential for self-dealing, the potential for a financial institution making business loans and decisions that are not in the best interests of the shareholders or of the depositors when it is owned by a non-financial institution.

The member for the New Democratic Party who asked a question just a few minutes ago said that in his view it was inevitable that there should be self-dealing in certain situations. I would never regard it as inevitable. In any situation where you have people of good faith and good judgment you do not necessarily have self-dealing. But faced with the situation as we are seeing it now, which has changed very much in recent years, it is not enough to just rely on people's good faith and people's integrity. It is important there be clear legislative standards as well.

The Minister, according to the new legislation, does have power to block and, if necessary, require divesting or unwinding if a merger seems to be against the public interest. The review would be based on the prospective new owner's financial strength, soundness of business plans, business record and experience, and the best interests of the Canadian financial system. The Bill also proposes that these measures be applied to all transactions occurring after November 29, 1985, which is the date the Bill was issued in its draft form. This is the background to the recommendation approved unanimously by the Finance Committee and reported to the House on April 8. The Finance Committee motion recommended that the Government apply the provisions of Bill C-103 to ensure that major financial institutions such as Canada Trustco, owned by Genstar, not be placed under the control of major non-financial institutions such as Imasco.

• (1630)

To date, we have not had any clear indication of the Government's intention. It is important at this time that we see consistency in the Government's approach and that we see convincing evidence that the government is according some consideration to the institution of Parliament and to the unanimous reports which have come from the Finance Committee. Will the Minister heed the wishes of her own caucus colleagues and block Imasco's takeover of Genstar Corporations? If so, will she then deal with the fact that she did not accept the Finance Committee's Recommendation No. 58 concerning the merger of Canada Trust and Canada permanent Trust? Will the Minister permit the deal to go ahead and, if so, under what conditions?

The Minister was given advance notice of Imasco's intentions and apparently she and her officials have been reviewing the matter since before it became public on March 24. The Minister said in an interview with *The Financial Post* that she has no problem with financial institutions being owned by industrial groups and that this was happening in a number of other countries. At the present time, American laws explicitly forbid ownership or control of financial institutions by non-financial institutions, although we understand that there is pressure to change that law.

I support the motion before us because it is important that we in the House have some indication from the Government of how the Imasco matter will be decided. It is true that a Bill has been introduced, but we are not at all sure that we will have a chance to debate it before Imasco's takeover is finalized on April 25. Therefore, we do not want to be overtaken by events. We want to be able to put forward some of our concerns.

I was pleased to concur in the report of the Finance Committee on April 8. I hope the Government will take that recommendation seriously and make a considered and consistent decision.

The question of divestment or unwinding was addressed in the Finance Committee's report of last November where a five-year period was suggested for unwinding in certain cases. It has been suggested that that period may be too short. If so, it would be interesting to hear alternative proposals. However, it is important that a commitment be made not to let the present trend continue because it is a trend that has accelerated in recent years.

In the United States, a massive acceleration of corporate debt resulting from the "leveraged buy-out" boom in the past couple of years has left many people apprehensive about the underlying financial soundness of much of the American economy. On January 20, 1986, a well known American writer, Robert Kuttner, used very firm language in offering a serious warning about concentration. He said:

> If the legal rules that make possible an orderly corporate and financial marketplace suddenly provide that any firm with undervalued shares is up for grabs whenever a prospective raider can borrow enough money, then the entire real economy is turned into a speculative casino, in which rearranging assets yields greater rewards than building them.

These are some of the concerns of the committee and some of the reasons why we feel some urgency about the Government having a clear policy on ownership.

Mr. Attewell: Mr. Speaker, I serve on the Finance Committee, as do several Members who have spoken today. I believe that we are dealing with a matter that is extremely important not only to the business life but to the economic and social life of Canada. How do we envisage the future of Canada? What kind of business climate do we want in Canada? How large and how much power should some of these corporations have?

Although today's debate concerns this motion, I think we are also dealing with a grave situation in this country. A major cause of this grave situation is the ever-growing concentration of power in this country. We have five or six world banks that have a dominant position in Canada and do a great deal of foreign banking which accounts for some 40 per cent of their assets. We are very proud of the banking industry in this country. However, it is different in the United States which has almost 14,000 banks. There is no dominance in the banking industry there as there is in this country.

A number of other companies in this country have become very large as a result of their sound management and marketing practices.

We must be concerned about this concentration of power. For example, Imasco, a successful and respected company, is on the verge of taking over Genstar which is a corporation that owns Canada Trust. I might say that Canada Trust is one of the best run trust companies in Canada under the guidance of President and Chief Executive Officer, Mervin Lahn. One only needs to briefly examine its record to see that it has been well run for many years.

However, we are concerned about the issue of non-financial corporations controlling financial corporations. The unanimous report of our Finance Committee recognized some of the unique issues in the trust industry. For example, in many cases certain groups and investors had to take a great majority if not all of the share issue to get an organization going. During more difficult economic times, some of these groups have had to provide an infusion of more capital from time to time. They should be credited with keeping these organizations going.

• (1640)

In the report of the Finance Committee which was tabled last November, we recommended unanimously a structure of ownership on a scaled basis. For instance, for a company the size of Canada Trust with over $20 billion in assets, we recommended the maximum ownership to be 50 per cent. When a trust company's assets exceeded $30 billion, that ownership would have to be dropped to 25 per cent. When it went over $40 billion, it would have to be reduced to 10 per cent, similar to the Schedule A banks here in Canada. And I stress that this was a unanimous recommendation.

The problem of non-financial corporations is very much on the minds of a number of senior people in the United States. Mr. Volcker, who is head of the federal reserve, recently called a number of senior people together to express his concern, because even though the U.S. banks cannot be controlled by non-financial corporations, some of the other related financial institutions like Sears Roebuck are developing very large financial assets. So he indeed is concerned about that as well. So there are a number of issues to be looked at.

I would like to compliment the Government and the Minister of State for Finance (Mrs. McDougall). The offer came on March 24. A day later there was discussion right in the House. The next day the House rose for a 10 day or 11 day period. The day we came back on April 7, the Minister presented Bill C-103 in the House which has provisions, as I understand it, to deal with this. We would urge the Government that we act with speed on this matter. With all due respect, it is hard to unscramble eggs and get toothpaste back into the tube. The train is moving. The offer on all shares put forward as of April 14 is now irrevokable. The deal is to be signed on April 25, a week from Friday, which is just nine days away. I think it is only fair to Imasco and other shareholders

that a decision be made shortly and that we not be in the awkward position of having some type of roll-back.

I have worked with the Hon. Member for Trinity (Miss Nicholson) on a couple of different committees and I have the greatest respect for her. I must take issue with only one word she uttered and that was the word "revolt". We are going through parliamentary reform and we on the committee knew we had an important issue. May I just ask the Hon. Member what is going on in her Party? I cannot quote the dates but I believe the Right Hon. Leader of the Opposition (Mr. Turner) was against this particular proposal fairly recently. I have now heard that the finance critic for the Official Opposition is now for the deal. I wonder if the Hon. Member could just elaborate on the official position of the Liberal Party on this particular issue.

Miss Nicholson: Mr. Speaker, I do not believe I used the word "revolt". I believe it was someone else. I did not use the word "revolt" because I do not see as a revolt at all the fact that members of the Government Party are pressing their Minister to take certain positions. I think that that is an exercise of the responsible role of a Member of Parliament. That is what we generally do in caucus, but under the new rules it is now being done more openly. I think the Hon. Member must have confused my speech with the speech of someone else.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member for Trinity (Miss Nicholson) a question. If I heard her correctly, I think she expressed her opposition and, I presume, the opposition of the Liberal Party, to the takeovers or control of financial institutions by industrial corporations or non-financial institutions. I, of course, agree with that.

I would like the Hon. Member for Trinity to tell Hon. Members of the House when she and the Liberal Party came to that conclusion. I have a table here and I see that in 1981 Noranda Mines took over MacMillan Bloedel for $626 million. In the same year, Brascade Resources took over Noranda Mines. That meant it controlled Noranda Mines for $1.6 billion. So Brascade controlled Noranda Mines and MacMillan Bloedel—

The Acting Speaker (Mr. Charest): I remind the Hon. Member for Winnipeg North (Mr. Orlikow) that we have about 30 seconds left in the time for questions and comments. If he wants an answer from the Hon. Member for Trinity (Miss Nicholson), he will have to put a question.

Mr. Orlikow: Brascade also controls the Trilon financial corporation?which, in turn, controls trust companies, insurance companies, money market companies, leasing companies and real estate companies. When did the Liberal Party make this pretty important change in its approach to the business operations of large corporations in this country?

Miss Nicholson: Mr. Speaker, first, concern about concentration of power in nothing new to Liberals. In fact, when our present Leader was the Minister of Consumer and Corporate Affairs, he introduced one of the first competition Bills. However, it is quite true, indeed, as pointed out by the Hon. Member and as I said in my speech, that we do have a very high level of concentration in Canada and that we have financial institutions owned by non-financial institutions. I think all of us here, regardless of Party, have become more concerned in the last couple of years as we have seen the problem escalate. In fact, one of the most impressive briefs the Committee on Finance had was from Cadillac-Fairview where, I believe, precisely that point was made. We have been increasingly faced with more concentration, with more takeovers by non-financial interests in financial institutions, and we have now reached the point where it must go no further.

Mr. Don Blenkarn (Mississauga South): Once upon a time in 1980 there was a company called Genstar which owned some real estate development holdings on the West Coast and some transportation issues. About that time there was also a company called the Canada Permanent Trust Company which had a subsidiary called the Canada Permanent Mortgage Corporation. That corporation was an old, established and well respected trust institution in Toronto. There was also a company called the Canada Trust Company, another well respected institution with its head office in London, Ontario and branches throughout Ontario.

In 1981, the company called Genstar gobbled up the Canada Permanent Mortgage Corporation and the Canada Permanent Trust Company. In 1985, the company called Genstar then gobbled up the Canada Trust Company. Now it is 1986, and the largest tobacco dealer in the country, the largest drugstore owner in the country, one of the largest fast food owners in North America, intend to gobble up the Canada Trust Company, the Genstar Company, the Canada Permanent Trust Company and the whole ball of wax. The question is, when are we going to stop the gobble, gobble, gobble?

I suggest, Sir, and the committee suggests as well, that it is time that ownwership rules and requirements for financial companies be determined and established. The committee is suggesting to the Minister and to the House that now is the time to stop. Last fall the committee suggested the Minister should not permit the amalgamation of Canada Permanent Trust and Canada Trust. It was our view last fall that amalgamation should not have been permitted, but it was permitted. We think, Sir, that this further amalgamation, this further takeover, this further holding, should be stopped. We think now is the time to stop it. We as a committee do not approve the present holdings whereby a company which is in the non-financial business or partly in the non-financial business owns a financial institution, particularly a financial institution the size of the new Canada Trust, which is an amalgamation of Canada Permanent and Canada Trust, having intermediary action of at least $21 billion, together

with its trust and trust-related activity of several billions of dollars more than that.

• (1650)

In order to understand the real justification and rationale behind our opposition we must understand what we are dealing with in terms of financial companies. At one time financial companies could be described as belonging to four separate pillars. This is commonly referred to as the four-pillar theory. One of those pillars was the insurance pillar, which broke down into property and casualty insurance companies and life insurance companies. Another pillar was the bank pillar, which included the chartered banks. They lent on commercial loans, which was their sole function, financing day-to-day commercial activities. Then there was the trust pillar which looked after estates and agencies, which transferred shares and kept share registers for people. It would look after one's mother's will, for example. Then there was the security dealer pillar, which traded in stocks and bonds in the market-place and made sure that new share issues were placed.

Time has gone by and there has been little, if any, leadership in the administration of financial intermediaries. The four pillars have become four hydrants. There is a merger of activities. All one has to do is to read the newspapers, listen to the radio or look at the television to be confronted with ads by one intermediary after another which state: "We will look after your mortgage". "Come in and get your car loan looked after". If one wishes to lease something, then they will look after it. Every one of these intermediaries will do the same thing, with very little restriction, except the type of restriction found in the Bank Act which prevents one's bank from leasing one an automobile. That does not prevent it from lending one the money to buy the automobile and then agreeing to buy it back when the term of the loan is over. That is another way around the Bank Act invented by the Royal Bank. However, they all do the same thing. They issue and sell debentures. They trade bonds in the market-place. They own, trade and invest in common stocks. They invest in preferred share issues and run T-bill accounts—every one of them. They will look after customer payments on Chargex, Visa or Mastercard. They allow one to apply and obtain an American Express Gold Card. They are all the same and they all do the same thing.

What we had better understand is that if they all do the same thing then the ownership rules governing them ought to be the same. Yet what have we got? We have an ownership rule for trust companies under which anyone can own a trust company. One can even be a drug store operator, apparently, and own a trust company. A mining company can own a trust company. What we have is a situation in which anyone can own a trust company and, presumably, a trust company can grow to any size under one owner.

We have a company called Canada Trust which is not able to use the word "bank" on its statements. Under normal parlance, it is a bank. It takes private placements. It places mortgages on commercial real estate. It owns real estate. It rents that real estate out. It runs T-bill accounts, according to the little advertisement on the top of the morning paper. It will help one with one's investment portfolio. It will perform all sorts of services for its customers. It will do exactly what a local chartered bank will do for one.

An advertisement which it placed in the paper the other day, a two-page spread, stated that it is the fourth largest taker of domestic deposits in the country. If we consider its intermediary action we will see that it is the fifth or sixth largest financial intermediary in the country. It is larger than the National Bank. It is larger than the Bank of British Columbia. It is larger than the Continental Bank by far. Indeed, if we were to place all its trust activities together— and I ask Hon. Member to remember that in its trust activities it directs and controls those trusts which it manages—it is as large as the Toronto-Dominion Bank. If we take a look at its domestic activity as opposed to the banks' domestic activities, we will see that it is probably larger than the Bank of Nova Scotia or the Toronto-Dominion Bank in terms of their domestic activities.

There is a situation in place by which banks can be owned only to the extent of 10 per cent per shareholder. Yet this company can be owned by one shareholder. Why should this "bank" be held by one shareholder and the Toronto-Dominion Bank be held by a multitude of shareholders with no shareholder holding more than 10 per cent? Why should the Bank of British Columbia be in that position? It is a relatively small institution. Yet Canada Trust and Royal Trust can be held in a closely-held fashion. This is the situation which we must come to grips with as a country. This is something we attempted to come to grips with in the report of the Finance Committee.

I wish to say that the Tory majority on the committee was much more liberal in terms of ownership. We were prepared to say: "You can have large one-owner companies". Members of the New Democratic Party and the Liberal Party who sat on the committee would not go that far. Yet the present ownership which seeks approval revolts us. It is against the principles of what we think is necessary in the interests of Canada.

In our report, we wanted to come up with an ownership policy which would apply across the board in our report. That ownership policy would have said that until a company gets up to as much as $10 billion—which is a great deal of money—the financial intermediary could be owned, closely-held, by one group of owners or by one owner. We feel that up until that $10 billion stage the company needs the strength and backing of one owner in order to get going. However, as soon as it crosses the $10 billion threshold, we feel it should cut back. When it crosses the $20 billion threshold, it should be cut back again so that it is less than 50 per cent owned by one shareholder.

The company with which we are dealing is far over the $20 billion mark, yet it is owned by one shareholder. When Imasco takes over it will be even harder to unravel. In the case of Genstar, at least, we have serious concerns about the way it

has operated in the past. We have summoned officials of Genstar and the President of Canada Trust to appear before the Standing Committee on Finance, Trade and Economic Affairs next Monday in order to go over some of these conflict of interest matters. At least Genstar can divest itself and become merely a financial holding company. Today, the bulk of Genstar's business is in terms of the financial intermediary business. At this point in time it would not be that difficult for Genstar to divest itself and become a strictly financial intermediary holding company. Broadly held as this company is, or was until today or yesterday, it would come within the share rules originally prescribed by the committee. However, if this takeover is to take place, then it will not be possible without a great deal of difficulty to unravel the ownership so that there will be no massive concentration of ownership in one holder.

• (1700)

It is essential that there be wide ownership of financial intermediaries, and the reason is that financial intermediaries are different from our local boot and shoe companies. They are not commercial organizations. On the balance sheet of a commercial organization, the leverage might be one to one or two to one. Perhaps commercial organizations borrow some money, but by and large their balance sheets contain capital and capital is used in the businesses. However, financial intermediaries operate on leverage. That is how they make profits. They put up a buck and make 20 bucks. That gives them $21 to be invested. They operate by lending precious little of their own money and putting depositors' money at risk.

With a financial intermediary, the people who are really at risk are the depositors. Those who deposit their money in Canada Trust are the people who are taking the risk when Canada Trust makes loans, not the shareholders, except to the extent of perhaps 4 or 5 per cent. It is on that basis that boot and shoe companies, drug companies, tobacco companies and tugboat companies should not be able to own the bank. That is why the Finance Committee recommended these strict ownership requirements. We have to have strict requirements on who owns financial intermediaries, particularly as they get larger.

A great number of comments have been made with respect to the testimony given before the Finance Committee by Bernard Ghert of the Cadillac-Fairview Company. There is a strange situation. I do not know who owns Cadillac-Fairview now but perhaps there was a conflict of interest between him and one of his eventual employers. In any event, Mr. Ghert very clearly pointed out how as conglomerates get larger in the finance business, they control the source of the mortgage money, the source of the land development money and which tenants can go into shopping centres. They control development and the growth of the country. It is very important that that kind of control be broadly held by many shareholders so that no one shareholder has so much control over large financial conglomerates that he can use his economic leverage for his own good and not necessarily the good of the depositors.

When we analyse share values of the Schedule A banks in Canada, we find that those shares are being traded on the market for considerably less than their break-up or book value. In the case of Canada Trust, the offer that has been made is a payment of at least $2 for every $1 of real book value.

One might ask why one would pay so much for a trust company and so little for bank stock. The answer is pretty simple, is it not? It is power that is more important than ownership, power over the leverage of the money. Those who control this great pot of money can make deals the way they want them to be made, and that is why ownership controls are so essential. People do not buy trust companies these days for the profit they are likely to make on ordinary intermediary action; they buy them for the power that the control of that money provides.

We have to recall that we are talking about depositors' money, not shareholders' money. There is nothing wrong with having power over one's own money, but having power over one's depositors' money is another matter. There are still opportunities for self-dealing, despite the suggestion made by Canada Trust that it had passed board resolutions preventing self-dealing. This House ought to agree with the committee that there should be serious limitations on ownership and that an ownership policy should be determined before the Imasco deal is approved.

We cannot sit back and say that we have to study the matter further. It is important that the Government declare itself. I have nothing against the Genstar people. I think they are fine people and good corporate citizens. In fact, they are probably even better corporate citizens than the corporate citizens who own the group that is being purchased. The fact is that we are dealing with ownership requirements over the management of money that does not belong to shareholders but to depositors. That money has to be controlled in such a way that no one within a company of this size has the absolute power to say yes or no.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend explain why it was so important that the points raised in today's debate be heard and presumably followed by the Minister of State for Finance (Mrs. McDougall). If the Minister decides not to stop this takeover of Genstar by Imasco as recommended by the Finance Committee, would the Hon. Member who is Chairman of the Finance Committee be able to think of any reason for this? Is there any compelling reason the Minister would use for not stopping this after all of the debate and all of the arguments have been put forward? Is there anything that would indicate to Canadians that her action in that case would be in the best interests of the country? Can the Hon. Member think of a single reason why she would not stop it?

Mr. Blenkarn: Mr. Speaker, there are reasons. I do not necessarily agree with those reasons, but we must take a look at them. There is a suggestion that there are a great number of financial companies in Canada and that there is ample

competition. The suggestion is then made that this takeover will not reduce competition that much, and indeed will not hurt competition at all. The suggestion has been made that Canada is a relatively small country and therefore needs large companies with masses of capital to finance large activities in which we have to engage with foreign countries.

I happen to believe that even with those concerns in mind, the takeover is wrong, largely because we are not dealing with a boot and shoe company but with depositors' money. We are dealing with the money of those who have savings. It is essential that those savings be treated in a fashion where there is no likelihood or probability for the savings to be used improperly to enrich the owners of the company at the expense of the savers.

• (1710)

Mr. Riis: Mr. Speaker, I have three supplementary questions for the Hon. Member. First, if this particular takeover proceeds, is it the Hon. Member's understanding that there would be some possibility that the deposits of depositors would be at some risk? I place emphasis upon the words "some possibility". Second, does the Hon. Member have any concern at all that Imasco is controlled 44 per cent by a British conglomerate? Third, rather than the 10 per cent rule, which he advocates makes a lot of sense with the big banks, if the rule were changed for Canada Trust not to 10 per cent but to 30 per cent or 40 per cent, would that satisfy him?

Mr. Blenkarn: Mr. Speaker, perhaps I will answer the questions in reverse order. I am not all that concerned about foreign ownership. Over the last decade and a half Canadians have been buying up, with great abandon, foreign companies operating in Canada. Deak Perera, an international currency house operated out of New York, was bought up this week by one of my constituents. The company will now be called Deak International and will have its head office at 10 King Street in Toronto, rather than in New York. That is the kind of thing that is happening. I am not too concerned about foreigners having some business here because our intermediaries have a great deal of business in foreign countries.

Having said that, I think it is not proper to maintain the 10 per cent rule for the banks in the present fashion. Some of the smaller banks in Canada would be far better off if they were owned fairly closely. Close ownership is needed to give those banks the additional strength which is required, particularly at the present time. Perhaps the 10 per cent rule is only appropriate for the very largest institutions. I would be quite content to see Canada Trust at its present size owned 40 per cent by one shareholder or one shareholding group. As it grew, perhaps that one shareholding group would have to divest or allow in more people.

I am quite happy about the recommendations of the Finance Committee. They provide that there can be sole ownership only up to $10 billion in assets and 75 per cent ownership from $10 billion to $20 billion. At $20 billion they have to get down to 50 per cent ownership; at $30 billion, to 25 per cent ownership; and at $40 billion, to the 10 per cent rule. On that basis major banks would be at the 10 per cent rule. Perhaps there could be some narrowing of the ownership requirement for the National Bank. That suggestion in committee was well thought out. It leaves ample opportunity for development of our financial institutions and ensures that, as the institutions become larger, there is divestiture and an opening of investment opportunity.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his very entertaining and interesting comments, and I should like to ask him a couple of questions. His general thrust was that we should be treating everyone in the same way, and he referred to the four pillars. If these rules were put in place, would we indeed be treating everyone in the same way? I understand that there are certain exceptions under provincial legislation. For example, the Laurentian Group is controlled ultimately by an insurance company. It is a holding company which I believe has interests in a savings bank and is becoming involved in many other areas. I understand that the provincial legislation in Quebec governing it is considerably looser. If rules of this nature were in place, would certain financial institutions in Canada controlled by holding companies escape these rules and therefore be at a competitive advantage in relation to other companies?

My second question relates to the self-dealing ban. Canada Trust has proposed a ban on any business dealings with any company or affiliate of a company owning more than 10 per cent of the trust firm. On the face of it that seems to be solid; it is quite a formidable ban. The Hon. Member indicated that he was not satisfied with that ban and that there was still a danger. Why does he feel that that is so?

Mr. Blenkarn: Mr. Speaker, I thank the Hon. Member for his question. The proposal by the Canada Trust board was a board resolution. Board resolutions can be altered the next day by other board resolutions. It is a nice resolution to have on the books. There are certain self-dealing bans already in the Loan Companies Act and the Trust Companies Act, and several further self-dealing bans will be proposed. Perhaps the Hon. Member might find it entertaining to attend the meeting of the Finance Committee next Monday. Perhaps he would find out how certain transactions were put together involving the Canada Permanent Mortgage Corporation to finance certain takeovers. Somehow those transactions managed to be treated as all right, even though they certainly do not smell all right at this point.

With regard to the Laurentian Group, the Hon. Member might find a breakdown of the financial intermediaries in the country on page 56 and page 57 of the English version of the report entitled *Canadian Financial Institutions*. In September the Laurentian Group was deemed to have, in total assets—that is the whole ball of wax—some $8 billion, so under our own criteria it could be a solely owned group.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to participate in the debate on the motion presented by the Hon.

Member for Kamloops—Shuswap (Mr. Riis). It is an important resolution because it asks the House to concur in the unanimous decision reached by the Finance Committee. It is not very often that a committee of the House consisting of Government Members and of Opposition Members is able to agree on a certain matter. It is important as well because we are beginning a new era of parliamentary reform in the House. I think it has been recognized by all Hon. Members that traditionally we are often caught and squeezed by the political imperative, particularly if one is a Government Member. There has been a desire on the part of all Hon. Members to break out of this static role and to be able to express our own opinions and feelings in a more active way. Of course the instrument which has been devised for this purpose is our committee system. It is hoped that in the committee system we are able to step a little further back from our political role and meet with fellow representatives, men and women, around a table to grapple with the social and economic problems of the country. We can achieve and reach a certain consensus and agreements for the betterment of Canada. Certainly the Finance Committee has done that.

• (1720)

I participated with many of my colleagues who have spoken today from the Conservative Party, the Liberal Party and the New Democratic Party in the hearings last spring which went into our summer recess on the reform of financial institutions. Yes, there were some differences in that committee as we travelled across the country. Many of these differences occurred because of who we were, what our personal philosophies were and where we came from. But there were also some significant agreements, important agreements.

The motion today is a real litmus test, how committed the Government is to the work of committees, and how committed the Government is to parliamentary reform. If the people of Canada are to regain confidence in this institution, they have to be able to see Members of Parliament working and making common sense decisions together without being dictated to by the political process.

Canadian men and women desperately desire to see this institution reform itself to allow non-partisan ideas to be brought forward and to be acted upon. We have such an example before us today. We will all be watching to see how the Government will react to this concrete proposal. It is a very important proposal. It will deal with the economic well being and the social and cultural milieu for many years to come.

It is not just this particular item of the Genstar takeover by Imasco that is at stake, Mr. Speaker. If the Government allows the takeover, despite the unanimous recommendation of the Finance Committee, then we might as well forget the whole notion of committees of this House acting in an independent manner. At stake is not just a particular takeover by a non-financial institution of a financial institution. If this takeover is allowed, a signal will go out and the gates will be open to even more corporate takeovers and even greater concentrations of financial institutions. It will also destroy the hope that many Members of Parliament have in parliamentary reform. If the Government does not act on the unanimous decision of the Finance Committee, then surely it stands naked in front of Canadians as to what its real intention is as far as parliamentary reform is concerned. It will send out a signal that it is a farce, and we might as well all go home. We will be sitting here like robots, voting yes or no depending upon whether we are in opposition or in government.

I want to congratulate members of the Conservative Party on this committee. They are my true, real colleagues. We travelled across the country and heard submission after submission day after day. I congratulate them for playing an activist role in this House in their attempt to have the conclusion of the Finance Committee accepted by this House. I congratulate them in a genuine fashion. They are doing the job of what a Member of Parliament should be doing. We should all take them as an example. Perhaps the day will come when my colleagues and I in the New Democratic Party might be in Government, or perhaps even some day the Liberals might be in Government, and all of us will have the courage which Conservative Members on the Finance Committee have shown today. They do credit to the Government and to their Party, Mr. Speaker. It is up to the Government, and we will all be watching whether the Government will hang them or respect them. We will all be watching that with great interest.

The question in debate today is whether the financial institution of Genstar should be taken over by Imasco. It is important, as I and other speakers in this House have mentioned, because it is a big takeover. It means that a big non-financial corporation acquires its own bank, in the words of the Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn).

What are the stakes here? Let us have some sense of the magnitude of what we are talking about. Who are the folks at Imasco? Imasco's total assets as of March 31, 1985 are $2.74 billion. Its revenue for the year ending March 31, 1985 was $4.35 billion, and it has a total of 18,300 employees. Imasco's holdings include Imperial Tobacco, which produces more than half of the cigarettes sold in Canada. It operates 2,540 fast food restaurants in the U.S. under the Handee's name. It owns Shoppers Drug Mart with 415 stores across Canada. It owns and operates 800 Peoples Drug Stores in the United States, and it owns and operates 460 tobacco gift and newstand outlets across Canada. Those are the folks at Imasco. That is the scale of its operation. It is pretty impressive and pretty big.

Who are the folks Imasco wants to take over, the people at Genstar? The total assets of Genstar as at December 31, 1985 were $25.4 billion. Its revenue for the year ending December 31, 1985 was $2.34 billion, and it has 18,000 employees. Genstar owns Canada Trustco Mortgage Company, Canada's largest trust company and the sixth largest financial institution in Canada with assets of $21.7 billion. It is also involved in building materials, industrial services, marine services, real estate and land development. In other words, the people who

own fast food chains, drug stores and make cigaretts want to acquire this major trust company.

What is wrong, Mr. Speaker, with a non-financial institution taking control of a financial institution? The Chairman of the Finance Committee, I think, did a pretty good job in explaining to the House and to Canadians what is wrong with it.

Let me reiterate some of his points. It means that a non-financial institution has control over a financial institution and that financial institution gets its assets from depositors, not its own money but other people's money. It uses other people's money to acquire power and, the way the Chairman of the Finance Committee describes it, the leverage. It acquires this power not out of its investment and capital but from other people's deposits and the trust of other people. If you place your life savings as a depositor in a financial institution, you do it out of a sense of trust that that financial institution will manage the money properly. That money will be there on deposit when you want to withdraw it. It is a tremendous act of trust by the depositors.

• (1730)

The financial institution then uses that money. If that financial institution is owned by a non-financial institution, what is there to stop it from using those deposits for the interest of the non-financial part of the conglomerate as a source of cheap capital to expand or take over other companies? They can prevent loans to their competitiors. They can discriminate against their corporate enemies and favour their corporate friends. Self-dealing is one way of explaining the potential conflict of interest between the financial and non-financial side of a conglomerate. We in the NDP feel this is wrong. Today we have heard Members of the Liberal Party tell us they also consider this wrong. Of course, they had many years to do something about it but neglected to do so. During their tenure they allowed large conglomerates to be organized in this country. However, I am heartened to hear that members of the Liberal Party are finally saying enough is enough. I am doubly heartened to hear that Members of the Conservative Party are also saying enough is enough. We have to draw the line. We in the NDP have been saying that for quite a number of years but, as with many other things, the Conservative and Liberal Parties are finally catching up with us. I am glad to hear that today is the day those two old line Parties are finally beginning to realize that the rate of economic concentration which is occurring and has occurred in this country has now reached such a level that a line has been drawn.

The political and economic well-being of this country is now in danger. When you have such a concentration of economic power in fewer and fewer hands, not only are those fewer and fewer hands able to dictate the economic well-being of this country, but eventually your political freedom and political independence become endangered. Once you allow so much power to be amassed in so few hands, Governments bend to their will. If they do not like what Governments are doing or what the people decide in elections when they elect certain types of Government which the conglomerates and those who control them do not agree with politically, they will use their economic power to destroy those Governments.

We hear a lot about the inequities of labour unions going on strike, especially involving vital industries. However, we do not hear very much about capital going on strike. We generally believe in the freedom of capital, although we do not necessarily believe in the freedom of working people to withdraw their services. We pass legislation to send working people back to work but we do not pass legislation to prevent capital from going on strike and leaving certain jurisdictions. That has been done in the past in this country. When they do not like the political climate or the Government of a certain jurisdiction, they have gone on strike and removed their capital. They have closed some plants. They have not reinvested. They have created a milieu of labour unrest and high unemployment, which then forces the Government into political defeat or political subservience to the economic masters. There is a very real danger that if we allow these corporate takeovers to continue, our political and democratic freedom will begin to erode.

It is very difficult to unravel that power once it has been accumulated, very, very difficult. I think every member of the Standing Committee on Finance, Trade and Economic Affairs was tremendously impressed by the Chief Executive Officer and President of Cadillac-Fairview Corporation. Not only was I impressed, I was astounded, to tell you the truth, when Mr. Bernard Ghert made his presentation to our committee. He warned us in a very dramatic and direct way of the political and economic dangers which occur when financial and non-financial institutions are married together. I believe he recently sent to every Member of Parliament a copy of his address to the Vancouver Board of Trade at the World Trade Centre in Vancouver, and I would like to quote from that. He said:

> Let me give you just a few examples of how economic power is exercised, even under present conditions.
>
> -It can be used to advance the interests of some customers or suppliers or penalize others who are out of favour.
>
> -It can undermine the position of rivals in ways inconsistent with maximizing the wealth of one's own shareholders.
>
> -It can provide excess rewards, pecuniary or otherwise, to the top management coalition that effectively controls the group.
>
> -Economic power can be used to influence public policy through the political process, that is, lobbying, advocacy advertising, public relations, campaign contributions and directing corporate locational decisions.
>
> These are not just theoretical situations. The public record provides examples of the use of corporate power in ways detrimental to the general good of the Canadian people.
>
> As an example of what is going on, I know of an instance where if the witnesses were required to testify under oath, they would tell about one financial institution which had instructions from senior executives of the parent non-financial company to refuse a loan to its competitors.

I will end my remarks with that quotation. It is a warning from surely one of the great captains of capitalism in this country, the President and Executive Director of Cadillac-

Fairview Corporation, one of the largest real estate developers in this country. He has stuck his neck out and warned Members of Parliament to stop the erosion of economic and political democracy and recommends against the close ownership of financial institutions by non-financial institutions. In fact, he advocates a roll-back. I hope this Government will heed the warnings not only of its own committee but of people like Mr. Bernard Ghert. I hope it will agree with the recommendations of the committee.

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

Mr. McCrossan: Mr. Speaker, I would like to make one comment and then ask the Hon. Member about his reference to Mr. Ghert's statement. We are now down to our last speaker this afternoon. All Members of all Parties have had ample opportunity to speak today and so far I have not heard one single Member of Parliament from any Party speak in favour of the takeover of Canada Trust by Imasco. With respect to the comments of Mr. Ghert, he suggested that there were four dangers. I would like to deal with each of these separately.

• (1740)

The first danger, he suggested, was that the non-financial owner could advance the interest of some companies or suppliers by penalizing others. As we know, there is a direct ban on loans between parent and subsidiary companies. Would the Member agree that an example of such a danger might be if a parent company instructed its subsidiary financial company to lend money to a third company so that that third company could buy something from the parent company? That would be a perfect example. Similarly, he has referred explicitly to Mr. Ghert's letter in terms of the second danger, that of undermining the position of rivals. Would he agree that the instructions of a non-financial parent to refuse a loan represents something that should be prohibited by law?

The third danger that Mr. Ghert pointed out was providing excess rewards to the top management officers. It was reported in the Toronto *Star* this weekend that as a result of this proposed transaction, the Chairman and the President of Genstar are each in a position to earn some $40 million this year. Would he regard those as concrete examples of the dangers that Mr. Ghert was mentioning? In addition, would he regard the selling of real estate by the parent to a subsidiary trust company as another example of a danger that could occur as a result of concentration of ownership?

Finally, would he regard the paying of commissions or finders fees by a financial institution to its non-financial owner as a conflict of interest if the non-financial owner was directing the financial company to perform certain transactions?

Mr. de Jong: Mr. Speaker, I would say yes, yes, yes and yes. They are all excellent examples of some of the detrimental effects that Mr. Ghert brought forward in his presentation, and that my colleague and friend has fleshed out. You could put in regulations that could control all of that. Some of the proposals in the Green Paper that the Minister of State for Finance (Mrs. McDougall) introduced suggested that, yes, we can put in a regulatory regime that would prevent self-dealing, discrimination, non-arm's length treatment, and so forth.

When we travelled across the country in the Finance Committee I think we all came to the conclusion that if you are going to control that through regulations, you are going to end up with such a bureaucracy that you will need people working in those companies checking over everybody's shoulder to make certain that it never occurs. I do not think there was one member of the Finance Committee who felt that that was a realistic way to go.

Once you open the door to allowing non-financial and financial institutions to be married and in bed together, you cannot really control their sex ethics by government regulation. It invites such a horrendous policing that it is unrealistic. The Finance Committee came to the conclusion, and I believe rightly so, that the best way not to have that illicit sex was to keep them out of the same bed.

Mr. Friesen: Mr. Speaker, I want to say that as a member of the committee on parliamentary reform I have taken particular pleasure in what is happening today. I think this is one of the examples of emancipating the back-bencher and giving him a role that he has, hitherto, not really enjoyed in Canada. It is sending a signal across the country that while we have elected a Government to take the correct initiatives, it is not always right. The Government could be wrong, and human frailty being what it is, the Government is capable of making mistakes. The process we are going through now is one of the checks and balances that operate in the system.

It is with that introductory remark that I want to engage the Member who just spoke with respect to his introductory statements in which he was complimenting the system and the reform that has taken place. I was somewhat surprised, and I guess saddened, that he had to conclude that if the Government does not respond correctly to what the committee does then, in effect, the committee has been hung out to dry. I was saddened to hear that kind of imputation of motives behind everything that goes on here in the Chamber as a result of this new reform mood that we have.

Surely, the whole package of reform is designed, first of all, to give freedom to the back-bencher and not to impute motives. As soon as you impute motives you are bringing into the arena all the confrontation we are trying to dilute in the reform package. As we indicated on the night the reform package was accepted in the House, the purpose of all of this is to give meaning to the back-bencher. That is not simply to exercise power politics, as important as that may be sometimes, but to do away with a lot of the confrontation that goes on, the name calling and the power blocks.

I hope that the Member who spoke in the debate wlil recognize that the purpose of the reform is to do away with the confrontation that is going on constantly and to look for solutions rather than, by imputing motives, again stimulate

controversy and get into the whole area of antipathies rather than reconciliation.

Mr. de Jong: Mr. Speaker, I thought that in my introductory remarks I commented on the fact that the reform and the greater importance of the committee was an opportunity for us to move away from confrontational type politics by allowing men and women to represent their constituents equally by sitting down together around the table and arriving at more common-sense conclusions. I felt that that was important. In part what was at stake here in this debate as well was how the Government accepted that process and how real and viable it was to become.

Here in this House today, as has been pointed out, not one Member has stood in his place and suggested that this takeover should occur. We are here as ordinary Members of Parliament, not Government Members, not opposition Members, but just ordinary representatives of the folks back home. It appears to me that all of us who have spoken on this have come to the same conclusion and the same feeling. You would tend to think then that in a democratic parliamentary system it should be our will that should prevail. Every Member of this House who has spoken has come to that conclusion, that this is not a wise transaction to take place. I was expressing our hope that our will would prevail in this, and not the will of somebody who makes decisions in the back room or in the financial office towers of the bureaucracy. That, indeed, for us as ordinary Members of Parliament is very important. I certainly was not trying to drag this into a confrontational debate again. I was expressing a real, genuine, sincere hope.

• (1750)

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I welcome this opportunity today to speak to the question raised by the Hon. Member for Kamploops—Shuswap (Mr. Riis). However, before making any specific comments on the subject, I want to say that I agree with the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) who said that when all was said and done, today was an historic one in Parliament. The fact that a Member can table a decision by a Standing Committee is the result of the spirit of openess our Government has shown with respect to the role of Members in the House.

Mr. Speaker, when we came to power in 1984, there were fifteen members on each Standing Committee. They were not terribly motivated to sit on a regular basis and give thorough consideration to every Bill and every question that came before the Committee.

As part of our review of the role of Members, we have made it possible for Members to do so, and today, the Standing Committees are far more lively. They now consist of seven members and they are interested in the subject, and this explains why today, a committee, on its own initiative, would raise a question for debate in the House of Commons.

So what it all boils down to is the upgrading of the role of the Member of Parliament under this Government. The only backbenchers left on Parliament Hill will be voluntary backbenchers, Mr. Speaker. The others are free to exercise on their legislative and administrative role for the benefit of this country.

To get back to the subject we are considering today, the Hon. Member recommends that the Government prevent the acquisition of Genstar by Imasco, by which the Directors of Imasco would control Genstar, because Genstar itself controls a major financial institution, namely, Canada Trust.

That is the question. If the previous Liberal Government, Mr. Speaker, had given us the appropriate legislative framework so that we could appreciate the relevance of this question and the Minister could make a decision or make recommendations, we could immediately proceed to analyze the question, but the Liberals never legislated the matter of quasi banks.

The Finance and Economic Affairs Committee spent several weeks listening to quite a number of witnesses. It has produced an excellent report, and at this point, Mr. Speaker, I would like to pay tribute to the members of this Standing Committee who meet at least four times a week, under their Chairman, the Hon. Member for Mississauga South (Mr. Blenkarn). Their Chairman is known as a real workhorse!

I am therefore delighted to emphasize the role played by this Committee and the tremendous amount of work it does each week on Parliament Hill.

The recommendation made by the Hon. Member opposite asks us to look at today's question from a broader perspective. Mr. Speaker, our Government is not going to play the fireman's role in this case, which in fact is something it has never done. We must appreciate all sides of the question and all the problems related to this particular area.

Bearing this in mind, our Minister of State (Finance) (Mrs. McDougall) has already tabled her Green Paper on banks and financial institutions and the evolution of the legislative process. This is something that had never been done under the previous Liberal administration. At the time, the Liberals allowed approximately 70 near banks to be established without bringing in any kind of legislation to regulate the situation.

And we have seen one of the results. It cost Canadian taxpayers $1 billion, and all because of the neglect and improvidence of the previous Liberal Government.

The Minister of State (Finance) also introduced quite a specific piece of legislation as early as November 1985, Bill 103, an Act to amend the Loan Companies Act, the Trust Companies Act, the Bank Act and the Quebec Savings Banks Act in respect of certain regulatory matters. If that Act were to pass, the Minister would be empowered to step in whenever the take-over of a financial institution would not be in the public interest.

Briefly stated, the major principles that will guide our legislation, Mr. Speaker, are the following: to increase consumer protection; to avoid insider transactions between different companies, in other terms where the owners of small businesses take over those of the other company, and vice versa; to foster competition, innovation and efficiency, to increase opportunities and choices of access to financial markets, to widen available sources of credit for our business corporations, to foster—and this is important—the meshing in of federal and provincial policies.

The Committee on Finance, Trade and Economic Affairs is in tune with many of the comments and recommendations in the green paper put forward by the Hon. McDougall. Because both the green paper and the committee report prohibit transactions between associated persons, they favour the immediate updating of the legislation concerning trust companies, finance companies and near banks.

Once enacted, Bill C-103 in cases where the takeover of companies would give the new owners control over near-banks, the Minister probably can suspend voting rights involved in the purchase, and direct that the shares will be placed in trust in order to be eventually redistributed to a wider base. Bill C-103 will make it possible for the Government to protect the interests of Canadians, while at the same time giving consideration to mergers that are useful and profitable in the long run, since this legislation takes account of the fact that we no longer live in a purely Canadian context. We live in a North American context where big business is the only way to ensure profitability and success. Furthermore, we are living in an increasingly western and, soon, a world context. That is why this Bill will have to protect the interests of consumers while striking a fair balance with the interests of business people and investors.

A few minutes ago, Mr. Speaker, I heard the Hon. Member for Regina East (Mr. de Jong) say that he was going to sit down and admire the courage of Conservative Members in relation to the question before the House today. If the Hon. Member for Regina East means what he says, I too will have an opportunity to admire his courage and determination, in his enthusiasm for helping along the legislative process with respect to Bill C-103 and the time he will help save the House by activating this legislative process. The same comment is directed today to the Liberals on the other side of the House. There will have to be a measure of continuity in their speeches today and they will have to work together to activate the legislative process with respect to Bill C-103.

So today, we have a wonderful example of co-operation among all parties of the House at the Standing Committee level. If the Members of the Official Opposition and the New Democratic Party were in good faith, let them prove it in the days to come, let them support us and help us get this Bill through the House as soon as possible, so that any charges of abuse they could level at people who are tempted to invest and merge with bigger companies can be quickly analyzed in detail by the Minister.

The Acting Speaker (Mr. Charest): It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 17, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's reponse to the following nine petitions: Nos. 331-182, 331-188, 331-196, 331-252, 331-278, 331-286, 331-307, 331-308 and 331-309.

* * *

CANADIAN CHARTER OF RIGHTS AND FREEDOMS

FOURTH ANNIVERSARY OF PROCLAMATION

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I would like to bring to the attention of the House that today, as Hon. Members are no doubt aware, we are celebrating the anniversary of the proclamation of the Canadian Charter of Rights and Freedoms which took place on April 17, 1982, and also of the coming into effect a year ago of the provisions guaranteeing equality for all members of our society.

[*English*]

It is a day on which Hon. Members will come together to commemorate a commitment to equality, social justice, tolerance and fairness for all Canadians in keeping with basic standards of human rights and fundamental freedoms.

[*Translation*]

Mr. Speaker, our Government has demonstrated its support for these important principles by taking steps to enforce the provisions of the Charter more vigourously. We took the initiative in assessing and amending current legislation and policies to ensure that they reflect a broad interpretation of the Charter. In doing so, we have tried to rise above the conventional political options and take a new and broader view.

[*English*]

At the same time we have been ever mindful of the fact that in order to make this a reality special measures are necessary for groups in our society, such as the disabled, women, visible minorities, natives, youth and elderly Canadians. For example, last December new initiatives and increased funding was announced to improve the status of disabled persons.

[*Translation*]

Mr. Speaker, I am proud of the role played by Canadians in carrying out this difficult task, which consists in defining the mechanisms for bringing about equality and social justice in Canada. When we asked for suggestions and comments in connection with major policy initiatives, the response we received was not only a very valid one, it was also representative of a large part of Canadian society.

[*English*]

We are committed to the continuation of this process of consultation because we believe Canadians have the right to participate in the development of policy that fundamentally affects their lives.

There is no doubt that the charter is affecting all of our lives. It requires courts and Governments to be ever aware of the need to balance individual and societal rights in a fashion which facilitates society's interest with the least amount of restriction upon individual rights. The charter is giving individuals a new opportunity to seek redress when their rights are infringed upon. It also imposes on all an obligation to be tolerant of the rights of others.

[*Translation*]

Mr. Speaker, as we take further steps to promote equal opportunity, access to social benefits, respect for our official languages and other measures designed to give all Canadians a fair chance to succeed in our society, we will try to build a better society for all Canadians, a society founded on the basic principles enshrined in our Constitution.

I hope that all Hon. Members will continue to work towards achieving this collective goal.

• (1110)

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I want to thank the Minister for his words on this important day, the fourth anniversary of the proclamation of the Canadian Charter of Rights and Freedoms. It is also the first anniversary of the Charter being brought into force. We in Canada can be proud, in a world as we see it today, of the fact that we are a torch held aloft for freedom. Canada is a nation perceived throughout the world as a democracy, one that is tolerant, one that has signed the International Human Rights Covenants and given leadership in all aspects of human rights. We have also shown we are prepared to carry out those

rights within our own homeland. We do not, as some countries do, merely talk. Our laws bring substance to the kind of society we wish to have, a society which respects people of all races, colours, religions, sex, and background. That is to our glory. We can be very proud and I want to join with all Members of this House in proclaiming this happy occasion.

We in the Liberal Party have some very special reasons to be proud of the role we have played over the years in this respect. Certainly everyone in my caucus is concerned about human rights. We can look back at some of the major events, not to mention the many minor events, which have occurred in the past in an effort to uphold human rights and equality. For example, the bringing into effect of the Canadian Human Rights Commission, the Court Challenges Program for official languages, and The Charter of Rights and Freedoms itself. Then, of course, there are the guidelines which have been in existence in Treasury Board and so on to try and make sure that people have equality in the Public Service. However, we have a ways to go.

Those in my caucus who are policy critics in various areas should really be given some opportunity to speak, but they cannot since only one person can respond. Our Party Whip expresses his concerns as official languages critic, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), is our employment critic, our labour and housing critic is also on our committee for social policy, our critic for communications, as well as working on the status of women and youth, has given great leadership in this area, and I would also like to bring forward the name of the critic for the status of women, the Hon. Member for Outremont (Mrs. Pépin); all of those people deserve an opportunity to express their views so I am trying on their behalf to simply express the fact that they and the rest of our caucus are particularly interested in the struggle being carried on in our country to bring equality to all our people.

However, it is not enough to merely have guidelines and to speak in generalities. We must also have teeth in our law. We must have legislation and charters which will allow people to come before the courts with their concerns and grievances with some effect and justice.

Therefore, on behalf of this party I would like to say that we are not satisfied, despite the past, that we have done enough, particularly at this time when we are considering Bill C-62, to see that the handicapped, the native peoples and women of our country, the visible minorities, have legislation with teeth. On this occasion I call upon the Government to try to change its Bill so that it will recognize the urgent need to bring justice and freedom to our people.

[*Translation*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I welcome this opportunity today to speak on behalf of the New Democratic Party and join the other Members of this House in celebrating the anniversary of the proclamation of the Canadian Charter of Rights and Freedoms, and especially the first anniversary of the proclamation of Section 15 of the Charter.

[*English*]

Certainly all of us in this House are very proud of the proclamation of the Charter of Rights. I know the history of my colleagues in the NDP, and our predecessors in the CCF, who fought long, hard and valiantly to ensure entrenched protection of human rights in Canada's Constitution. One year ago today we proclaimed the final section of the Charter of Rights, Section 15. At the same time all of us expressed the hope that it would not be necessary to rely upon court challenges to enforce and protect fundamental rights such as the right to equality, the right to protection against discrimination on the grounds set out in Section 15, indeed on grounds which were not set out specifically but which were implicitly included, such as political belief and sexual orientation. One year later we must examine with care the record of the Government. I believe that in examining that record against the bench-mark of equality, Section 15, we must say that much work remains to be done in order to ensure that equality is a reality for all Canadians.

We celebrate today the accomplishments of those Canadians who fought so hard for a strong, entrenched Charter of Rights. The *ad hoc* women's committee who, in a tremendous display of energy and dedication from right across this land, came together and insisted on the inclusion of Section 28 of the Charter of Rights and Freedoms. The disabled, groups such as COPOH and others, who appeared day after day before the Constitution Committee and to this day have insisted upon real action towards equality.

I would note in that regard the concern expressed by groups representing the handicapped, in particular the Coalition of Provincial Organizations of the Handicapped, with respect to the Government's response on human rights and fundamental freedoms. They suggest that if they were to give a grade to the Government's response, it would be a D minus. They criticize the paternalistic approach taken by the Government. I note in that regard that because of the absence of effective legislative response to equality provisions of the Charter, it will indeed be necessary to make major challenges in the courts of this land. In that regard I note with regret that the Government has still not accepted the recommendations of the Canadian Council on Social Development which over a month ago submitted recommendations for a panel for the Court Challenges Program. I take this opportunity to call upon the Secretary of State to approve that panel and let the CCSD get on with the business of funding these important court challenges.

[*Translation*]

Mr. Speaker, there are other questions as well in this area, and I might mention, for instance, the pressing need for an amendment to our equality rights legislation.

[*English*]

—the Canadian Human Rights Commission on reasonable accommodation to reverse the effect of the Binder decision in the Supreme Court of Canada.

As we stand here today celebrating the proclamation of Section 15 and the Charter, once again I urge the Government to recognize that equality still remains to be achieved by many in Canada, including women, in the field of the economy and child care, visible minorities, native people, gays and lesbians, and the disabled. Equality must be a reality.

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF DELEGATION TO YUGOSLAVIA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both offical languages, the report of the official parliamentary delegation which visited Yugoslavia from March 30 to April 3, 1986.

• (1120)

* * *

[*English*]

PETITIONS

CANADA-U.S. AGREEMENT ON TEST RANGE, NANOOSE BAY

Mr. Ian Waddell (Vancouver—Kingsway): I have a petition that I would like to present on behalf of a number of people from British Columbia who pray that the Government will not renew the agreement between Canada and the United States with respect to a test range in Nanoose Bay, British Columbia. They want to bring to an end all weapons testing in the test range and convert the test range to peaceful purposes. I would like to file this petition on their behalf.

* * *

SMOKING CONTROL ACT

MEASURE TO ENACT

Mr. Patrick Boyer (Etobicoke—Lakeshore) moved for leave to introduce Bill C-287, An Act to control smoking in public buildings and facilities.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Boyer: Mr. Speaker, I would like to give a brief word of explanation to my colleagues in the House that this Bill, An Act to control smoking in public buildings and facilities, is neither moralistic nor puritanically punitive. It is rather health legislation, aimed at what is clearly the number one health problem in our country, which has to do with the use and abuse of tobacco and the concern we have that people who inhale smoke directly or indirectly are encountering a very major health hazard.

In summary, I believe this Bill blends a reasonable accommodation of the needs of all Parties concerned in a realistic and practical way to deal with this health hazard.

Mr. Speaker: Order. The Hon. Member knows that summaries of Private Member's Bills are intended to be as brief as possible.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 536.

[*Text*]

PERSONS DEPORTED FROM CANADA

Question No. 536—**Mr. Redway:**

In (*a*) 1983 (*b*) 1984 (*c*) 1985 (*d*) 1986 to date, how many persons were deported from Canada and what was the cost for (i) transportation (ii) room and board and other related expenditures?

Hon. Walter McLean (Minister of State (Immigration)): (a) *3,747, (b) *3,112, (c) **2,265, (d) **306 (year to date).

(i) (a) $1,890,749, (b) $1,690,450, (c) $1,220,661, (d) $522,158.

(ii) (a) $3,333,581, (b) $3,651,766, (c) $3,434,708, (d) $1,795,729.

* Enforcement Data System
** Employment & Immigration Information System

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 15, consideration of Bill C-62, An Act respecting employment equity, as reported (with amendments) from a legislative committee; and Motion No. 31A (Mr. Allmand) (p. 12262); and on Motion No. 32A (Mr. Allmand) (p.12262); and on the amendment (Mr. Cassidy) (p. 12263).

Mr. Speaker: Before giving the floor to the Hon. Member for Nickel Belt, may I advise the House that because of the ministerial statement Government Orders will be extended by 13 minutes beginning at one o'clock today.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the other day when we were debating this particular subamendment presented by the Hon. Member for Ottawa Centre (Mr. Cassidy), we pointed out that Clause 4 and Clause 5 do not contain any punitive action. Clause 4 states that an employer shall, in consultation with such persons as have been designated by the employees, identify and eliminate each of the employer's employment practices not otherwise authorized by a law, and so on. Those are clear instructions. But what if the employer does not do those things? There is no follow up action whatsoever. In fact, it sends a clear message, and this has been our point all along. Since there are no repercussions when an employer does not do what the law tells him he must do, the Government is not really serious about bringing about equity.

It seems to me from all of the evidence after one year of implementation of the equality section of the Charter, we have not made much progress. Judge Abella gave a speech at the Canadian Club the other day and pointed out that we have not made much progress with respect to equality for women in the workplace. The Government brings forward Bill C-62 and places certain responsibilities upon employers with respect to equity in the workplace, yet the teeth are missing from the Bill. I recall saying about a different Bill that the Bill was nothing but a "roaring rabbit". It is the same with this Bill. The message which clearly goes to employers is: "We have only put this in here for show. It is only window dressing". There was a demostration of disabled persons on the Hill a few days ago. They clearly pointed out that they are not hoodwinked by the Bill. I believe one of their comments was: "We are not stupid. We know this Bill is not going to help resolve the problem". We cannot masquerade this shell of a Bill as a Bill which is taking a step towards providing some equality in the workplace. That is why my colleague put forward his amendment.

The only penalty in the Bill is in Clause 6. Clause 6 states:

On or before June 1, 1988 and on or before June 1 of each year thereafter, every employer shall file with the Minister a report in respect of the immediately preceding calendar year—

That is with respect to how many employees and so on. The penalty for not filing that report is $500,000. It seems to me that that is not where we have to put the penalty. The penalty ought to be where employers are required to do certain things to actually bring about equality in the workplace. Very conveniently, the Government excludes the federal civil service from the provisions of the Bill. So the Government itself is not even prepared to accept the Bill as applying to itself as an employer.

We would urge the Government to accept the subamendment of my colleague, the Hon. Member for Ottawa Centre. I believe it would show the good faith of the Government. It would show that it really wants to do something about equality in the workplace. It would certainly send a message to the employers that the Government is serious about creating equity in the workplace.

I would not mind if the Government wanted to take the $500,000 penalty out of Clause 6. I would not personally be opposed to that. What is the big fuss about not filing a report? Members of the Government have said that we should not burden business with a lot of form-filling. Here they are putting in Clause 6 which requires a lot of form-filling. That information can be found out. After all, the employer has to file an income tax return. It seems to me that this is not where we ought to place the emphasis. Clauses 4 and 5 are the clauses which require employers to do specific things with respect to equity. Those are the particular clauses which need the teeth and not Clause 6.

• (1130)

Mr. Alan Redway (York East): Mr. Speaker, I have listened with interest to the Hon. Member's comments with respect to enforcement provisions in the Bill. This Bill was introduced in the House for first reading in June of 1985. That is almost one year ago. There was debate on the Bill at that time. There was debate on the Bill at second reading stage. There was debate on the Bill in committee. Here we are now back with it in the House of Commons. So it has had a great deal of debate. I know that the Hon. Member has been a party to that debate. I know that he realizes in his heart of hearts that there is an enforcement mechanism in the Bill. In fact, in part of his remarks he referred to the fact that there is such a mechanism. Quite clearly, as Hon. Members are aware, the Bill provides that there must first be a plan.

Mr. Rodriguez: Where is the enforcement?

Mr. Redway: It provides that there must be a plan. Of course, that is set out in Clause 5. As the Hon. Member is also aware, the Bill provides that the Minister set out the requirements of the plan, which is set out in Clause 12. Under the provisions of that clause a Minister can issue regulations as to the guidelines for the plan.

Mr. Rodriguez: What if they don't?

Mr. Redway: The Hon. Member knows quite well that under Clause 6 of the Bill there are provisions for the plan and the report. The subject matter of the plan has to be filed with the Minister and filed in the House. Then, as the Hon. Member is quite well aware, if the plan is not filed, under Clause 7 of the Bill it is an offence and subject to a fine of some $50,000. First, there is a clause for requiring compliance with the plan, as the Hon. Member well knows. Second, one of the problems with this area previously when it was considered by the Canadian Human Rights Commission has been that it has no information in front of it to deal with violations of the requirement to treat people fairly in employment. By passing this Bill and by requiring that the plan be filed, then the evidence will be available in order to provide the Human Rights Commission and—

Mr. Rodriguez: I rise on a point of order, Mr. Speaker. With all due respect, I know that the Hon. Member for York East (Mr. Redway) would not want to leave on the record information which could be misleading and which is misleading. In fact, there is no penalty for not filing the plan. There is no penalty?—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. That is not a point of order, it is a point of debate. The Hon. Member for York East (Mr. Redway) has the floor.

Mr. Redway: Mr. Speaker, just to respond to the Hon. Member's non-point of order, if I may. Clause 6 of the Bill requires the filing of the report and Clause 7 imposes a penalty for not filing it.

To go on, once the report is filed the information is then available, information which has been lacking in the past, for the Human Rights Commission to go ahead and deal with the matter. Quite clearly, the Hon. Member, and all Hon. Members in the Opposition, know this. They know it in their heart of hearts. If they were coming clean with the House, as they always tell members of the Government to do, then they would be telling us that this is a great Bill. It is the first time that federal legislation of this sort has come forward. It certainly did not come forward when the previous Government was in office. It has an enforcement mechanism in it. It will do the job—the job it was intended to do.

Perhaps Hon. Members want to go one step further. Perhaps they would rather put people in jail. Perhaps they would rather not achieve employment equity. Perhaps they are not interested in making sure that all of the target groups, that is, women, native people, the disabled, and the visible minorities, have fair employment equity. Perhaps they are not interested in that. Certainly, I do not think members of the Party of the former Government were interested in that since they never designated visible minorities as a target group in the Public Service of Canada. In fact, it was not designated as a target group until our Government came to office in 1985.

Ms. Copps: I rise on a point of order, Mr. Speaker. We love to hear the Hon. Member for York East (Mr. Redway) speak. But, for Heaven's sake, when he speaks he should speak the truth. That is an absolute falsehood and he knows it.

The Acting Speaker (Mr. Paproski): That is debate. It is not a point of order. If the Hon. Member wishes to participate in debate she will have an opportunity. The Hon. Member for York East.

Mr. Redway: I certainly hope the Hon. Member will repeat that outside the House, Mr. Speaker.

Ms. Copps: With pleasure. Sue me and I will see you in court.

Mr. Redway: I will be looking forward to it in the same way I looked forward to her tabling some documents in another debate which she said she would table and never did.

Just to conclude—

Ms. Copps: I rise on a point of order, Mr. Speaker. If the Hon. Member understood the rules of the House he would recognize that ordinary Members do not have the right to table documents.

The Acting Speaker (Mr. Paproski): I cannot believe that today, after the National Prayer Breakfast, and the fellowship which was expounded this morning, that on this beautiful Thursday we are now entering into this type of debate. I am surprised that we do not have compassion in the House. The Hon. Member for York East has the floor. If the Hon. Member for Hamilton East (Ms. Copps) wishes to participate in the debate then she will have that opportunity.

Mr. Waddell: We have now had the benediction, let's have the speech!

Mr. Redway: As I have indicated, there is an enforcement mechanism in the legislation. It is the intention to ensure that there is employment equity for those four target groups. However, it is not the intention of the Government to try to enforce this provision by putting people in jail. It is the intention of the Government to bring that enforcement about in an orderly and logical fashion. That is what this legislation is geared at.

There are many examples in the United States of legislation of this sort. I refer to legislation with respect to human rights and civil liberties, and legislation with respect to the desegregation of the school system in the United States where penalties such as jail terms have been imposed. Time and time again it has been proved that that does not work. In fact, I was present at a debate in a committee of the House of Representatives in Washington last fall when members of the committee were debating that very issue. At that time, the administration had been called on the carpet because the system which it had put in place did not work. The system being put in place by this Bill will work. If it does not work

there will be other steps and other measures to come in the future.

The system which has been put in place by this Bill is the first step. It is the first step which has been taken by any Canadian Government. It will be an effective first step. Employers are already hurrying to ensure that they are in line by the time this piece of legislation passes into law.

At the same time, I think it is incumbent upon the Government to ensure that its measures with the Public Service are hand-in-hand. Although the visible minorities were not made a target group in the Public Service until last year, it is time the Government pressed on with those measures to ensure employment equity in the Public Service. I am sure the Government will be doing just that.

• (1140)

With that, I would urge the House to pass this legislation as quickly as possible, bearing in mind that it was introduced in the House almost one year ago. It is about time we put it into law. It may be that the rules do not provide for the tabling of documents by private Members but, nonetheless, when a private Member says he is going to do it one would think he would do it.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I was not going to speak to this subamendment but I am obliged to do so having heard the remarks of the Hon. Member who has just spoken. I might say that he has blatantly misled the House and the Canadian people on several points.

Mr. Redway: Mr. Speaker, I rise on a point of order. I think that is an unparliamentary remark and should be withdrawn.

Mr. Orlikow: Mr. Speaker, I rise on the same point of order. It may be that the use of the word "blatant" is—

The Acting Speaker (Mr. Paproski): Just a moment. Does the Hon. Member for Winnipeg North (Mr. Orlikow) have something to contribute to this?

Mr. Orlikow: A point of order, yes.

The Acting Speaker (Mr. Paproski): Before I entertain a point of order, could I see the Table officers?

I did hear some awfully strong language coming from the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). I do not think he really meant what he said. I would hope that he would withdraw at least that portion of the statement and carry on with debate.

Mr. Allmand: Mr. Speaker, I do not know what part of my remarks you disapprove of, but if it is the word "blatant" I will withdraw that word. However, it is my strong conviction that the Hon. Member has misled the House in the remarks he just made. I think that is parliamentary.

The Acting Speaker (Mr. Paproski): I will go along with that, but I feel that that is still very strong language according to statements that should be made in the House. I would hope that we could carry on with fellowship and compassion. Does the Hon. Member have another point of order?

Mr. Redway: Mr. Speaker, he repeated again a statement which I believe is unparliamentary and should be withdrawn. If it is your ruling, Mr. Speaker, that it was not—

The Acting Speaker (Mr. Paproski): Order, please. I will hear the Hon. Member.

Mr. Redway: Mr. Speaker, it is my submission that the phrase used by the Hon. Member that the House was misled by me is an unparliamentary statement and should be—

The Acting Speaker (Mr. Paproski): Would the Hon. Member mind resuming his seat? The Hon. Member withdrew the word "blatant". It is not parliamentary to say "deliberately misleading the House" and I think that saying "blatantly misleading the House" comes awfully close to being unparliamentary. That is why I asked the Hon. Member to withdraw. He has done so and, therefore, I think he should carry on with debate.

Mr. Allmand: Mr. Speaker, I want to substantiate some of the things I just said and describe how the public and the House could be misled by those remarks.

As I said earlier, Clause 2 of the Bill indicates that the purpose of this Bill is to achieve equality in the workplace. That is fine. That is great rhetoric of which we all approve. Clause 4 of the Bill says that an employer shall implement employment equity by identifying and eliminating barriers to employment for certain groups. That is fine too. It also says that an employer shall implement employment equity by instituting positive policies and practices to achieve a greater degree of representation for the target groups. That is fine too. Clause 5 says that employers have to prepare an action plan setting out goals and timetables. That is fine too, except for the fact that the action plans are kept in the vaults of the companies' head offices and are not communicated to anyone.

The Bill requires employers to do certain things but nowhere in the Bill is there a penalty attached if employers do not do those things. If employers do not live up to their obligations under Clause 4, there is no penalty for that. If employers do not live up to their obligations under Clause 5, there is no penalty for that. The only penalty in the Bill is described in Clause 7 which indicates that if an employer does not file the report required under Section 6, there will then be a penalty. Clause 6 simply requires the employer to file information regarding the composition of his workforce. As I pointed out the other day, he could keep on reporting year after year that the composition of his workforce has remained the same. He could have employed one woman in year one, one woman in year two and one woman in year three and he would not be subject to any penalty.

The subamendment to my amendment put forward by the NDP applies a penalty to Clauses 4, 5 and 6 of the Bill. The clause would then read that an employer who fails to comply with Sections 4, 5 and 6 is guilty of an offence. Right now the clause reads that the employer is guilty of an offence only if he does not comply with Section 6. For the Hon. Member to say that there are penalties in this Bill for not moving ahead on affirmative action and employment equity is false. If he can demonstrate to me that there is a penalty in this Bill for not living up to the obligations under Clauses 4 and 5, I will eat this Bill on the floor of the House of Commons. I am convinced that he cannot show me that. Not only that, not one of the target groups that appeared before the legislative committee saw that there was any penalty attached to those cluases in the Bill. Not one of them would agree with him. If he had attended the demonstration the other day and said what he said here in the House, he would have been tarred and feathered by those disabled people despite their disabilities.

There are no enforcement provisions in the Bill for Clauses 4 and 5 and that is why the amendment we are discussing right now is so important. In addition, the Hon. Member has not even read the amendments we put forward. No one is suggesting that employers be put into prison, as he was mentioning a few moments ago, for not living up to the obligations under this Bill. My further amendment which is now under discussion suggests that the fine should be increased from $50,000 to $500,000 but no one has put forward an amendment suggesting that we imprison employers if they do not live up to the obligations. That is a red herring that the Hon. Member has thrown on the floor before us.

Mr. de Corneille: Smells like a tuna.

Mr. Allmand: The Hon. Member also said that this is the first time a Government has put a Bill before Parliament to deal with discrimination against visible minorities. These people who were elected in 1984 do not know what happened before 1984. The Hon. Member is not even familiar with Section 15 of the Charter of Rights and Freedoms which says that every individual is equal under the law and has the right to equal protection and equal benefit of the law without discrimination, and in particular, without disrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. For him to suggest that this is the first time any Bill has been put before the House dealing with discrimination on the basis of racial minorities is completely false. The Hon. Member is not even familiar with the Canadian Human Rights Act which was passed by the House in 1977 and also deals with discrimination against visible minorities.

As a result of the amendment to the Charter which came into effect in 1982, Subsection 2, there was put into the Constitution a provision that allowed for legislation on affirmative action. Therefore, it was after that was put into the Constitution that we could then proceed with a Bill on affirmative action, and that is what this Bill was supposed to be but is not. It has no teeth. Let us not hear Conservative blarney about this being the first time anyone has done anything about discrimination based on race, religion, ethnic origin and the like. They are not familiar with what took place. They are reading the press releases put out by the Minister, but they are not telling the truth, and everyone knows it.

• (1150)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am sorry the Hon. Member for York East (Mr. Redway) has left the Chamber. Even though he is not here, I should like to say that I do not remember when I have heard so many misstatements of fact and so much ignorance displayed in a 10-minute speech as I heard in his speech. He urges us to pass the Bill quickly despite the fact that he knows what was indicated by every group representing the people who would supposedly be helped by the Bill—the handicapped, natives, women and visible minorities, and perhaps I have missed some. Every group representing these people has registered very strong objections to the Bill and has said that it will not do the job.

What does the Bill indicate? In Clause 4 it indicates that an employer shall, in consultation with such persons as have been designated by the employees, implement plans. If there is no union, I do not know with whom the employees would consult, but I will ignore that point for the moment.

Clause 5 indicates that an employer shall prepare a plan, and Clause 6 indicates that the employer shall file with the Minister a report in respect to what is being done. It has already been pointed out that there is no penalty if an employer does not file a plan. However, I have a much more serious objection. What about employers who file plans which do not do what the Bill wants them to do? There is no penalty for that. An employer could file a plan every year in which he or she essentially says that nothing will be done, and there is no penalty for that.

Let me deal for a moment with the alleged analysis of the Hon. Member for York East about what happened in the United States. I do this because I spent about a dozen years working with the Canadian Labour Congress and other community organizations on the entire question of human rights. The Hon. Member is wrong. He either does not know the facts, or he does not want us to know the facts. I do not want to be called to order because I am using unparliamentary language, so I will try to be careful in what I say. He is just wrong.

People in the United States have not been put in jail, but the American law requires employers to perform. The American law calls upon employers to have objectives, not just theoretical objectives. It calls upon them to have numerical goals and to report on how they meet them. I know the Hon. Member for York East and the Government do not like that, and I know Canadian employers have expressed opposition to it. It has worked in the United States and the National Association of Manufacturers has said that it likes it. There is an ongoing debate in the United States which now has the most pro-

business administration it has had in over 50 years. Because of their ideological approach to things, some of President Reagan's advisors want to get rid of the numerical goals. Canadians know Secretary of Labour Bill Brock because he was trade negotiator for a while. He is urging the President and the administration to keep the numerical goals. The National Association of Manufacturers, speaking on behalf of its members, told President Reagan that it liked the present system, the numerical goals in the Bill, and the manner in which the program operates. The association went on to indicate: "Tell us what you want us to do and we will do it. Then no one will be able to criticize us for not doing what the law says and no one will be able to take us to court".

I have a question for the Hon. Member for York East, for the Minister and for the Conservative Government which says that it wants to speak for all Canadians. Why will they not accept the arguments of the organizations representing the very people the Bill is supposed to help? They do not have to accept the arguments of Hon. Members of the opposition Parties; we only make our cases for blatant political and partisan reasons! Why will they not accept the arguments and the case put for making the Bill a workable one by these organizations which represent native people, visible minorities, non-Anglo-Saxons, non-protestants, older ethnics who have been discriminated against for many years, women and the handicapped, all those people who are under-represented in employment.

I say to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) that I have not been enthused or impressed by the efforts of the former Government.

In conclusion, if one looks at American television programming, sometimes one sees a post office in New York, Chicago or Los Angeles. One cannot help but be struck by the large number of non-white people who are working in the post office. I just use that as an example. I venture to say that if one looked at a Canadian post office in Vancouver, Toronto or Winnipeg, one would see very few non-white people working there.

Our record in providing employment for members of minority groups is not a good one. We have a long way to go and a lot for which we should be apologetic.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, all Hon. Members of the House share a common goal, employment equity. However, there are some philosophical differences and techniques. Some very useful discussion has taken place over the last eight or nine months, but that is what it is all about. That is what the democratic process is all about. That is what the House of Commons is for. We cannot agree on exactly how it will be put into effect, but we all want the same results. With concern being shown and with heart being put into the debate, we know that all Canadians will be well protected by the supervision, surveillance and guidance of all Members of the House of Commons.

In this particular motion we are being asked for prescribed goals and timetables. We had a feeling that that would mean more quotas, a new enforcement agency and more regulatory bodies. Those are the things we wanted to avoid. We did not want to worry about process. We wanted to worry about results, and it is results which we will all be monitoring.

I should like to clarify the following because it may need some clarification. Mr. Fairweather stated that reports submitted under Section 5 would give enough evidence of systemic discrimination. It is exactly what the commission wanted, and how it will deal with data was included in its testimony. If results are bad, the Canadian Human Rights Commission can conduct an investigation, including access to the action plans. If the investigation of the Canadian Human Rights Commission leads to evidence of systemic discrimination, the CHRC can impose penalties under Section 41 of the Canadian Human Rights Act. The Bill is mandatory in two ways—failure to report and the action of the Canadian Human Rights Commission.

Motion No. 32A would have the fine increased from $50,000 to $500,000. We feel that $50,000 is realistic. It is in accordance with other legislation, such as the Canadian Human Rights Act. For these reasons I am opposed to the two motions now being discussed.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise in support of the amendment. I heard my colleague say earlier that we all had the same objective in discussing this Bill because we supposedly all want to achieve equality. He added that all Canadians would be much happier with a Bill such as this one if it were to receive passage without any changes. As for me, I would be rather surprised if satisfactory results could be achieved before certain changes are made and certain penalties are included.

The Human Rights Commission is also being asked to act as guard dog to point out irregularities. If we refer to the hearings held by the Parliamentary Committee, we see that all the groups who appeared before the Committee denounced this piece of legislation. They all referred to the lack of seriousness and will shown by the Government because no penalty was provided and the Bill had no teeth. We have the impression that this Bill will be another smokescreen as often happens with the Bills aimed at women which this Government introduces. If we compare the Abella Report with this Bill, we have the impression that the measure as it now stands is a travesty of the report. We all know that, without penalties, it is impossible to have an acceptable piece of legislation.

All that is being asked of the employers is to submit a report in two years, in 1988, and we cannot even know their action plan. This Bill was denounced by all the groups representing women, the handicapped and the minorities, it includes no penalties and has no teeth, it provides only for voluntary action and it shows a lack of seriousness on the part of the Government. The Human Rights Chief Commissioner came twice

before the Committee to make a submission and to say how important it was to include penalties in this Bill.

Mr. Speaker, in my opinion, this shows condescension on the part of the Government, and as I have heard the Hon. Member for York East (Mr. Redway) say, it is the first time that such a Bill is introduced in Canada, but I would feel rather let down if I were a Member of this Government because I believe that, while this Bill is a first, it will also be a travesty instead of a serious piece of legislation. My Conservative colleagues might want to brag that this Government is doing something for women, but I would like them to be much more serious about it than they are now.

• (1200)

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is the following one. Mr. Allmand, moved:

Motion No. 31A

That Bill C-62, an Act respecting employment equity, be amended at Clause 7 by striking out lines 13 and 14 at page 4 and substituting the following therefor:

"7. An employer who fails to comply is guilty of an offense and liable on".

The first question is on the amendment. Mr. Cassidy, moved:

That Motion No. 31A be amended as follows by deleting the following words:

"is guilty of an offence and liable on" and substituting the following therefore:

"with Sections 4, 5 and 6 is guilty of an offence and liable on".

The question is on the amendment. Is it the pleasure of the House to adopt the amendment.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed subamendment stands deferred.

At the same time I must put Motion 32A.

Mr. de Corneille: Mr. Speaker, I rise on a point of order. I believe the amendment to Motions Nos. 31A and 32A have been debated but not the motions themselves. The amendment to those motions has not been completed. I would like to speak to this motion.

The Acting Speaker (Mr. Paproski): I must say to the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) that all three items were before the House when this debate was carried on. The grouping was Motions Nos. 31A and 32A and the amendment. I do not think I can allow the Hon. Member to speak with regard to the main amendment. The Member should have known what was taking place. I have to put the question on the main amendment.

Mr. Allmand: Mr. Speaker, I rise on a point of order. As you know, in the first place I moved Motions Nos. 31A and 32A together because that is how they were grouped by the Speaker. We started the debate on that. Then the New Democratic Party moved an amendment to my motion No. 31A. At that point Members were addressing the subamendment to my amendment. That subamendment has just been disposed of. Now we should be returning to the original debate on Motions Nos. 31A and 32A which were grouped for debate by the Speaker. The Speaker did not predict that there would be a subamendment to those two original motions. One could not address the original two motions while addressing the subamendment.

We had to dispose of the subamendment first before we addressed the principles embodied in the original amendment.

Mr. Gauthier: There is one question before the House.

Mr. Allmand: While the Speaker had grouped for debate Motions Nos. 31A and 32A, that was his right, but he did not group for debate a sub-amendment which we have just disposed of. In that situation I think Members who did not have an opportunity to speak on Motion No. 31A and Motion 32A should have an opportunity to do so.

The Acting Speaker (Mr. Paproski): After consulting with the Table, with unanimous consent we can allow the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) to say a few words on the amendment. Motions Nos. 31A and 32A were grouped along with the amendment. The vote was to take place. It is my understanding that there has been consultation with the Table. The Speaker has ruled on this previously. With the unanimous consent of the House, I will allow the Hon. Member for Eglinton—Lawrence to speak for 10 minutes on Motion No. 32A. I will recognize the Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

• (1210)

Mr. Gauthier: Mr. Speaker, I was waiting for my turn to speak to the motion moved by the Hon. Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand). I did not

speak on the subamendment. My understanding of the procedure is that there can be only one question before of the House at any one time, and that that question was the motion amending the main motion moved by the Member for Notre-Dame-de-Grace—Lachine East. I do not want to disagree with the Speaker, but perhaps he would like to hold that in abeyance and think about it. The Speaker's ruling grouped Motions Nos. 31A and 32A, but did not include the amendment, because it was moved after the decision of the Speaker.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member for Ottawa—Vanier is saying, and that is why I am inclined to allow the Member for Eglinton—Lawrence to speak. Does the Hon. Member for Ottawa—Vanier wish to speak on Motion No. 32A.

Mr. Gauthier: Yes.

The Acting Speaker (Mr. Paproski): I will allow it. I will now recognize the Hon. Member for Eglinton—Lawrence.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I appreciate your decision on this matter. In his motion the Member suggests that the penalty should be increased from $50,000 to $500,000. Martin Luther King said that legislation, the law is a teacher. In other words, as well as punishing people, it teaches. We in this House must not think that companies should escape with impunity when they violate human rights. Many companies in the country would like to comply with human rights because they know it is good business to take advantage of the skills and abilities of the entire labour force. It is good business to have people of all sexes, colours, and creeds portrayed in advertising. Enlightened people know that that is good business. However, some people are not enlightened.

During the struggle for civil rights in the United States some companies hoped for legislation which would ensure that human rights were protected and impose penalties when they were not. They hoped for this because other companies were not complying and were able to escape with impunity for noncompliance with those rules. The enlightened people in the country thought it was good to have legislation which imposed penalties, and also that it was a teacher.

We should think not only of human rights, but also of human responsibilities. Through this legislation we are trying to make the employer responsible. It is important that this Bill makes employers understand their responsibility and that society will not tolerate such a lack of responsibility. Companies must conform to human rights. We are a tolerant country and know that the violation of human rights is ultimately our own loss, because it is a lack of use of our human resources, aside from the moral and compassionate grounds. Ultimately, it is wrong from every point of view. Therefore, we must not allow companies and organizations to defy the values for which the people of this country stand.

Today is the fourth anniversary of the signing and bringing into effect of the Charter of Rights and Freedoms. The Secretay of State (Mr. Bouchard) is throwing a beautiful party for a thousand people to celebrate this occasion. It is hypocritical and cynical that on this very day we are debating in the House of Commons a Bill which has absolutely no teeth. There is a $50,000 penalty for not reporting, but for not reporting what? It is silly to pretend that this Bill has any compliance requirements or penalties at all. The rest of the Bill asks people to do certain things, but there is no punishment or censure for noncompliance.

On the fourth anniversary of the signing of the Charter of Rights and Freedoms we demand that the Government put some teeth into this Bill so that it will not be a travesty of rights and freedoms. It is a travesty that the Government has not delivered to the people who are seeking justice amendments which will give them the assurance that the Government, in the name of the people of Canada, means business with regard to equality.

The amount of the penalty is one more thing which suggests that the Bill is toothless, weak, and lacking in sincerity to bring about a change for the organizations and companies which will continue, unchallenged, on their present course. In fact, in its present form, this Bill invites them to be hypocritical and to be part of a system which only pays lip-service.

If the Abella Commission had reported otherwise, Mr. Speaker, I would have no leg to stand on. If the affected groups were not outraged and disappointed, I would have no leg to stand on. However, despite the objections of all the groups which are supposed to be protected by this legislation, the Government ignores their advice and presses forward with an inadequate Bill. Let the Government, on this day, of all days, withdraw this legislation and study it, taking to heart the suggestions and objections of members of the Opposition Parties, those concerned about human rights in the country, the groups affected, and other groups which have allied themselves with them.

Let this not be a paper tiger. Let it not be said that something was done for the minorities. We do not want people to think that politicians talk through their hats, pretending to mean something when they do not. We do not want people to be further disillusioned with politics in a democratic system. Let their voices be heard. When the Government which wants consultation and then discovers all the people with whom they consult are saying, "Put some teeth in this Bill", walks away and does nothing about it, it cannot think the people of this country are going to believe it. Certainly it is placing, once again, further pressure on faith in the democratic processes, the political system, and on the nature of politicians and their ability to deliver on their promises. All these things are at stake.

• (1220)

Finally, and above all, what is at stake is justice for those people who have waited long enough. If the Member from Capilano can say that she is eternally optimistic, that is fine for her, but it is not for a handicapped person who has spent a

whole life suffering from insufficient respect and an inability to have access to work. Those people are looking for justice now. It is not fair for them to have to wait with eternal optimism, as does the Member of Parliament on the other side. That is not good enough. We need it now and we need something that will give them assurance that their needs will be respected, and that they are going to be looked after now, at long last.

This is the day we celebrate the charter being in effect for a year. It was passed four years ago. Let this be the day the Government re-examines what it is saying in this Bill, and put the teeth into it that this motion is suggesting, and what the previous motion, which will be voted on later on, is suggesting, that Clauses 4, 5 and 6 be included under those areas of penalties and requirements.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I will be brief, Mr. Speaker, but still I want to make a few comments because this is a very special day: the anniversary of the proclamation of section 15 of our Canadian Constitution, section 15 of the Canadian Charter of Rights and Freedoms. Four years ago, as you may recall, the Government and Parliament, in their wisdom, passed subsection (2) of section 32 which reads as follows:

Notwithstanding subsection (1), section 15—

This is from the Canadian Charter of Rights and Freedoms.

—shall not have effect until three years after this section comes into force.

In other words, Mr. Speaker, today marks the first anniversary of the coming into force of section 15, so it is a special occasion for us, and it was quite fitting that it should have been highlighted at the opening of the sitting this morning when the Minister responsible made a statement to stress the significance of this kind of celebration to all Canadians.

To get back to the matter under consideration, Mr. Speaker, the amendment moved by my colleague and friend from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), the motion would increase to $500,000 the fine levied on an employer who failed to comply with the provisions of the law or contravened the law in one way or another. Amendment motions Nos. 31A and 32A are necessary because the Bill specifies a fine of $50,000, and we all know that such an amount would be small change for certain employers. For instance, representations have been made to provide special facilities such as handrails for people confined to wheelchairs or elevators designed to be readily accessible to the handicapped, the blind and others who experience difficulties getting around. When special facilities are required in the workplace, I do not think it is preposterous to suggest that a company with at least 100 employees would consider $50,000 the better of two evils and be prepared to pay the fine rather than spend $75,000, $100,000 or $200,000 to comply with the law. It would certainly be cheaper. This is not unheard of.

God knows some employers are not overly concerned about employment safety. Perhaps it is a sad commentary on the building industry, but it happens to be one of Canada's most hazardous trades, and 9 per cent of construction workers are killed accidentally or otherwise, and often the responsibility can be traced back to the employer who failed to take the necessary safety measures.

The same thing applies to the handicapped. If we want to spur private sector employers and urge them to improve their hiring practices, let us have the four designated groups in mind, and again I single them out: women, aboriginal peoples—including all Metis and Inuit people—the physically disabled and visible minorities or, as we put it in French, those who are the object of a certain discrimination because of their colour or features. Quite simply, Mr. Speaker, this motion will give teeth to this Bill which we would describe as a toothless tiger, a tiger that does not threaten anybody, a cosmetic piece of legislation is the best way to label it, in my opinion.

It looks good, and it gives the impression that there is a desire to do something to remedy an unfair situation, but in fact, Mr. Speaker, this legislation, and we have said so over and over again, this legislation has no teeth, it is not forceful enough, and we believe it ought to include an important amendment, namely, that employers whose hiring practices are unsatisfactory will be fined $500,000.

Mr. Speaker, I would like to comment on what was said by a Government Member, and I am referring to the Conservative Member for York East (Mr. Redway), who said that it was a first for an initiative of this kind. The Hon. Member should have done his homework on the matters now before the House, instead of causing Opposition Members to remind him that the Canadian Charter of Rights and Freedoms was adopted by Parliament in 1982, and that since then a program was set up, and the Abella Commission and all the rest, and the result is Bill C-62.

But before that, Mr. Speaker, in the Federal Public Service, and that was since 1971, and I would like to send my hon. colleague from York East a copy of a list of steps that were taken by previous Liberal Governments to promote employment equity, for the disabled as well as for women, affirmative action programs for visible minorities and for the disabled, and as I said in the debate on previous amendments, today we can say, and we take great pride in this, that at the federal level, in all cases, our programs have had a remarkable effect on the hiring of these four target groups, and as I was saying last week, Mrs. Suzanne Azzi, whom you probably know, and who is known as the guardian angel of the Public Service where the physically disabled are concerned, Mrs. Azzi told me a few days ago that she had placed 400 physically disabled persons. Yes, 400! In Ottawa-Carleton this has been their practice for five or six, or maybe it was three years. These are people who would not have had a job if there had not been an employer who was able to meet their specific needs.

The federal Government has set an example, and now the Hon. Member for York East is trying to tell us here in the House that the Parliament of Canada had done nothing before Bill C-62 was tabled in the House.

Mr. Speaker, this is ridiculous, and I don't think it is terribly constructive when we have politicians who can't get their facts straight and who expect us to swallow this kind of nonsense.

Mr. Speaker, in concluding, I simply want to say that we want to give this legislation teeth, and we therefore ask that the $50,000 fine, which may not be very significant to some employers, be increased so that it will be taken seriously, and that the fine now be set at $500,000.

• (1230)

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 31A. Mr. Allmand moves:

Motion No. 31A

That Bill C-62, be amended in Clause 7 by striking out lines 13 and 14 at page 4 and substituting the following therefor:

"7. An employer who fails to comply is guilty of an offence and liable on".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 32A. Mr. Allmand moves:

Motion No. 32A

That Bill C-62, be amended in Clause 7 by striking out line 16 at page 4 and substituting the following therefor:

"five hundred thousand dollars."

Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Hon. Members will know that Motions Nos. 34 and 35 have been grouped for debate and will be voted on separately.

Mr. Ian Deans (Hamilton Mountain, for Mr. Nystrom) moves:

Motion No. 34

That Bill C-62, be amended in Clause 9 by striking out line 23 at page 4 and substituting the following therefor:

"year under section 6 and a consolidation of action plans received in that year under section 5, and shall, as soon as".

Motion No. 35

That Bill C-62, be amended in Clause 10 by striking out lines 29 and 30 at page 4 and substituting the following therefor:

"10. Each action plan as required under section 5 and each report filed with the Minister as required under section 6, shall be available for public".

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is necessary to speak only briefly on the need for these two amendments. As presently written, the Bill would provide only that there be consultation and analysis of the snapshot of the character of the workforce. What is intended here is that the action plan would be included in the consolidated report and we would be provided with an analysis which would be tabled by the Minister, as well as the snapshot. It is a reasonable amendment and would provide for a report not only on the snapshot but on the employer's efforts at change. That is an obvious need and these are amendments which should certainly be concurred in by the Government.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, we agree with both these motions, in particular Motion No. 35 which eliminates the fee that Canadians must pay for the report on employment equity tabled by the Minister. It is completely out of order that visible minority groups, women's groups, native groups and disabled groups should have to pay a fee to get the report on employment equity that the Minister produces. We think this amendment is a good one.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we disagree. Employers action plans are not included in the reporting requirements of the Bill. Therefore this motion cannot be

enforced. The same rationale applies to Motion No. 35, so we would be opposed to both.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 34, in the name of Mr. Nystrom.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 35, in the name of Mr. Nystrom.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next Motion for debate is No. 37A.

Employment Equity

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moves:

That Bill C-62, be amended in Clause 13 by striking out line 19 at page 5 in the French version and substituting the following therefor:

"Parlement un rapport concernant l'examen et exposant tous les chan-".

He said: Mr. Speaker, the purpose of this amendment is simply to correct the French version which does not say everything the English version says. In English it says they shall submit a report on the review to Parliament including a statement of any changes the committee would recommend. However, in French it leaves part of that out by simply saying:

● (1240)

[*Translation*]

—présente au Parlement un rapport exposant tous les changements qu'il peut désirer recommander.

[*English*]

My amendment would—

Some Hon. Members: Agreed.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we agree.

Some Hon. Members: Hear, hear!

Mr. Dick: Great speech.

Mr. Weiner: This merely makes the French and English versions identical, as the Hon. Member indicated, so we should all vote for this.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 37A in the name of Mr. Allmand.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 37A (Mr. Allmand) agreed to.

The Acting Speaker (Mr. Paproski): The next motion for debate is Motion No. 39.

Mr. Ian Deans (Hamilton Mountain, for Mr. Nystrom) moves:

That Bill C-62, be amended by deleting the short title and substituting the following therefor:

"This Act may be cited as the Employers Human Resources Reporting Act."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 39A.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East) moves:

That Bill C-62, be amended by deleting the short title and substituting the following therefor:

"This Act may be cited as the Employment Equity Reporting Act."

• (1250)

He said: Mr. Speaker, the purpose of this amendment is to change the name of this Bill to make it an honest Bill. If the Bill is not really going to enforce employment equity but simply require reporting, then let us call it what it is. That is the purpose of this amendment and the previous one. They are to make the Bill an honest Bill and not mislead the public.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to say that when we started on these amendments some days ago I said it made no sense to have the title of the Bill remain as it is unless it was a Bill which, indeed, had teeth. I want to endorse the comments of my friend, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) because I do not believe this Bill has any mandatory enforcement provisions. It has absolutely no provision for penalties for companies who do not comply. As far as I am concerned even the targets are secret to the companies. I would hope that the House would see fit to change the name of the Bill to reflect what it really is. It is not a Bill to encourage and promote employment equity. It is a Bill to help report on those matters.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I am quite frankly encouraged by the respect for precision demonstrated moments ago by the Hon. Parliamentary Secretary in revising the French version of the motion so that it now makes sense.

Surely this amendment would provide for equal precision with respect to the title of the Bill. It is a Bill which requires reporting. It is not a Bill which achieves, or even aims at achieving employment equity. I am sure the Hon. Parliamentary Secretary will show good sense with respect to this amendment regarding the title of the Bill.

Mr. Weiner: No, Mr. Speaker, the Act is appropriately named.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to state for the record that I think it is a crying shame that on equality day we are bringing forth a piece of legislation which has been cited by every group and organization involved with equality as not leading to the very objective we are supposed to be seeking.

Mr. Fennell: The Liberals never brought in anything.

Ms. Copps: The Hon. Members says the Liberals never brought in anything. The Hon. Member obviously does not know that the word "employment equity" was as a result of the Abella Report which commission was set up by the Liberal Government. It was the first Party to introduce in 1977 equal pay for work of equal value. The Hon. Member should get to know his facts.

The fact is that women, the minority groups and the handicapped, who were forced to come to the Hill in their wheelchairs this week, know what a sham this Bill is and what a sham is the Government's commitment to equality. The handicapped chanted quite clearly at the time, and it is the truth: "Mulroney, baloney, your equity bill is phoney". That is exactly what they mean. I think it is a crying shame that on equality day we are talking about a Bill which is absolute nonsense.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, obviously we are coming down to the close of debate on motions. This is the last motion and, appropriately, it is last because the question is about the title of the Bill. It is with regret, I think, that all Hon. Members in the House, at least those in the Opposition, see the last of this debate after our attempts to try to bring about motions and amendments which would improve this legislation and make it truly relevant to its title, that is, to actually bring about equity for rather large groups of Canadians. The women of our country are more than a majority; they are just barely more than a majority, representing 51 per cent of our population. There are many native people and minority groups all waiting for legislation which would give them strengthened support, to at last have equality. Unfortunately we have received no support from the Government for any of these motions. Therefore, obviously, this remains a reporting Bill, not a Bill which achieves anything other than verbiage. I regret, therefore, that we must support a motion which asks for change of the name of this legislation to the "Employment Equity Reporting Act" because it is nothing more than reporting. It is not an Act which brings about equity.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 39.

Mr. Deans: I rise on a point of order, Mr. Speaker. We already in fact dealt with that amendment. We are now dealing with the amendment of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

The Acting Speaker (Mr. Paproski): Thank you. The question is on Motion No. 39A standing in the name of the Hon. Member for Notre-Dame-de-Grâce—Lachine East. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The House will now proceed with the recorded divisions deferred at the report stage of Bill C-62, An Act respecting employment equity.

Call in the Members.

And the division bells having rung:

● (1300)

Mr. Speaker: Order, please. The first question is on Motion No. 1. Mr. Nystrom moves:

Motion No. 1

That Bill C-62, be amended in Clause 2 by striking out line 6 at page 1 and substituting the following therefor:

"2. The purpose of this Act is to promote and encourage".

The House divided on the motion (Mr. Nystrom), which was negatived on the following division:

Employment Equity

(Division No. 219)

YEAS

Members

Allmand	Finestone	Nicholson (Trinity)
Althouse	Fulton	Orlikow
Baker	Gagliano	Parry
Benjamin	Gauthier	Penner
Berger	Heap	Pépin
Blackburn (Brant)	Johnston (Saint-Henri-West-mount)	Riis
Blaikie	Kaplan	Robinson
Caccia	Keeper	Rodriguez
Cassidy	Langdon	Rossi
Copps	Manly	Tobin
Deans	McCurdy	Waddell
de Corneille	Mitchell	Young—38.
Epp (Thunder Bay-Nipigon)	Murphy	

NAYS

Members

Andre	Grisé	Minaker
Attewell	Gurbin	Mitges
Beatty	Gustafson	Murta
Belsher	Halliday	Nicholson (Niagara Falls)
Bernier	Hamilton	Nielsen
Bertrand	Hardey	O'Neil
Bissonnette	Hawkes	Oostrom
Bouchard	Hees	Paproski
Bourgault	Hicks	Pennock
Boyer	Hnatyshyn	Plamondon
Bradley	Hockin	Plourde
Brightwell	Horner	Porter
Cardiff	Howie	Price
Champagne (Champlain)	Hudon	Redway
Clinch	Jardine	Reid
Collins	Jelinek	St. Germain
Comeau	Johnson (Bonavista-Trinity-Conception)	St-Julien
Cooper	Joncas	Schellenberg (Nanaimo-Alberni)
Corbett	Lawrence	Scott (Victoria-Haliburton)
Cossitt	Lesick	Scott (Hamilton-Wentworth)
Crofton	Lewis	Sparrow
Crosbie (St. John's West)	MacDonald (Kingston and the Islands)	Stackhouse
Crosby (Halifax West)	MacDougall (Timiskaming)	Stevens
Crouse	Malone	Suluk
Darling	Mantha	Taylor
Desjardins	Marin	Thacker
Dick	Martin	Towers
Domm	Mayer	Tremblay (Québec-Est)
Dorin	Mazankowski	Tupper
Epp (Provencher)	McCrossan	Turner (Ottawa-Carleton)
Fennell	McCuish	Vézina
Ferland	McDermid	Vincent
Fontaine	McGrath	Warner
Fretz	McKenzie	Weiner
Friesen	McKinnon	Wenman
Girard	McKnight	Winegard—111.
Gottselig	Merrithew	
Greenaway		

● (1310)

Mr. Speaker: I declare the motion lost. I take it there is an agreement.

Mr. Deans: Mr. Speaker, I rise on a point of order. There are two brief matters which I want to raise. It is my understanding that we might agree to have the vote we have just taken count for all the outstanding votes. However, it has been brought to my attention that on Motion No. 31A the yeas and nays were not taken. If we could include that, then all the votes would be concluded.

Employment Equity

Mr. Speaker: Order, please. I take it, on Motions Nos. 8, 11A, 12A, 14A, 16A, 19B, 21A, 24, 25A, 26A and 27A, that the vote shall count as just recorded.

Mr. Gray (Windsor West): Mr. Speaker, I was unable to be present for the vote just taken. Since I have now entered the House, I presume my vote will be counted with the others of the Official Opposition on the motions Your Honour just read out.

Mr. Speaker: Yes.

Mr. Allmand: Mr. Speaker, I think you failed to mention Motions Nos. 39 and 39A.

Mr. Speaker: Order, please. I am trying to do it in some order. On the motions so far called there is an understanding, with the addition of the Hon. Member for Windsor West.

Mr. Gagnon: Would you recognize my vote, please, Mr. Speaker?

Mr. Speaker: Yes, in opposition, and I take it the Hon. Member for Windsor West will be added in support.

The next vote will be on Motion No. 8. Mr. Nystrom moves:

Motion No. 8

That Bill C-62, be amended in Clause 3 by striking out lines 13 to 15 at page 2.

The House divided on Motion No. 8 (Mr. Nystrom), which was negatived on the following division:

(*Division No. 220*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 11A. Mr. Allmand moves:

Motion No. 11A

That Bill C-62, be amended in Clause 3 by adding immediately after line 24 at page 2 the following:

"reasonable accommodation includes, without restriction, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups, including the special needs of a qualified disabled person, through provision for physical accessibility, assistive devices, flexible job design and modification, and human support services".

The House divided on Motion No. 11A (Mr. Allmand), which was negatived on the following division:

(*Division No. 221*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson (Niagara Falls)
Belsher	Halliday	Nielsen
Bernier	Hamilton	O'Neil
Bertrand	Hardey	Oostrom
Bissonnette	Hawkes	Paproski
Bouchard	Hees	Pennock
Bourgault	Hicks	Plamondon
Boyer	Hnatyshyn	Plourde
Bradley	Hockin	Porter
Brightwell	Horner	Price
Cardiff	Howie	Redway
Champagne (Champlain)	Hudon	Reid
Clinch	Jardine	St. Germain
Collins	Jelinek	St-Julien
Comeau	Johnson (Bonavista-Trinity-Conception)	Schellenberg (Nanaimo-Alberni)
Cooper	Joncas	Scott (Victoria-Haliburton)
Corbett	Lawrence	Scott (Hamilton-Wentworth)
Cossitt	Lesick	Sparrow
Crofton	Lewis	Stackhouse
Crosbie (St. John's West)	MacDonald (Kingston and the Islands)	Stevens
Crosby (Halifax West)	MacDougall (Timiskaming)	Suluk
Crouse	Malone	Taylor
Darling	Mantha	Thacker
Desjardins	Marin	Towers
Dick	Martin	Tremblay (Québec-Est)
Domm	Mayer	Tupper
Dorin	Mazankowski	Turner (Ottawa-Carleton)
Epp (Provencher)	McCrossan	Vézina
Fennell	McCuish	Vincent
Ferland	McDermid	Warner
Fontaine	McGrath	Weiner
Fretz	McKenzie	Wenman
Friesen	McKinnon	Winegard—112.
Gagnon	McKnight	
Girard	Merrithew	
Gottselig	Minaker	
Greenaway		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 12A. Mr. Allmand moves:

Motion No. 12A

That Bill C-62, be amended in Clause 4 by striking out line 30 at page 2 and substituting the following therefor:

"ing agent, or with such persons as have been designated by the designated groups to act as their representatives, implement employment equity by".

The House divided on Motion No. 12A (Mr. Allmand), which was negatived on the following division:

(*Division No. 222*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson (Trinity)
Benjamin	Gauthier	Orlikow
Berger	Gray (Windsor West)	Parry
Blackburn (Brant)	Heap	Penner
Blaikie	Johnston (Saint-Henri-West-mount)	Pépin
Caccia	Kaplan	Riis
Cassidy	Keeper	Robinson
Copps	Langdon	Rodriguez
Deans	Manly	Rossi
de Corneille	McCurdy	Tobin
Epp (Thunder Bay-Nipigon)		Waddell
		Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson (Niagara Falls)
Belsher	Halliday	Nielsen
Bernier	Hamilton	O'Neil
Bertrand	Hardey	Oostrom
Bissonnette	Hawkes	Paproski
Bouchard	Hees	Pennock
Bourgault	Hicks	Plamondon
Boyer	Hnatyshyn	Plourde
Bradley	Hockin	Porter
Brightwell	Horner	Price
Cardiff	Howie	Redway
Champagne (Champlain)	Hudon	Reid
Clinch	Jardine	St. Germain
Collins	Jelinek	St-Julien
Comeau	Johnson (Bonavista-Trinity-Conception)	Schellenberg (Nanaimo-Alberni)
Cooper	Joncas	Scott (Victoria-Haliburton)
Corbett	Lawrence	Scott (Hamilton-Wentworth)
Cossitt	Lesick	Sparrow
Crofton	Lewis	Stackhouse
Crosbie (St. John's West)	MacDonald (Kingston and the Islands)	Stevens
Crosby (Halifax West)	MacDougall (Timiskaming)	Suluk
Crouse	Malone	Taylor
Darling	Mantha	Thacker
Desjardins	Marin	Towers
Dick	Martin	Tremblay (Québec-Est)
Domm	Mayer	Tupper
Dorin	Mazankowski	Turner (Ottawa-Carleton)
Epp (Provencher)	McCrossan	Vézina
Fennell	McCuish	Vincent
Ferland	McDermid	Warner
Fontaine	McGrath	Weiner
Fretz	McKenzie	Wenman
Friesen	McKinnon	Winegard—112.
Gagnon	McKnight	
Girard	Merrithew	
Gottselig	Minaker	
Greenaway		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 14A. Mr. Allmand moves:

Motion No. 14A

That Bill C-62, be amended in Clause 4 by striking out line 33 at page 2 and substituting the following therefor:

"except those in conformity with the Canadian Human Rights Act, that results".

The House divided on Motion No. 14A (Mr. Allmand), which was negatived on the following division:

(*Division No. 223*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson (Trinity)
Benjamin	Gauthier	Orlikow
Berger	Gray (Windsor West)	Parry
Blackburn (Brant)	Heap	Penner
Blaikie	Johnston (Saint-Henri-West-mount)	Pépin
Caccia	Kaplan	Riis
Cassidy	Keeper	Robinson
Copps	Langdon	Rodriguez
Deans	Manly	Rossi
de Corneille	McCurdy	Tobin
Epp (Thunder Bay-Nipigon)		Waddell
		Young—39.

Employment Equity

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne
(Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson
(Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 16A. Mr. Allmand moves:

Motion No. 16A

That Bill C-62, be amended in Clause 4 by striking out line 46 at page 2 and substituting the following therefor:

"eligibility or geography according to whichever of these reference criteria provides the most opportunity to qualified members of the designated groups and from which".

The House divided on Motion No. 16A (Mr. Allmand), which was negatived on the following division:

(*Division No. 224*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp
(Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Johnston
(Saint-Henri-West-
mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne
(Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson
(Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion 19B. Mr. Allmand moves:

Motion No. 19B

That Bill C-62, be amended in Clause 4 by adding immediately after line 2 at page 3 the following:

"(c) having full access to, for the purposes of subsections (a) and (b), consultative services concerning employment equity as provided by the Department of Employment and Immigration."

The House divided on Motion 19B (Mr. Allmand), which was negatived on the following division:

(*Division No. 225*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson
Benjamin	Gauthier	(Trinity)
Berger	Gray	Orlikow
Blackburn	(Windsor West)	Parry
(Brant)	Heap	Penner
Blaikie	Johnston	Pépin
Caccia	(Saint-Henri-West-	Riis
Cassidy	mount)	Robinson
Copps	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Corneille	Langdon	Tobin
Epp	Manly	Waddell
(Thunder Bay-Nipigon)	McCurdy	Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson
Belsher	Halliday	(Niagara Falls)
Bernier	Hamilton	Nielsen
Bertrand	Hardey	O'Neil
Bissonnette	Hawkes	Oostrom
Bouchard	Hees	Paproski
Bourgault	Hicks	Pennock
Boyer	Hnatyshyn	Plamondon
Bradley	Hockin	Plourde
Brightwell	Horner	Porter
Cardiff	Howie	Price
Champagne	Hudon	Redway
(Champlain)	Jardine	Reid
Clinch	Jelinek	St. Germain
Collins	Johnson	St-Julien
Comeau	(Bonavista-Trinity-	Schellenberg
Cooper	Conception)	(Nanaimo-Alberni)
Corbett	Joncas	Scott
Cossitt	Lawrence	(Victoria-Haliburton)
Crofton	Lesick	Scott
Crosbie	Lewis	(Hamilton-Wentworth)
(St. John's West)	MacDonald	Sparrow
Crosby	(Kingston and	Stackhouse
(Halifax West)	the Islands)	Stevens
Crouse	MacDougall	Suluk
Darling	(Timiskaming)	Taylor
Desjardins	Malone	Thacker
Dick	Mantha	Towers
Domm	Marin	Tremblay
Dorin	Martin	(Québec-Est)
Epp	Mayer	Tupper
(Provencher)	Mazankowski	Turner
Fennell	McCrossan	(Ottawa-Carleton)
Ferland	McCuish	Vézina
Fontaine	McDermid	Vincent
Fretz	McGrath	Warner
Friesen	McKenzie	Weiner
Gagnon	McKinnon	Wenman
Girard	McKnight	Winegard—112.
Gottselig	Merrithew	
Greenaway	Minaker	

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 21A. Mr. Allmand moves:

Employment Equity

Motion No. 21A

That Bill C-62, be amended in Clause 5 by striking out lines 12 to 16 at page 3 and substituting the following therefor:

"section (1) shall be

(a) retained by the employer at the employer's principal place of business in Canada for a brief period of at least three years after the last year in respect of which the plan is prepared;

(b) communicated to the employer's employees and any existing bargaining agent; and

(c) made available to the Human Rights Commission, on request."

The House divided on Motion No. 21A (Mr. Allmand), which was negatived on the following division:

(*Division No. 226*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson
Benjamin	Gauthier	(Trinity)
Berger	Gray	Orlikow
Blackburn	(Windsor West)	Parry
(Brant)	Heap	Penner
Blaikie	Johnston	Pépin
Caccia	(Saint-Henri-West-	Riis
Cassidy	mount)	Robinson
Copps	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Corneille	Langdon	Tobin
Epp	Manly	Waddell
(Thunder Bay-Nipigon)	McCurdy	Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson
Belsher	Halliday	(Niagara Falls)
Bernier	Hamilton	Nielsen
Bertrand	Hardey	O'Neil
Bissonnette	Hawkes	Oostrom
Bouchard	Hees	Paproski
Bourgault	Hicks	Pennock
Boyer	Hnatyshyn	Plamondon
Bradley	Hockin	Plourde
Brightwell	Horner	Porter
Cardiff	Howie	Price
Champagne	Hudon	Redway
(Champlain)	Jardine	Reid
Clinch	Jelinek	St. Germain
Collins	Johnson	St-Julien
Comeau	(Bonavista-Trinity-	Schellenberg
Cooper	Conception)	(Nanaimo-Alberni)
Corbett	Joncas	Scott
Cossitt	Lawrence	(Victoria-Haliburton)
Crofton	Lesick	Scott
Crosbie	Lewis	(Hamilton-Wentworth)
(St. John's West)	MacDonald	Sparrow
Crosby	(Kingston and	Stackhouse
(Halifax West)	the Islands)	Stevens
Crouse	MacDougall	Suluk
Darling	(Timiskaming)	Taylor
Desjardins	Malone	Thacker
Dick	Mantha	Towers
Domm	Marin	Tremblay
Dorin	Martin	(Québec-Est)
Epp	Mayer	Tupper
(Provencher)	Mazankowski	Turner
Fennell	McCrossan	(Ottawa-Carleton)
Ferland	McCuish	Vézina
Fontaine	McDermid	Vincent
Fretz	McGrath	Warner
Friesen	McKenzie	Weiner
Gagnon	McKinnon	Wenman
Girard	McKnight	Winegard—112.
Gottselig	Merrithew	
Greenaway	Minaker	

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 24. Mr. Nystrom moves:

Motion No. 24

That Bill C-62, be amended in Clause 6 by striking out line 22 at page 3 and substituting the following therefor:

"ance with the duties imposed on the employer under sections 4 and 5 and further in accordance with prescribed instructions indicating,"

The House divided on Motion No. 24 (Mr. Nystrom), which was negatived on the following division:

(*Division No. 227*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 25A. Mr. Allmand moves:

Motion No. 25A

That Bill C-62, be amended in Clause 6 by striking out line 39 at page 3 and substituting the following therefor:

"moted, trained, transferred, demoted and terminated and the degree of".

The House divided on Motion No. 25A (Mr. Allmand), which was negatived on the following division:

(*Division No. 228*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 26A. Mr. Allmand moves:

Motion No. 26A

That Bill C-62, be amended in Clause 6 by adding immediately after 41 at page 3 the following:

"(e) the number of individuals in designated groups who apply for specific openings."

The House divided on Motion No. 26A (Mr. Allmand), which was negatived on the following division:

(*Division No. 229*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson (Trinity)
Benjamin	Gauthier	Orlikow
Berger	Gray (Windsor West)	Parry
Blackburn (Brant)	Heap	Penner
Blaikie	Johnston (Saint-Henri-West-mount)	Pépin
Caccia	Kaplan	Riis
Cassidy	Keeper	Robinson
Copps	Langdon	Rodriguez
Deans	Manly	Rossi
de Corneille	McCurdy	Tobin
Epp (Thunder Bay-Nipigon)		Waddell
		Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson (Niagara Falls)
Belsher	Halliday	Nielsen
Bernier	Hamilton	O'Neil
Bertrand	Hardey	Oostrom
Bissonnette	Hawkes	Paproski
Bouchard	Hees	Pennock
Bourgault	Hicks	Plamondon
Boyer	Hnatyshyn	Plourde
Bradley	Hockin	Porter
Brightwell	Horner	Price
Cardiff	Howie	Redway
Champagne (Champlain)	Hudon	Reid
Clinch	Jardine	St. Germain
Collins	Jelinek	St-Julien
Comeau	Johnson (Bonavista-Trinity-Conception)	Schellenberg (Nanaimo-Alberni)
Cooper	Joncas	Scott (Victoria-Haliburton)
Corbett	Lawrence	Scott (Hamilton-Wentworth)
Cossitt	Lesick	Sparrow
Crofton	Lewis	Stackhouse
Crosbie (St. John's West)	MacDonald (Kingston and the Islands)	Stevens
Crosby (Halifax West)	MacDougall (Timiskaming)	Suluk
Crouse	Malone	Taylor
Darling	Mantha	Thacker
Desjardins	Marin	Towers
Dick	Martin	Tremblay (Québec-Est)
Domm	Mayer	Tupper
Dorin	Mazankowski	Turner (Ottawa-Carleton)
Epp (Provencher)	McCrossan	Vézina
Fennell	McCuish	Vincent
Ferland	McDermid	Warner
Fontaine	McGrath	Weiner
Fretz	McKenzie	Wenman
Friesen	McKinnon	Winegard—112.
Gagnon	McKnight	
Girard	Merrithew	
Gottselig	Minaker	
Greenaway		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 27A. Mr. Allmand moves:

Motion No. 27A

That Bill C-62, be amended in Clause 6 by adding immediately after line 41 at page 3 the following:

"(e) a list of those acts undertaken by the employer pursuant to section 4 of this Act."

The House divided on Motion No. 27A (Mr. Allmand), which was negatived on the following division:

(*Division No. 230*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson (Trinity)
Benjamin	Gauthier	Orlikow
Berger	Gray (Windsor West)	Parry
Blackburn (Brant)	Heap	Penner
Blaikie	Johnston (Saint-Henri-West-mount)	Pépin
Caccia	Kaplan	Riis
Cassidy	Keeper	Robinson
Copps	Langdon	Rodriguez
Deans	Manly	Rossi
de Corneille	McCurdy	Tobin
Epp (Thunder Bay-Nipigon)		Waddell
		Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson (Niagara Falls)
Belsher	Halliday	Nielsen
Bernier	Hamilton	O'Neil
Bertrand	Hardey	Oostrom
Bissonnette	Hawkes	Paproski
Bouchard	Hees	Pennock
Bourgault	Hicks	Plamondon
Boyer	Hnatyshyn	Plourde
Bradley	Hockin	Porter
Brightwell	Horner	Price
Cardiff	Howie	Redway
Champagne (Champlain)	Hudon	Reid
Clinch	Jardine	St. Germain
Collins	Jelinek	St-Julien
Comeau	Johnson (Bonavista-Trinity-Conception)	Schellenberg (Nanaimo-Alberni)
Cooper	Joncas	Scott (Victoria-Haliburton)
Corbett	Lawrence	Scott (Hamilton-Wentworth)
Cossitt	Lesick	Sparrow
Crofton	Lewis	Stackhouse
Crosbie (St. John's West)	MacDonald (Kingston and the Islands)	Stevens
Crosby (Halifax West)	MacDougall (Timiskaming)	Suluk
Crouse	Malone	Taylor
Darling	Mantha	Thacker
Desjardins	Marin	Towers
Dick	Martin	Tremblay (Québec-Est)
Domm	Mayer	Tupper
Dorin	Mazankowski	Turner (Ottawa-Carleton)
Epp (Provencher)	McCrossan	Vézina
Fennell	McCuish	Vincent
Ferland	McDermid	Warner
Fontaine	McGrath	Weiner
Fretz	McKenzie	Wenman
Friesen	McKinnon	Winegard—112.
Gagnon	McKnight	
Girard	Merrithew	
Gottselig	Minaker	
Greenaway		

Mr. Speaker: I declare the motion lost. The next question is on the amendment to Motion No. 31A. Is it agreed that the same vote shall be cast on the amendment to Motion No. 31A?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore the next vote is on the amendment to Motion No. 31A. Mr. Cassidy moves:

That Motion No. 31A be amended by inserting immediately after the word "comply", the words "with sections 4, 5 and 6".

The House divided on the amendment (Mr. Cassidy), which was negatived on the following division:

(*Division No. 231*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson
Benjamin	Gauthier	(Trinity)
Berger	Gray	Orlikow
Blackburn	(Windsor West)	Parry
(Brant)	Heap	Penner
Blaikie	Johnston	Pépin
Caccia	(Saint-Henri-West-	Riis
Cassidy	mount)	Robinson
Copps	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Corneille	Langdon	Tobin
Epp	Manly	Waddell
(Thunder Bay-Nipigon)	McCurdy	Young—39.

NAYS

Members

Andre	Crosby	Hardey
Attewell	(Halifax West)	Hawkes
Beatty	Crouse	Hees
Belsher	Darling	Hicks
Bernier	Desjardins	Hnatyshyn
Bertrand	Dick	Hockin
Bissonnette	Domm	Horner
Bouchard	Dorin	Howie
Bourgault	Epp	Hudon
Boyer	(Provencher)	Jardine
Bradley	Fennell	Jelinek
Brightwell	Ferland	Johnson
Cardiff	Fontaine	(Bonavista-Trinity-
Champagne	Fretz	Conception)
(Champlain)	Friesen	Joncas
Clinch	Gagnon	Lawrence
Collins	Girard	Lesick
Comeau	Gottselig	Lewis
Cooper	Greenaway	MacDonald
Corbett	Grisé	(Kingston and
Cossitt	Gurbin	the Islands)
Crofton	Gustafson	MacDougall
Crosbie	Halliday	(Timiskaming)
(St. John's West)	Hamilton	Malone

Mantha	Nielsen	Sparrow
Marin	O'Neil	Stackhouse
Martin	Oostrom	Stevens
Mayer	Paproski	Suluk
Mazankowski	Pennock	Taylor
McCrossan	Plamondon	Thacker
McCuish	Plourde	Towers
McDermid	Porter	Tremblay
McGrath	Price	(Québec-Est)
McKenzie	Redway	Tupper
McKinnon	Reid	Turner
McKnight	St. Germain	(Ottawa-Carleton)
Merrithew	St-Julien	Vézina
Minaker	Schellenberg	Vincent
Mitges	(Nanaimo-Alberni)	Warner
Murta	Scott	Weiner
Nicholson	(Victoria-Haliburton)	Wenman
(Niagara Falls)	Scott	Winegard—112.
	(Hamilton-Wentworth)	

Mr. Speaker: I declare the amendment lost. The next question is on Motion No. 31A. Mr. Allmand moves:

Motion No. 31A

That Bill C-62, be amended in Clause 7 by striking out lines 13 and 14 at page 4 and substituting the following therefor:

"7. An employer who fails to comply is guilty of an offence and liable on".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells and shall we count the same recorded vote?

Some Hon. Members: Agreed.

The House divided on Motion 31A (Mr. Allmand), which was negatived on the following division:

(*Division No. 232*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson
Benjamin	Gauthier	(Trinity)
Berger	Gray	Orlikow
Blackburn	(Windsor West)	Parry
(Brant)	Heap	Penner
Blaikie	Johnston	Pépin
Caccia	(Saint-Henri-West-	Riis
Cassidy	mount)	Robinson
Copps	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Corneille	Langdon	Tobin
Epp	Manly	Waddell
(Thunder Bay-Nipigon)	McCurdy	Young—39.

NAYS

Members

Andre	Grisé	Mitges
Attewell	Gurbin	Murta
Beatty	Gustafson	Nicholson
Belsher	Halliday	(Niagara Falls)
Bernier	Hamilton	Nielsen
Bertrand	Hardey	O'Neil
Bissonnette	Hawkes	Oostrom
Bouchard	Hees	Paproski
Bourgault	Hicks	Pennock
Boyer	Hnatyshyn	Plamondon
Bradley	Hockin	Plourde
Brightwell	Horner	Porter
Cardiff	Howie	Price
Champagne	Hudon	Redway
(Champlain)	Jardine	Reid
Clinch	Jelinek	St. Germain
Collins	Johnson	St-Julien
Comeau	(Bonavista-Trinity-	Schellenberg
Cooper	Conception)	(Nanaimo-Alberni)
Corbett	Joncas	Scott
Cossitt	Lawrence	(Victoria-Haliburton)
Crofton	Lesick	Scott
Crosbie	Lewis	(Hamilton-Wentworth)
(St. John's West)	MacDonald	Sparrow
Crosby	(Kingston and	Stackhouse
(Halifax West)	the Islands)	Stevens
Crouse	MacDougall	Suluk
Darling	(Timiskaming)	Taylor
Desjardins	Malone	Thacker
Dick	Mantha	Towers
Domm	Marin	Tremblay
Dorin	Martin	(Québec-Est)
Epp	Mayer	Tupper
(Provencher)	Mazankowski	Turner
Fennell	McCrossan	(Ottawa-Carleton)
Ferland	McCuish	Vézina
Fontaine	McDermid	Vincent
Fretz	McGrath	Warner
Friesen	McKenzie	Weiner
Gagnon	McKinnon	Wenman
Girard	McKnight	Winegard—112.
Gottselig	Merrithew	
Greenaway	Minaker	

Mr. Speaker: I declare the motion lost. I take it there is agreement to apply the same recorded vote to Motions Nos. 32A, 34, 35, 39 and 39A.

Some Hon. Members: Agreed.

Mr. Speaker: Therefore the next vote is on Motion No. 32A. Mr. Allmand moves:

Motion No. 32A

That Bill C-62, be amended in Clause 7 by striking out line 16 at page 4 and substituting the following therefor:

"five hundred thousand dollars."

The House divided on Motion No. 32A (Mr. Allmand), which was negatived on the following division:

(*Division No. 233*)

YEAS

Members

Allmand	Finestone	Mitchell
Althouse	Fulton	Murphy
Baker	Gagliano	Nicholson
Benjamin	Gauthier	(Trinity)
Berger	Gray	Orlikow
Blackburn	(Windsor West)	Parry
(Brant)	Heap	Penner
Blaikie	Johnston	Pépin
Caccia	(Saint-Henri-West-	Riis
Cassidy	mount)	Robinson
Copps	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Corneille	Langdon	Tobin
Epp	Manly	Waddell
(Thunder Bay-Nipigon)	McCurdy	Young—39.

NAYS

Members

Andre	Dick	Jelinek
Attewell	Domm	Johnson
Beatty	Dorin	(Bonavista-Trinity-
Belsher	Epp	Conception)
Bernier	(Provencher)	Joncas
Bertrand	Fennell	Lawrence
Bissonnette	Ferland	Lesick
Bouchard	Fontaine	Lewis
Bourgault	Fretz	MacDonald
Boyer	Friesen	(Kingston and
Bradley	Gagnon	the Islands)
Brightwell	Girard	MacDougall
Cardiff	Gottselig	(Timiskaming)
Champagne	Greenaway	Malone
(Champlain)	Grisé	Mantha
Clinch	Gurbin	Marin
Collins	Gustafson	Martin
Comeau	Halliday	Mayer
Cooper	Hamilton	Mazankowski
Corbett	Hardey	McCrossan
Cossitt	Hawkes	McCuish
Crofton	Hees	McDermid
Crosbie	Hicks	McGrath
(St. John's West)	Hnatyshyn	McKenzie
Crosby	Hockin	McKinnon
(Halifax West)	Horner	McKnight
Crouse	Howie	Merrithew
Darling	Hudon	Minaker
Desjardins	Jardine	Mitges

Members

Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 34. Mr. Nystrom moves:

Motion No. 34

That Bill C-62, be amended in Clause 9 by striking out line 23 at page 4 and substituting the following therefor:

"year under section 6 and a consolidation of action plans received in that year under section 5, and shall, as soon as".

The House divided on Motion No. 34 (Mr. Nystrom), which was negatived on the following division:

(*Division No. 234*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 35. Mr. Nystrom moves:

Motion No. 35

That Bill C-62, be amended in Clause 10 by striking out lines 29 and 30 at page 4 and substituting the following therefor:

"10. Each action plan as required under section 5 and each report filed with the Minister as required under section 6, shall be available for public".

The House divided on Motion No. 35 (Mr. Nystrom), which was negatived on the following division:

(*Division No. 235*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis

Members

MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 39. Mr. Nystrom moves:

Motion No. 39

That Bill C-62, be amended by deleting the short title and substituting the following therefor:

"This Act may be cited as the Employers Human Resources Reporting Act."

The House divided on Motion No. 39 (Mr. Nystrom), which was negatived on the following division:

(*Division No. 236*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Joncas
Lawrence
Lesick
Lewis

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 39A. Mr. Allmand moves:

Motion No. 39A

That Bill C-62, be amended by deleting the short title and substituting the following therefor:

"This Act may be cited as the Employment Equity Reporting Act."

The House divided on Motion No. 39A (Mr. Allmand), which was negatived on the following division:

(*Division No. 237*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Cassidy
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Heap
Johnston (Saint-Henri-West-mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—39.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand

Employment Equity

Members

Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne
(Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson
(Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

Mr. Speaker: I declare the motion lost.

Hon. Flora MacDonald (Minister of Employment and Immigration) moved that the Bill, as amended, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Speaker: In addition to the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) in opposition, shall I count the same vote but reversed?

Some Hon. Members: Agreed.

The House divided on the motion (Miss MacDonald), which was agreed to on the following division:

(Division No. 238)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Bissonnette
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Champagne
(Champlain)
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Desjardins
Dick
Domm
Dorin
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Girard
Gottselig
Greenaway
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jardine
Jelinek
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Lawrence
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Murta
Nicholson
(Niagara Falls)
Nielsen
O'Neil
Oostrom
Paproski
Pennock
Plamondon
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Sparrow
Stackhouse
Stevens
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Vézina
Vincent
Warner
Weiner
Wenman
Winegard—112.

NAYS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blackburn
(Brant)
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Caccia
Cassidy
Copps
Deans
de Corneille
Epp
(Thunder Bay-Nipigon)
Finestone
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Hopkins
Johnston
(Saint-Henri-West-
mount)
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Orlikow
Parry
Penner
Pépin
Riis
Robinson
Rodriguez
Rossi
Tobin
Waddell
Young—40.

Mr. Speaker: I declare the motion carried. When shall the Bill be read a third time?

Some Hon. Members: Now.

An Hon. Member: At the next sitting of the House.

Mr. Fretz: Mr. Speaker, I rise on a point of order. In the absence of the Minister of State for Mines (Mr. Layton), I should like it clearly recorded that he would have voted with the Government had he been here.

Some Hon. Members: Shame, shame!

Mr. Speaker: Order, please. Ambition has no bounds. It being 1.15 p.m. I do now leave the chair until 2 p.m.

At 1.15 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CHARTER OF RIGHTS

AID TO LITIGANTS

Mrs. Sheila Finestone (Mount Royal): Four years ago, Mr. Speaker, the Liberal Government gave Canada the Canadian Constitution and the Canadian Charter of Rights and Freedoms which express in legal terms the values we cherish, the values we want to protect and leave to our children and grandchildren.

[*English*]

Unfortunately, because the present Government does not have the political will to address discrimination forthrightly based on employment equity, reason of accommodation, equal opportunity, amongst other vital issues, ordinary Canadians will have to fight to equality in the courts and on the front pages of the newspapers.

We note that corporations have been the most successful users of the Charter in their own interests. They have the money to take the Government to court in lengthy, costly court challenges. While business can deduct the costs, individuals cannot. There are 55 cases waiting for financial help to start the process toward justice. The federal Government has set up a fund to help alleviate financial hardship for selected court challenges I ask—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

EXTERNAL AFFAIRS

CANADA-UNITED STATES EXTRADITION TREATY—CASE OF LEONARD PELTIER

Mr. Jim Fulton (Skeena): Mr. Speaker, 10 years ago Leonard Peltier was extradited from Canada on the basis of information provided by the United States Government. The U.S. has now admitted that the information was false. This constitutes a treaty fraud between our nations, and should we sleep on this case we can surely expect a repetition in the future.

It is the responsibility of the Minister of Justice (Mr. Crosbie) to remedy this through his counterpart in the United States, and of the Secretary of States for External Affairs (Mr. Clark) to do the same.

Leonard Peltier is an Ojibway Lakota Indian who sought political asylum in Canada. For 10 years he has been held in U.S. prisons serving two consecutive life sentences for crimes it now appears he did not commit.

The U.S. Congress has charged that evidence brought forward on the Peltier case clearly indicates "government abuse of the investigative process, suppression of evidence, and falsehood".

Religious leaders from around the world, four winners of the Nobel Peace Prize, 55 Members of Congress, and many others, have appealed for a new trial for Leonard Peltier. The least we can do as a House of Commons is call for a new and fair trial. As a nation we should also call for the return of Leonard Peltier. He was fraudulantly extradited—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ABORTION

PRACTICES OF APPROVAL COMMITTEES

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, the Standing Committee on Private Members' Business is now considering my Private Members' Bill C-254, an Act to provide legal counsel for unborn children. This legislation has become even more relevant with revelations this week of more evidence about the functioning of therapeutic abortion committees. Questions have been raised about whether applications are considered in fact or whether they are just rubber-stamped.

This issue is a difficult one for many Canadians. There are millions who occupy one side of the debate or the other. It is for precisely this reason that it must be addressed. The abortion approval process is a matter that requires clarification. Mothers, doctors, and child protection agencies must know the requirements of Canada's Criminal Code on this issue. It is clear that practices have developed which are well outside the spirit of the Criminal Code. Many doctors may be

S.O. 21

unwittingly breaching the Criminal Code and are parties to criminal offences.

* * *

[*Translation*]

YOUTH

INTERNATIONAL PROMOTION OF "JUST SAY NO" ANTI-DRUG CAMPAIGN

Mr. Michel Champagne (Champlain): Mr. Speaker, I should like to draw to the attention of the House a significant event which concerns us all regardless of age, province or political Party.

A large group of young Canadians accompanied by the Polgar sisters of Hungary, the world chess champions, are working on the international promotion of the "Just say no" anti-drug campaign.

This initiative does me proud, for it shows once again that young Canadians are very dynamic and take constructive measures to ensure the kind of challenging future which will fulfil their aspirations.

In conclusion, Mr. Speaker, I want to offer them my full support because these young people are striving to restore peace in the world, an endeavour at which our elders have failed in many cases.

* * *

• (1405)

[*English*]

SHIPBUILDING

CITY OF VANCOUVER'S RESOLUTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in January the Canadian Shipbuilding and Ship Repairing Association said the following:

The outlook for Canada's shipbuilding and allied industries during 1986 will remain dismal without immmediate government policy action.

The City of Vancouver has passed a resolution which reads as follows:

WHEREAS Canada's sovereignty over its Arctic territories has been challenged;

AND WHEREAS this challenge can only be met if Canada asserts its sovereignty through meaningful development of the Canadian North and the construction of appropriate ships with icebreaking capability;

AND WHEREAS the West Coast shipbuilding industry has developed a highly competitive ability to build such ships;

AND WHEREAS the continuation and well-being of the shipbuilding industry in North Vancouver is of enormous economic importance not only to North Vancouver but to the whole region;

AND WHEREAS the Conservative Government promised a meaningful job creation program in the West;

AND WHEREAS the North Vancouver shipbuilding industry now faces virtual extinction with disastrous economic consequence unless immediate action is taken—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENERGY

EFFECT OF FALLING OIL PRICES ON SMALL COMPANIES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, Canada has a problem in Alberta. Alberta faces the bleak prospect of losing jobs, money, and people as a result of the dramatic fall in the price of crude oil. For example, as many as 15,000 jobs on drilling rigs may be lost by the end of this year.

David Hatter, a respected writer, said in *The Financial Post*:

Then "Americanization" of the Canadian oil industry is under way again, with major U.S. firms bidding for the remains of Canadian-owned companies that have been mortally wounded by collapsing world oil prices.

I would like to offer the Minister of Energy, Mines and Resources (Miss Carney) the co-operation of the New Democratic Party. We will consider any legislation she wishes to introduce to help small Canadian oil companies, even that to get rid of the PGRT, although I do not think that is the answer. I think a floor price is a better answer. However, we have an open mind. If the Minister introduces legislation to give fair help to the Canadian oil industry, she will have the support of the New Democratic Party.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

POSSIBLE CLOSURE OF STATIONS IN GASPÉ REGION

Mr. Jean-Luc Joncas (Matapédia—Matane): Like my colleagues from the Gaspé Peninsula, Mr. Speaker, I would caution the management of Radio-Canada against laying too much emphasis on the ridiculous and altogether indecent suggestion to close down or transfer eastern station facilities in the more or less distant future. This suggestion constitutes a backward step, not to mention that it is an insult to the population involved. Incidentally, 10,000 Gaspé Peninsula residents have signed a petition to express their deep concern and determination concerning that issue.

Mr. Speaker, I am aware that this is a time for retraints and cut-backs, but it would be unacceptable and shameful if communities which are already quite underprivileged were to be the victims. Among others, Matane's station has been promoting regional interests for a number of years and the public has had nothing but praise for its commendable efforts.

Mr. Speaker, I should hope that the notions of justice, logic and human dignity will prevail—

Mr. Speaker: Order, please, the 60 seconds have expired.

[*English*]

Order, please. Sixty seconds.

* * *

LAW DAY

BAR ASSOCIATION'S ACTIVITIES

Mrs. Mary Collins (Capilano): Mr. Speaker, today, April 17, is an important day for Canadians. Not only was it one year ago that Section 15 of the Canadian Charter of Rights and Freedoms became law, it is also Law Day. Law Day is co-ordinated by the Canadian Bar Association. This fourth annual Law Day is the biggest yet.

Today, across the country, hundreds of lawyers are speaking to high school students, community groups and the public about family law, consumer legislation, criminal prosecutions, and the courts. Mock trials, court room tours, and media interviews give the public a unique opportunity to find out more about Canadian law. Public legal education and information associations across the country also contribute to this important day as part of their ongoing effort to help Canadians become legally literate.

While we in this House bear the onerous responsibility of making the law, it is essential that Canadians understand their laws. It is appropriate that on Law Day we commend all who have made a commmitment to share freely their knowledge of the law with the public, and the Minister of Justice (Mr. Crosbie) for his continuing efforts—

Mr. Speaker: Order, please. Sixty seconds.

* * *

PORNOGRAPHY

DECISION BY 7-ELEVEN STORES TO STOP SELLING PORNOGRAPHIC MAGAZINES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I want to commend the management of the 7-Eleven convenience stores for their decision to stop selling pornographic magazines. Hardcore, violent pornography is having a cancerous effect on morals and quality of life in Canada. It is addictive. Erotica often leads to softcore pornography, which leads to hardcore, violent pornography.

• (1410)

With the benefit of the research of the Fraser and the Badgley Committees I urge the Minister of Justice (Mr. Crosbie) to bring forth tough legislation to stop the erosion of the quality of life here in Canada, the debasing of women, and the sexual exploitation of women. I urge the management of other convenience stores, such as Mac's Milk and Becker's, to follow the courageous lead of 7-Eleven.

* * *

[*Translation*]

THE FAMILY

ACCESS TO CHILD CARE SERVICES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on this important day for equality, I would like to raise an issue which is of great concern for women, namely daycare services.

Since the middle of March, I have attended the hearings of the Parliamentary Committee on Daycare. I would like to call the attention of the House to the views of various witnesses. Many parents are asking that quality services be available and that they be organized by the Government.

Of course, we also hear about the great number of latchkey children. The parents are criticized for leaving their children without supervision, but when we look at the reason for this, we find that it is because daycare services are unavailable or simply too costly. It now costs as much to keep a child in a daycare centre as to buy two weeks of food for a large family or, to pay electricity bills for several months or the telephone for one year. This is certainly food for thought!

* * *

ORGAN BANKS

APPEAL FOR BEQUEST OF ORGANS FOLLOWING DEATHS

Mr. Gilles Bernier (Beauce): Mr. Speaker, I rise to express my support for all the men and women who are willing to donate their organs. We have to applaud all these people who are aware of the need for livers, kidneys, eyes and hearts.

We have to encourage those who work at promoting organ banks. I take this opportunity to invite all Canadian men and women to contribute generously by donating their organs when they die. Thousands of people wait for an organ to give them some hope to improve or prolong their life.

This is the most precious posthumous gift that a human being can give to someone who is still living. The scientific obstacles have long disappeared, we now have the necessary knowledge in Canada and the hospitals have the required facilities. This is a priceless contribution.

S.O. 21

[*English*]

TRUST COMPANIES

NON PAYMENT OF INCOME TAX

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, for an example of the unfairness of our tax system one need only look at Canada's federally chartered trust companies. In 1985 their profits collectively went up by a whopping 44 per cent over 1984, yet their taxes paid actually fell by 4 per cent.

Specifically, the big winners in 1985 include Canada Trust Company which made a profit of $63,430,692 and paid no income tax at all. Montreal Trust Company of Canada made a profit of $14,642,890 and paid no income tax at all. Royal Trust Corporation of Canada made a profit of $52,545,427 and paid no income tax at all. Sterling Trust Company made a profit of $3,230,000 and paid no income tax at all. Eaton Trust Company made a profit of $709,980 and paid no income tax at all. International Trust Company made a profit of $1,528,298 and paid no income tax at all.

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

THE ECONOMY

REDUCTION IN BANK OF CANADA RATE

Mr. Gabriel Fontaine (Lévis): Once again, Mr. Speaker, just seven minutes ago, the Bank of Canada announced a reduction of its bank rate from 9.33 per cent to 9.23 per cent.

Over the past few months, thanks to our budgetary and economic initiatives, interest rates have gone down by more than 3.5 per cent. On a $50,000 mortgage, this represents a saving of $1,750 per year, or $34 per week.

We have managed to help the economy recover without increasing inflation.

With our Government, Canadians' savings maintain their purchasing power, which was not the case under the Liberals inflationary policies.

We are proud of our achievements, Mr. Speaker. Business people have understood our message, corporations are hiring more and more Canadians, and our Government has put Canada back on the road to prosperity.

[*English*]

EQUALITY RIGHTS

GOVERNMENT ACTIONS ON BEHALF OF WOMEN

Mr. Bob Hicks (Scarborough East): Mr. Speaker, today marks the first anniversary of the implementation of Section 15 of the Charter of Rights guaranteeing every Canadian equality before and under the law. Canadian women fought vigorously for the inclusion of equality rights in our Constitution, yet women know that equality embraces much more than legal declarations.

Through a host of measures introduced during the past year and a half this Government has expressed the Charter's equality guarantees in practical ways, such as our Employment Equity Bill, the appointment of more women to the judiciary and to Government boards and commissions, legislation to equalize pension benefits for women and men, the repeal of the Indian Act's discriminatory sections, and our commitment to equal pay for work of equal value in the Public Service. These measures and others are evidence of the Government's commitment to equality for Canadian women.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

WISH OF HUNDREDS OF CANADIANS TO LEAVE LIBYA—MEASURES GOVERNMENT INTENDS TO TAKE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Prime Minister.

According to Michel Tessier, our vice-consul in Tripoli, there are now hundreds of Canadians who would like to leave Libya. What measures does the Canadian Government intend to take to provide for the immediate departure of these Canadians?

• (1415)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we are in constant touch with our consular officials in Libya. We are advised the situation there is stabilizing now. There is no immediate threat to Canadians. Therefore my responses yesterday, which no doubt the Hon. Member has seen, have not altered.

PROCEEDINGS AT OECD MEETING

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, this is an issue involving the safety of Canadians which must be followed up, and it will be. I ask the Prime Minister if the Canadian delegation at the OECD has received specific instructions to institute an emergency debate on economic sanctions which can be imposed to control Libyan

terrorism, or does the delegation intend to remain silent as the Government has been for so many weeks?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That matter has been discussed and the Secretary of State for External Affairs is at those meetings.

IMPOSITION OF ECONOMIC SANCTIONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am not sure what that is supposed to tell us. We have the Prime Minister in the House so let me try him again. Will he undertake immediately, today, to impose full economic sanctions against Libya and once again show the kind of leadership in the international arena for which Canada has been respected in the past?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is a remarkable suggestion coming from a political Party which, until yesterday, had said absolutely nothing or very little to support this Government when we brought in, last January 10, the strongest economic sanctions against Libya taken by any Government of Canada, to the best of my knowledge. On January 10 we began building a strong set of economic sanctions against Libya because we took the view that terrorism was an unacceptable evil and had to be dealt with.

We believed at that time that supporting the U.S. in a series of economic sanctions would be the best way to proceed. It turned out that that did not find favour with a number of allies. However, Canada persisted in that view and supported the notion that this was an excellent first step to be taken along the diplomatic and economic route. That step having failed, other steps were taken by the U.S. Those have been discussed by myself and the Deputy Prime Minister.

SAFETY OF CANADIAN CITIZENS IN LIBYA

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I want to follow up with the Prime Minister on the topic of the safety of Canadians in Libya. Our consular representative has said that he has been inundated with phone calls from Canadians concerned about the critical situation, yet he knows of no plans to evacuate them. We understand there are three Hercules aircraft in Lahr, Germany, which could be used to evacuate Canadians from Libya. Can the Prime Minister confirm that is so and, if it is, has he taken steps to put those Hercules on alert, and are there any plans to use those aircraft to evacuate Canadians who want to leave that country?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, first let me correct the hon. gentleman with respect to his statement that our consular officials in Libya are being inundated with telephone calls from Canadians expressing a desire to leave. That is simply not true. The Government has been in touch with our officials as recently as the last couple of hours and we have the direct assurance that there is no immediate threat to Canadians.

With respect to contingency plans, as I said yesterday and have been saying throughout, it is not helpful to the discussion and would jeopardize the very plans themselves to discuss them openly in public. The hon. gentleman, having been a member of a previous Government, should know that.

EVACUATION MEASURES

Hon. William Rompkey (Grand Falls—White Bay—Labrador): That may be true, Mr. Speaker, but we can only go on the basis of information we have. The information we have from *The Globe and Mail* this morning says that Canadians—

Some Hon. Members: Oh, oh!

Mr. Rompkey: You have to get your information from somewhere if you cannot get it from the Government.

• (1420)

Our consul says they are becoming increasingly worried, and about a quarter of them want to get out—

Mr. Speaker: This is a supplementary question. Does the Hon. Member have a question, please?

Mr. Rompkey: If those Hercules are not going to be used in view of the situation, what are the Government's plans? Can the Government tell us what plans it has to evacuate Canadians in this serious situation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the consular officials are not advising the Government in any way along the lines suggested by my hon. friend. Second, the airport is now either open or in the process of being opened for commercial travel.

Mr. Johnston: They will go by Wardair, I suppose.

Mr. Mulroney: The hon. gentleman from Westmount on a serious matter talks about Wardair. I can tell him that we do not do this frivolously.

Mr. Allmand: You didn't show up for two days.

Mr. Mulroney: I can tell him that we have contingency plans which involve the Government of Canada—

Mr. Gauthier: Tell us about it.

Mr. Mulroney: —to protect the security of Canadians, as opposed to these frivolous acts by the Opposition.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

EXIT VISAS INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister and it is on the same general topic. The Prime Minister or the Deputy Prime Minister mentioned two days ago that contact had been made

with the Government of Libya and that our Government had been assured that any Canadians wishing to exit would in fact be allowed to do so.

I wonder if I might ask if the Government has been informed that Canadians living in Libya now are unable to obtain exit visas because Government operations in Libya are not functioning and, even if there were ways of getting in there for normal aircraft, there would be no way for the Canadians actually to leave.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Deputy Prime Minister indeed made reference to a communication we had received from a senior official of the Government of Libya. It is exactly as my hon. friend has reported it to be. However, we have no information that would cause us the kind of concern to which he refers. In fact the level of anxiety and concern among Canadian residents presently in Libya has declined substantially.

CASE OF CANADIAN FAMILY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wonder if the Prime Minister would be kind enough to investigate the case of Darlene Yarrow and her family who are now in Libya? Her husband is a teacher there. They want to leave Libya but they cannot obtain either an exit visa or a means of leaving the country. Would the Prime Minister determine whether that is an isolated case or whether in fact, as was reported in the press, she is just one of a number of people who have contacted our representative there in an effort to find a way to leave the country?

Right Hon. Brian Mulroney (Prime Minister): I will be happy to do that, Mr. Speaker, and advise the Hon. Member just as quickly as I can.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in addition to that, I wonder if the Prime Minister would be prepared, either later today or tomorrow, to indicate to the House clearly exactly what Canadians living in Libya must now do in order to assure themselves of immediate passage out of the country if that is their desire.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have consular officials who are discussing this *sur place* with the Canadian nationals. We do not want to say anything which would exacerbate the difficult situation but I can give my hon. friend the assurance that we are in as close contact as is humanly possible with Canadian nationals and are working to ensure that any instruments they require to depart from Libya are made available to them.

EQUALITY RIGHTS

COURT CHALLENGES PROGRAM—COMPOSITION OF APPROVAL PANEL MEMBERSHIP

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is directed to the Hon. Secretary of State. Today is Equality Day and seven months have passed since the Court Challenges Program came into effect to enforce Section 15 of the Charter. Can the Minister explain why it is, still to this day, the names of the equality panel submitted to the Minister by the Canadian Council on Social Development have not been approved? There are 25 to 30 equality cases waiting in the hands of that council pending action by the Minister, and still not a dollar in the equality area has been put into the hands of those waiting for justice.

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, since the Court Challenges Program was announced, we have been working basically on the Sub-Committee on Official Languages and the Charter's applications with respect to official languages. About twenty cases are being examined at this time. The Sub-Committee was formed some time ago, and it is operational.

As for the equality panel as such, there still are a few adjustments to be made, and the Hon. Member will understand that where such sensitive areas are concerned, it is important that members be chosen for their integrity and their objectivity in order to ensure high standards on the Committee. I think that the fact we are taking the time to do so guarantees the high standard of the decisions that will be made.

• (1425)

[*English*]

PROVISIONS OF PROPOSED LEGISLATION

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, it is obvious that nothing has been done on the equality panel. That is the short answer to the question.

Despite all the Tory election promises and the Abella Commission recommendations, all of which called for enforcement provisions, how can the Minister explain his support of an equality Bill which has been called toothless and phoney by the organizations, the people, and the groups which it is supposed to protect?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I think I did answer the previous question. We are establishing procedures in areas where human rights are concerned, where every necessary precaution must be taken. We are quite aware of the problem and we share the impatience of certain groups, but we do not agree that accelerating the process will necessarily produce better results.

Once again, we believe that the procedures we have today are the right ones. We are working on very basic and fundamental matters, where our initial decisions will affect all subsequent decisions. I don't think we can be accused of—

[*English*]

Mr. Speaker: Order, please. The Hon. Member for Vancouver East (Ms. Mitchell).

* * *

CHILD CARE

PROVISION OF SERVICES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Today we celebrate the anniversary of the Charter of Rights. Does the Minister agree with statements contained in two equality reports which state that "adequate, accessible, affordable child care is clearly essential if equality is to be achieved" and "the federal Government must move quickly to achieve this goal"?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the very recommendations to which the Hon. Member refers are in keeping with the promise made by the Prime Minister during the election campaign that this would be an important issue for a Government that he would lead.

In addition, through the Prime Minister's guidance and leadership this House has struck a task force on which the Hon. Member sits, to find out the best method by which Canada can address this question.

REQUEST FOR FEDERAL FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I think the Minister will recall that the Prime Minister also promised funding.

In view of the child care crisis which is so evident in every province which the child care task force has visited, will the Minister initiate action within Cabinet to allocate emergency federal funding for child care during this year, 1986, as an incentive to joint action with the provinces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member sits on that very task force. She knows that there have to be additions, changes, and improvements to day care. We all recognize that. Week after week the task force has been asking for people's views. For her to say now that she already has a solution, regardless of the fact that the work has not been done, is unfair to those people appearing before the task force.

EXTERNAL AFFAIRS

UNITED STATES-LIBYA CONFRONTATION—PRIME MINISTER'S KNOWLEDGE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister tell the House specifically when and from whom he first learned of the American plans to attack Libya?

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated that we were kept informed of developments, as an ally ought to be kept informed. We put forward views, particularly dealing with the safety and security of Canadian nationals in Libya, all of whom are still there. It would be singularly unhelpful to them to reveal any details in regard to that.

TIMING OF RECEIPT OF INFORMATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I asked the Prime Minister two questions. I asked him when he was informed, and he did not answer that question. I asked him by whom he was informed, and he did not answer that question. Because I do not think that these are the type of questions he can avoid answering I will ask them again. Considering his good relationship with the President of the United States, will he tell us on what date, at what time, and by whom he was first informed? Specifically, what kind of advice did he give to the individual who told him?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is not going fishing but is going to new heights of irresponsibility. He asked two questions and I have no intention of answering either because they could affect the security and safety of Canadians in Libya. That is an irresponsible suggestion the Hon. Member made.

Some Hon. Members: Hear, hear!

* * *

EQUALITY RIGHTS

MEMBERSHIP OF COURT CHALLENGES PANEL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, over a month ago the Canadian Council on Social Development submitted a proposed list of names for the Court Challenges equality rights Panel. I would ask the Minister of Justice why it is that the Government has refused so far to approve this important list with the result that very many important court challenges remain unfunded. Is the Minister in fact attempting to exert a degree of political interference in what should be an arm's length process?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman talks about political interference, and that is what he is attempting now. The position is that under the agreement entered into with the Canadian Council on Social Development, we have the right to approve the persons it has suggested should be appointed to the board which will have the very important task of deciding which challenges will be financed in this area. We have received a list and we are discussing with the council whether all of the names proposed are suitable or not and whether or not we think there should be other sugggestions considered as well, something which is within our rights. We are dealing with public funds and we have to be satisfied that the members of the board that is to be set up are perfectly satisfactory from all points of view.

PRINCIPLE OF REASONABLE ACCOMMODATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, one of the most important court challenges in recent months was the Bhinder decision in which the Supreme Court of Canada held that the Canadian Human Rights Act did not cover reasonable accommodation. I would like to ask the Minister for his assurance that he will move to bring in amendments specifically dealing with the important principle of reasonable accommodation without waiting for an over-all review of the Canadian Human Rights Act, because the Canadian Human Rights Commission has insisted that its work is seriously jeopardized by the decision of the Supreme Court of Canada.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not know of any Government in the history of Canada that has ever moved so quickly to deal with matters of equality, including the matter raised by the hon. gentleman. In our response to the equality report which we tabled a few weeks ago, the Government has said that it accepts the concept of reasonable accommodation and is going to see that it goes into law. That will likely be done this year once legislation is introduced following our review of the Human Rights Act, but there is no necessity to bring hastily before the House an amendment on just one item when there are a number of items in the human rights legislation with which we need to deal.

* * *

[*Translation*]

WOMEN

LACK OF CHILD CARE CENTRES—EQUALITY IN LABOUR FORCE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In her report on employment equality, Judge Rosalie Abella stated that the lack of daycare services is a major obstacle to employment equality for women. I would like to know whether the Government is prepared to support this view and acknowledge that the lack of daycare facilities is indeed a major obstacle to the equality of women on the labour market?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has very seriously and directly agreed that if women are to find equality in the workplace, not only in terms of opportunities but also in terms of working conditions, the issue of day care must be addressed. The Hon. Member knows, as she is a member of the task force, that those very points are being made by the task force according to reports I have received. It is for that reason that I look forward to its recommendations. We are looking at how best to do it. There have been other reports, like the Cooke report, about which there have been very serious questions concerning the figures, from some quarters. We are looking at how we can best deliver the service, keeping in mind the jurisdictional question as well, with the moneys available, and I think that that is—

Mr. Speaker: Order.

[*Translation*]

CHILD CARE SERVICES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Well, if the Minister is prepared to provide such services, is he also prepared to admit that daycare services are just as essential as schools and health services?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will not pre-empt the position of the recommendations that will be coming from the task force. The point the Hon. Member has made was made by the Cooke report and, as she will know if she will look at the responsibilities she has taken on as a member of the task force, the Cooke report is one of the things which the task force was supposed to assess and on which it was to give us a recommendation.

* * *

[*Translation*]

FEDERAL PROVINCIAL AFFAIRS

QUEBEC—TRANSFER PAYMENTS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Prime Minister. The Premier of Quebec has just announced that Quebec will be receiving $66 million less in equalization payments for the 1985-86 financial year than had been expected. The federal Government has therefore failed to meet its commitment that it would maintain equalization payments at a minimum of 95 per cent of the amount Quebec received the year before. How does the federal Government

intend to compensate Quebec for this loss of $66 million in equalization payments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last year, the Government of Canada took steps to clean up a problem with the equalization formula which had been pending for a number of years and which affected a number of provinces, including Quebec. Although it was under no legal obligation to do so, last year the Canadian Government took steps to provide relief for a number of provinces, including Manitoba and Quebec, by paying very substantial amounts, again notwithstanding the fact that it was under no legal or contractual obligation to do so. Last year, we acted fairly and honourably towards Quebec, and as far as I know, we have met and respected all our commitments to Quebec.

COMMITMENT TO QUEBEC

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, I have a supplementary. Could the Prime Minister inform the House why the federal Government met its commitment to maintain the 95 per cent for Manitoba and Nova Scotia, while the supplementary equalization payment for Quebec is $66 million less, considering the 95 per cent which had been promised? Why did the federal Government forget its promise to meet this commitment to Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what the Hon. Member is saying is utter nonsense. The fact is that last year, we unilaterally paid over $100 million to Quebec, which amount had been cancelled by the previous Liberal Government. It was our Government that gave more than $100 million to Quebec, Manitoba and Nova Scotia, and so forth. This Government has rebuilt federal-provincial relations on a far more constructive and reasonable basis. We did not owe Quebec any money. We saw a problematic situation and remedied it last year in accordance with the objective criteria we shall continue to observe.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

HEAD OFFICE CONTROL OVER NEWS STORIES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of Communications. Last week in the House I questioned the Parliamentary Secretary on the spending practices of CBC Radio in northern Ontario, something which I thought was newsworthy. I have learned that a CBC regional supervisor in Ontario ordered regional stations not to run the story unless they first contacted the head office in Toronto. Would the Minister please ask the President of the CBC if every story has to be run through the head office, or just those that criticize the CBC.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can confirm the existence of this CBC memo, directive or guideline. I was told about it this morning and I will wait until the President of the CBC comes back from China where he is now and ask for his advice, suggestions or ideas concerning this matter.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN EXPORTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Given the fact that the majority of American Senators on the U.S. Finance Committee have written to the President requesting that he withdraw his request with regard to fast-track negotiations until certain outstanding resolutions have been made with regard to trade with Canada, can the Prime Minister indicate whether or not he has the intention of sacrificing any Canadian interests, such as softwood lumber exports and fish, and would he tell the House whether or not he has been lobbying the American administration in order to prevent these preconditions from being attached to any of these negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is the kind of silly question one is loath to dignify with an answer. However, I would point out to my hon. friend that, to the extent that there may be an impasse generated by some Senators who represent timber-producing states, that may indeed have been brought about because of my reluctance and refusal to deal away the timber interests of Canada prior to engaging in any trade negotiations. I simply will not.

Some Hon. Members: Hear, hear!

• (1440)

CANADIAN GOVERNMENT'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Perhaps a silly question, Mr. Speaker, but a silly Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Just a short question, please.

Mr. Dingwall: Surely the Prime Minister and his Government have been canvassing U.S. Senators and Congressmen in the administration with regard to the preconditions they may be seeking. Will the Prime Minister explain to the House exactly what the preconditions are that are being sought by the American administration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated the position of the Government of Canada is that we shall not accept any such preconditions. I think I have made that very clear. Moreover—

Some Hon. Members: Oh, oh!

Mr. Mulroney: It is so bad on the Liberal side today, Mr. Speaker, that we may have to ask for the return of the Leader of the Opposition.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Why is he always absent when we are discussing important matters?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

FARM CREDIT CORPORATION

MORATORIUM ON FARM FORECLOSURES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. In a news release on February 27 the Minister stated that:

> The moratorium on FCC foreclosures will be lifted only when the commodity based loans and rural transition programs are up and running.

With no programs yet in place, will the Minister state more precisely the conditions under which he will now lift the moratorium? Will it now be after harvest? Is the Minister going to lift it now, or is he waiting for farmers to seed the crops so that the FCC can reap them?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the information contained in the Hon. Member's question, in which he made reference to a statement that I made in February, and which I made as far back as October or perhaps even September of last year, stands today.

PROPOSED COMMODITY BASED MORTGAGE PROGRAM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, is the Minister still telling us, as the Budget said, that before farmers plant this crop they will have available to them a commodity based mortgage program? The people in FCC offices don't know the details. They can't assess whether a farmer is even eligible. They have to know their seeding time—

Mr. Speaker: Order, please. This is long.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not detect in the country or in my day-to-day communications with farm organizations any confusion at all. I indicated the moratorium on farm foreclosures would remain until such time as we have the commodity based loans program in place and running, as well as bankruptcy and insolvency legislation for farmers, and that is exactly where we are today.

Mr. Althouse: If they announce it in June, what happens?

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—CANADA-UNITED STATES NEGOTIATIONS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of the Environment. The Niagara River is the source of drinking water for millions of Canadians and its pollution is everyone's concern. What progress has been made in negotiating a comprehensive clean-up package with the Americans, and how soon can we expect that package?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Government appreciates the Member's ongoing concern for the quality of water in the Niagara River. The clean-up plan requires the co-operation of the Governments of Canada, the United States, New York State and the Province of Ontario.

We have been engaged in long and difficult negotiations since October, 1985. While they have been long and difficult, progress has been made. We hope to be able to report a conclusion agreeable to all parties within the next several weeks.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DATE OF DECISION TO APPLY REGULATION WITH REGARD TO EARLY RETIREES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I wish to direct a question to the Minister of Employment and Immigration.

While the people affected by the unemployment insurance and early retirement regulations are meeting in Trois-Rivières with the Hon. Member for Montreal—Sainte-Marie, can the Minister of Employment and Immigration confirm the date of the decision to apply regulations to applications filed before January 5, 1986?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this question has been raised, as you know, a number of times in the House by different

Members. I will tell the Hon. Member, as I have told others on numerous occasions, that this is a regulation which was introduced at the time of the economic statement in November, 1984. It was given a year's lead time before implementation. It came into effect in January of this year. The whole measure has also been referred to the Forget Commission for consideration, and I am awaiting the results of the commission's review.

[*Translation*]

INQUIRY HOW MINISTER CAN PRETEND TO HAVE INFORMED BENEFICIARIES IN ADVANCE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, how can the Minister claim that the beneficiaries were informed in advance when in her own letter of November 26, 1985 to the Member for Trois-Rivières, she indicated that the Government had not yet made a decision, and that she did not know what regulations would apply to applications filed before January 5?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, Members of the House will know that this issue has been raised time and again. What was taking place was conveyed to Members of the House of Commons. Letters were sent to all major employers across the country by the Unemployment Insurance Commission. People have been notified in company after company. Members have been notified. I will continue to ensure that Members are notified as they ask additional questions.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ACTION OF U.S. SENATORS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to return to the Prime Minister's ambush by the U.S. Senate and ask him to recognize the reality of the situation the Senators have requested, namely, that President Reagan withdraw his request for free trade talks until such time as a position has been worked out. Will the Prime Minister himself personally tell President Reagan that that kind of blackmail from the U.S. Senate is simply unacceptable to the Canadian people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the word ambush suggests some great untoward set of circumstances. I point out to my hon. friend with regard to that, that in an interview on Global Television on August 29 last I said:

> —my concern is that if we shilly-shally unduly that by the time we get there the Americans may say, well lookit we're not interested—

In my statement in the House of Commons on September 26 I said:

> Success is not a sure thing—

At a press conference on October 11 I said that I was far from certain that Canadians can take for granted that the Americans will sign an agreement or will want to.

I have been telling the House and the country this—contrary to the NDP which holds the unusual view that the Americans went down on bended knee just waiting for the innocent Canadians to come down and get their clocks cleaned. Now you find out, because you have been ambushed, that that is not the case all along, that it will be difficult because this kind of a deal will be a good deal for Canada.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question. We could take the Prime Minister back to his words before he was elected, at which point he opposed free trade.

Some Hon. Members: Oh, oh!

Mr. Langdon: Does the Prime Minister now recognize that he has been dead wrong in telling Canadians across the country that he could solve the trade disputes affecting our resource producers, and the thousands of jobs involved, by going for this free trade thrust? He has led us down a blind path.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that decency is a rare commodity when my hon. friend gets cornered as he is, up against the Detroit River.

I can tell you this, Mr. Speaker. Contrary to what the Hon. Member was saying that I didn't just say it to the House, I went to Chicago and on December 4 said:

> There is in Canada as in the United States some skepticism as to whether any such agreement could get by a Congress which seems to be growing more and more protectionist.

• (1450)

Contrary to what my hon. friend is saying, I was cautioning that this is not a sweetheart deal for Canada, that no one is down on bended knees in the United States, but that, properly developed, this kind of freer trade initiative—

Mr. Fulton: They don't even know your name down there, Muldoon.

Mr. Mulroney: —could result in new jobs, new wealth, and new prosperity for Canada. That is what we offered, as opposed to the old status quo—

Mr. Waddell: Play it again, Muldoon.

Mr. Mulroney: — which comes from the "apostles of reaction" approach by the NDP.

Some Hon. Members: Hear, hear!

Oral Questions

AGRICULTURE

MEAT INSPECTION—NEWSPAPER REPORT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Agriculture and is with regard to the third controversy in less than a year involving Canada's meat inspection system. Can the Minister of Agriculture confirm to this House, as reported in the *Kitchener-Waterloo Record*, the existence of a memo through which an official of his Department in southwestern Ontario was asking meat inspectors to sign blank inspection forms and leave them with the management of various plants? Can he further confirm the report that tonnes of unfit pork and chicken were improperly approved for market?

Hon. John Wise (Minister of Agriculture): No, Mr. Speaker, I cannot confirm that at the moment. That information was brought to my attention early this morning. Quite appropriately and properly, under the terms of the Meat Inspection Act, which does not extend ministerial authority to me, I made inquiry of the appropriate senior officials. The Member may take some satisfaction, as I did, from the fact that an investigation had already commenced before I called.

REQUEST FOR COMMITTEE INVESTIGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, first it was tainted tuna, then it was TB buffalo, and now it is contaminated chicken.

Some Hon. Members: Oh, oh!

Mr. Boudria: Can the Minister of Agriculture assure this House that he would co-operate with a parliamentary committee to investigate Canada's meat inspection system and the position which it has been in over the last year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I can certainly confirm that this is not a matter of contamination. I do not know why the Member is so nervous, because I have every confidence in the meat inspection system of the country.

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REGIONAL INDUSTRIAL EXPANSION

NORTHERN NEW BRUNSWICK—REQUEST FOR CONCENTRATED APPROACH

Mr. Albert Girard (Restigouche): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister is aware of my alarming statement, made the other day, that northern New Brunswick is now experiencing an unemployment rate of 25 per cent. I am also aware of the great success the Minister has been having in Cape Breton. Will the Minister now instruct his Department to make the same kind of concentrated effort to help Restigouche overcome its high unemployment?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, it is true that 15,000 more people have been employed in New Brunswick in the past year, an increase of 6.4 per cent. That is the best provincial record in Atlantic Canada but, unfortunately, it has not been equally experienced in every area of New Brunswick, including the Hon. Member's riding.

With this in mind, I particularly directed our departmental officials to look at his area and concentrate on it to ensure that the benefits of the Atlantic Enterprise Program, which will go into effect on May 1, will be felt to the fullest extent in his riding, as will the other programs which we have in place.

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INDUSTRY

ALGOMA STEEL—ANNOUNCEMENT OF LAY-OFFS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister and is with regard to the announcement last evening by Algoma Steel of the lay-off of approximately 1,500 workers. Will the Prime Minister cause an investigation to be held, with public hearings, in order that Algoma Steel can come before a committee and justify the lay-off of 1,500 workers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, Algoma Steel has been in touch with my Department. It has indicated the circumstances which now exist, which, unfortunately, are leading to the lay-offs to which the Hon. Member has referred. I assure the Hon. Member that the matter is in hand as far as the Government of Canada is concerned.

TAX INCENTIVE GRANTED COMPANY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Minister of State for Finance. How does the Minister justify the $200 million federal tax incentive given to Algoma a year ago when, one year later, it is laying off 1,500 workers in a city which is experiencing a 20 per cent unemployment rate?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this involves two areas of considerable attention for us. One is the tax fairness which we brought to the corporation tax system. The other is employment opportunities throughout Canada, and particularly in areas like northern Ontario. We have always worked with companies—

Mr. Rodriguez: That's not an answer to the question.

Mrs. McDougall: —including companies like Algoma, to try to provide them with investment opportunities which create jobs.

* * *

CANADA POST CORPORATION

DISTRIBUTION OF PORNOGRAPHIC MATERIAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. Is he aware that on Equality Day his Government, through Canada Post, is assisting in the spread of pornographic material by delivering mass mailings of unsolicited pornography ads, including orders for films like *The Good, the Bad and the Horny*, *Jail Bait*, and *Poonies*?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we are aware of the situation, of course. We have already begun an examination and we will have comments to make about this later on.

[*English*]

ROLE OF MINISTER OF JUSTICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister responsible says that an examination has begun. I was told by Canada Post this morning that the material is all right because it is not pornography, but only an ad for pornography. What kind of signal does this send out when, on the one hand, the Minister of Justice is talking about stopping the spread of pornographic material and, on the other hand, Canada Post is aiding and abetting the spread of this kind of garbage?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Minister responsible for the Status of Women has already brought this complaint to my attention.

Ms. Copps: Why has nothing been done?

Mr. Crosbie: I do not know how the Hon. Member got on this list as well. We are checking this with Canada Post. In addition, Mr. Speaker, we will be introducing suggested legislation to deal with the problem of pornography in general in the next few weeks.

* * *

ENERGY

EFFECT OF FALLING OIL PRICES ON SMALL COMPANIES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Minister of Energy. Would she agree with me that Canada is experiencing a real crisis in the decline of the Alberta economy due to the collapsing world prices? On behalf of my Party I want to offer the Minister our co-operation if she is prepared to bring forth legislation to help small Canadian oil companies. Is she prepared to consider helping small Canadian oil companies in Alberta in order to do something to help that economy?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already assured the Hon. Member that our consultations in this area are going well. We are looking at all options which will provide some relief to an area of the country which is being badly devastated.

Mr. Waddell: I hope she will treat the matter with some urgency.

FINANCIAL POST ARTICLE

Mr. Ian Waddell (Vancouver—Kingsway): Does the Minister agree with the respected energy writer, David Hatter, who has written the following in this week's *The Financial Post*:

> The "Americanization" of the Canadian oil industry is under way again, with major U.S. firms bidding for the remains of Canadian-owned companies that have been mortally wounded by collapsing world oil prices.

Is the Minister aware of that problem? Is she prepared to protect small Canadian oil companies from being gobbled up by the big American companies?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to remind the Hon. Member and this House that this Government has done more to increase Canadianization of the oil and gas industry than has any other Government.

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[*Translation*]

OFFICIAL LANGUAGES

LINGUISTIC PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to direct a question to the Secretary of State. Speaking on behalf of the Government last October 19, the Secretary of State said something about strong leadership and promised to maintain and reinforce the Government's linguistic programs. Then after an interview on March 10, 1986 the Secretary of State was heard to say: "It will take a lot of time to settle this matter." "We cannot take energetic action because the question is too controversial, too important, too dangerous."

Which of these positions is the Government's position? That of the person responsible for the linguistic policy, or that of a reluctant Conservative Government?

Hon. Benoît Bouchard (Secretary of State of Canada): Between the month of November and the month of March,

Mr. Speaker, with the mandate of the Prime Minister, we made an assessment of official languages policies in three different departments. I am surprised that a Member with such experience, considering his situation, would suggest that a serious matter such as official languages might necessarily be resolved in just a few months.

I think there are very basic considerations in this issue. We are negotiating with ten provinces, each with different concerns with respect to bilingualism, and we must take that into account. The federal system itself is very complex. The co-operation of various interests is such that our propositions on the review of the official languages policy will take into consideration a number of factors which are much too important to run the risk of upsetting everything in two or three months. I think that my colleague . . .

* * *

• (1500)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): I would like to ask the Government House Leader for a statement on the business of the House for the coming week. I would also like to ask the Government House Leader if he is prepared to present an order to the House so petitions gathered before the new rules came into effect in February could be tabled formally with the Clerk and, as a result, formally recorded in the *Votes and Proceedings* of this House.

[*Translation*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this afternoon we will consider the second reading stage of Bill C-45. Tomorrow, we will start consideration of the report stage of Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited. Subsequently, we will continue consideration of Bill C-45. Monday, we will start the third reading of Bill C-62, an Act respecting Employment Equity. Once that has been completed, we will get back to Bil C-45.

Mr. Speaker, I will monitor the situation very closely and make additional announcements if necessary.

[*English*]

With respect to the matter raised by the Hon. House Leader in terms of petitions that do not comply with the new Standing Orders, and ones which had been in the state of preparation prior to the implemention of the new rules, the House Leaders have had a very good discussion with respect to this matter and we have come to an understanding which I think would be agreeable to all Members of the House and will be accepted as an Order of the House. In any event it would be a direction to the Table. That understanding is that a Member can, by tabling his petition with the Clerk, indicate that it falls under the category of being a petition under the former provisions which had been initiated prior to the implementation of the new rules. The Clerk would receive and accept that petition by direct delivery, or with an accompanying letter. The fact of that petition being in the form which was acceptable prior to the implementation of the new rules would be examined in that context and the petition would appear, if acceptable, in the *Votes and Proceedings* for that day. That would be the extent of it. There would be no requirement for a response because of the fact it does not comply with the new Standing Orders. It would not be delivered or presented in the House, but it would be done directly with the Clerk of the House.

Mr. Speaker: Order, please. I do not think the Chair requires that there be a motion to that effect. May I just be clear that the House wishes the Table to have the petitions that were in the correct form before and shall be regarded as though they were in the correct form? We will look at what the Hon. President of the Privy Council (Mr. Hnatyshyn) has said. We may have to come back and ask for a House order. If so, I take it there is a willingness to do so.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a question for the President of the Privy Council. We understand that later on this afternoon, at 4.30, to be precise, the Minister of State for Finance (Mrs. McDougall) will be making a statement in the House under Tabling of Documents. Is it the understanding at that time then that Members of the Opposition would have an equal opportunity to respond to her statement?

Mr. Hnatyshyn: The Hon. Member did anticipate the next point that I was going to raise. This being equality day, we would not want to breach that principle and not allow the Opposition the opportunity of responding to what I know will be an excellent statement. I have a draft order which has been the subject of discussion and I have presented this order to the Opposition Parties. I think you would find a disposition to have this order received with unanimous consent and passed without debate. The order is as follows:

> Notwithstanding any Standing or Special Order of this House at 4.30 o'clock p.m. this day, the House shall revert to "Tabling of Documents" for the purpose of permitting the Hon. the Minister of State (Finance) to lay a document upon the Table and immediately thereafter shall proceed to "Statements by Ministers" for the purpose of receiving a statement by the aforementioned Minister; and provided that Standing Order 19(6) shall be deemed to be in force for the purpose of this order.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to ask the Government House Leader, given that normally the additional time required by Statements is added on to the lunch hour, can he give us his understanding of how this rule will apply? Will the time be added on to the day at six o'clock, and will some of us who have adjournment questions and debate at that time be allowed to have our debate after the time is added to the day's work?

Mr. Hnatyshyn: Mr. Speaker, my proposal is that all the normal proceedings would simply take place at the conclusion of the additional time added on. It will not be a long statement, but we will continue with the adjournment motions immediately following the extended time period today.

Mr. Gray (Windsor West): Mr. Speaker, I was informed by our critic for the Ministry of State for Finance that she understood that she would be getting a copy of the statement to be given, one hour before, so that she could prepare her response. I would like to have the undertaking of the Government House Leader that this would be the case, so that even though there is this House order, which will preclude us from objecting to the statement being given, there will not be any temptation by anyone not to have the statement provided both to our critic and the NDP critic an hour before, as we were given to understand would be the case.

Mr. Speaker: Order, please. Can we procedurally deal with the question? Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent necessary to introduce the motion?

Mr. Hnatyshyn: The House Leader for the Official Opposition is asking a legitimate question. I want to respond, but my understanding is that if the documents in question are not now in the possession of the critic for both Parties, and I have an indication from the Hon. Member for Kamloops-Shuswap (Mr. Riis) that is the case, then I will give my undertaking that that would be the case and there would be sufficient time, in any event, to allow at least an hour for preparation.

Mr. Riis: I was attempting to simply answer the question that was raised by the Hon. House Leader for the Official Opposition (Mr. Gray). I have just been in receipt, as the finance critic for the NDP, of a note to the effect that the Minister of State for Finance (Mrs. McDougall) will be issuing a copy of the statement to the critics immediately so as to enable us to respond at 4.30.

Mr. Speaker: Does the President of the Privy Council have the unanimous consent necessary for the introduction of his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Monday, November 4, 1985, consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a Legislative Committee, and the amendment (Ms. Copps) (p. 833)

Mr. Speaker: Resuming debate with six minutes remaining.

Mr. Mike Cassidy (Ottawa Centre): When I was so rudely interrupted it was November 4, 1985, and it has therefore been some 164 days since this Bill was last debated.

I want to just remind you, Mr. Speaker, and my colleagues as well, that at the time the Bill was initially debated in the House on November 1, 1985, the Government House Leader stated the ultimate effect of Bill C-45 would be to speed up the efforts of the employees concerned to form a union, by eliminating disputes before the courts. He indicated, in other words, that we would be saving time by this particular measure.

Prior to your leaving the chair perhaps I can just catch your attention for a minute. The fact that the Government has not been negotiating in good faith with the Canada Labour Code certification of these employees means that the House of Commons has essentially been taking the side of the Government in a partisan affair and has not been acting in a non-partisan manner. I am sorry to say that to my friend, the Speaker. I want to say to you, sir, now that you have replaced the Speaker, that I am very disturbed about this. The House of Commons should not be putting itself in this position. There happens to be a dispute between the parties and delay by the Government, because apparently it does not want Canada Labour Code coverage of House of Commons' employees. That is a partisan position. Since the Canada Labour Board recognized our employees some six or seven months ago, it is wrong for there not to have been meaningful negotiations. The mediator has made an attempt to get things going but nothing has happened. The employees continue to be frustrated.

• (1510)

I would remind my colleagues in the House that this is not something which has just begun. House of Commons employees, for good and proper reasons, have been trying to get collective bargaining rights for 20 years. The application before the Canada Labour Board was November, 1983, some two and a half years ago. We do not know what is going to happen now. The argument that the Canada Labour Board should delay because the Government was treating the matter as one of urgency is patently untrue. If the Government

wanted to treat this as a matter of urgency it would have brought Bill C-45 back on November 6 or November 10, certainly well before Christmas. It would have gone to committee, come back for third reading and been disposed of. Whether or not Members of my party agreed with Bill C-45 as it was then, at least there would be a measure in being.

In fact, there is a measure in being. Just like employees of the Privy Council, the Governor General and a number of other federal government agencies, House of Commons employees are a recognized bargaining unit. They are certified as a union under the Canada Labour Code. Therefore this House, which should be acting as a model for labour relations, is working in exactly the contrary direction.

The motion before us right now requests a delay in passage of this Bill for a period of time. It was proposed by the Hon. Member for Hamilton East (Ms. Copps), and I continue to support it in the hope that at last the House of Commons will enter into some serious negotiations with its employees. I do not understand what is going on. I certainly cannot support, as I could not last November or last May when the Bill was originally proposed, a measure which falls far short of granting reasonable rights of unionization to an important group of employees who help keep the Parliament of Canada in operation.

I am sure you are aware, Mr. Speaker, as a Member of long standing in this House, that the concerns of those workers include such matters as classification of job categories and grievances. Under the Canada Labour Code they would have input and be able to negotiate regarding those issues. Under this Bill they will not. Therefore, those issues which have provoked employees to sign union cards and keep at it for such a long time are not being resolved with this Bill. They fear, with reason, that this Bill will prove to be even less effective than the Public Service Staff Relations Act. There is no staff relations board to which they can appeal on matters in dispute with their employer. This Bill could also be interpreted as a thinly disguised attempt at union bashing. The certification process these employees have gone through already before the Canada Labour board will have to be repeated for the third, fourth or fifth time. They will be asked to sign union cards again. They are not guaranteed that the staff relations board will recognize the same bargaining units recognized by the Canada Labour Board. There are further opportunities for delay given to the employer if it decides to act as it has been acting.

As one Member of Parliament to whom, theoretically, the Speaker is responsible, I would have thought that we would not be playing these games. This is not some sweatshop textile plant in Montreal or Toronto. This is not some Third World country, for God's sake. This is the Parliament of Canada, a country which, in its labour relations statutes, acknowledges the right of working people to form unions and bargain collectively. That is a right for which working people have fought in every country. It is traditionally one of the first rights to be taken away when dictators take away the rights of working people and attack democracy. Is the House of Commons to be an accomplice in undermining the democratic rights of the 1,200 workers who have won certification? That would appear to be the case. I am sorry to direct this to you, Mr. Speaker, as well as to the Government. However, Bill C-45 is a denial of democratic rights and I regret very much that the 210 Conservative Members of this House are in some surreptitious way influencing the House of Commons to act in a manner—

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Mr. Lewis: I don't.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Rodriguez: Mr. Speaker, before I put a question to my colleague I want to preface it with a few remarks about something that took place about two years ago, just after the 1984 election. It was revealed in archives tapes that there were reports by a previous Speaker of sexual harassment of staff on this Hill. Women had to lay their bodies down to get and keep jobs here. Everyone went: "Tut tut". They said this is terrible, this is awful. It seems to me that any kind of collective bargaining process must include MP's staff and Your Honour's staff. I want to ask my colleague why he thinks the staff of Members of the House of Commons are not included in this Bill.

Mr. Cassidy: Mr. Speaker, I cannot answer that question. I suppose maybe somewhere in the dark recesses of the minds of certain members of Cabinet we could find an explanation for the exclusion of 1,200 people who work for Members of different Parties. As my hon. friend knows, we have in our caucus a staff association. It seeks to act like a union but it is extremely difficult because it does not and cannot get certification. The extension of bargaining rights to Members' employees does not automatically mean there is going to be a strike in every Conservative corridor. It is up to the employees whether or not they want to exercise their rights, as it is in the private sector. However, having access to those rights, even if you do not use them, is a powerful incentive for employers to treat their employees decently. They know that if they go too far they will provoke the employees into exercising their rights.

In response to the other point about sexual harassment, the number of specific incidents alleged by the union—and perhaps all of them are not true, but I believe they are—of favouritism, nepotism and what amounts to internal patronage in the House of Commons is shocking. There are, again and again, instances of employees working side by side, doing the same job, with salary differences amounting to thousands of dollars. Competitions are not held for certain positions. Those positions are filled on a temporary basis. After a few months, when the temporary person has acquired some experience, a competition is held, and you can guess who gets the job—the person who was brought in from outside rather than employees

who have been waiting their turn to get a promotion for a number of years.

• (1520)

These irregularities must end, but I am afraid that Bill C-45 does not provide the assurance that those irregularities will end. If my hon. friend has other questions I will be happy to answer them.

Ms. Mitchell: Mr. Speaker, a kind of patriarchal tradition, as far as a woman working on the Hill, has been extremely apparent over the years, and I would like to ask my hon. colleague what steps can be taken to deal with this issue? The Hon. Member has mentioned some examples of this. It is very obvious that until we had a woman Speaker there were very traditional ghettos for men and women, which still exist to some degree and, certainly, the lower paid jobs, as in society, are the jobs which are usually held by women.

Some of us worked very hard to get a child care centre started on the Hill, yet it has still not adapted to the needs of workers, most of them women who are in the lower salary range. Would the Hon. Member tell us how collective bargaining rights might help in promoting greater equality on the Hill?

Mr. Cassidy: Mr. Speaker, the problem when questions relating to trade unions and so on come up is that we seem to have to constantly reinvent the wheel in persuading people in Government, who should know better, about what the basic rights of collective bargaining are, and why they should be there. The answer to my hon. friend from Vancouver East is simply that if there is a union and bargaining rights, then workers can unite to bring pressure upon the employer or, in certain cases, through grievance or other action, take quasi-legal action, in order to defend their rights. But the employee acting on his or her own is defenceless, or almost so, against arbitrary acts by the supervisor or manager for whom he or she may happen to work. That is why people finally become so frustrated that they decide they want a union.

Employers wonder why they all cannot get along together. It is because they do not understand the kinds of frustration which can build up in a situation where, no matter how chummy things are, when it comes down to the crunch the employer or manager keeps the job and it is the employee who must leave.

I can give an example of sexual harrassment which was given to me by the union. In a support service in the House of Commons a female employee is the object of sexual harrassment. Her manager touches her, leans up behind her and rubs against her. When she protests, she is assigned to a heavier work-load, later given a poor performance rating and finally transferred to another position. If that occurs and there is an effective union, at least that woman has means of fighting back against that kind of mistreatment by her supervisor. That is why we want effective collective bargaining rights for the workforce in the House of Commons. That is why we want the labour board certification proceeded with. We certainly do not want a toothless Bill such as represented by Bill C-45.

Mr. Heap: Mr. Speaker, I would like to ask my colleague what his understanding is of the suggested reason for refusing the right to strike to all of these employees. The suggested reason is, of course, that the Government of Canada cannot be allowed to be caused to cease governing, that it must continuing governing no matter what. Therefore, there cannot be undertaken any risk that it might be stopped by a strike. I would like my colleague to comment on that reasoning.

Mr. Rodriguez: That is assuming that Parliament is an essential service.

Mr. Cassidy: My friend, the Hon. Member for Nickel Belt, says that is assuming that Parliament is an essential service. The workings of Parliament are extremely important, if not essential. I believe people would accept that. But is it essential that parliamentarians be fed in the cafeterias on Parliament Hill? Should there be provocation to the point that a strike occurs in that particular service, or in the messenger service or on the little green buses, would Parliament still continue? Of course, it would. Therefore, I think it is arguable that large areas of the work done for parliamentarians is not essential, even though the work of Parliament itself is essential.

Although it is likely that I would have a different view from others as to what is essential and what is not, this is a matter which could be discussed in a reasonable way. In the same way as there are certain powers who designate certain federal employees as essential under the Public Service Staff Relations Act, this is a matter which could be discussed and the Government could come forward with an effective, comprehensive and generous Bill which would have the effect of giving the employees of the House of Commons the same rights as they would have under the Canada Labour Code, and still recognize the possible need for certain variations because of the rather peculiar characteristic of their particular employer.

The other answer I would give to my hon. friend is, who better as an employer is in a position, should it in fact come to the crunch where the essential work of Parliament is affected, to do something about it than the Parliament of Canada? We, of course, have the power to legislate were it to be ultimately required. I would hope that that would never be needed. But it is ludicrous to say that Parliament cannot somehow function if some of its employees have a potential right to strike under the Canada Labour Code.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a few comments regarding this Bill, and this will be the second time because I did so previously on November 1, 1985.

My colleague from Hamilton-East (Ms. Copps) has proposed that the Bill be read in a month's time and not be adopted today. I think we should ask ourselves why the motion was presented by my hon. colleague. Bill C-45 was an interesting concept, in that it proposed to deal with a fundamental problem, that of unilateral negotiations between an employer and his employees, and subsequently provide for a lateral system with a collective bargaining process as defined in the legislation.

Mr. Speaker, I am rather surprised to see the Government is not proceeding with greater celerity in this respect, because the Bill was tabled last April, we had the Bill in the House for second reading last November, and the President of the Privy Council (Mr. Hnatyshyn) said that it was one of their priorities. Since then, not a word about the Bill until the middle of April. This reminds me of the Secretary of State (Mr. Bouchard) and what he told me in the House today in referring to language programs: We must not go too fast. The Government's policy is rather problematic, and to quote the Secretary of State, this is a matter—he was talking about official languages, but we could say the same thing about unionizing—that cannot be settled quickly. We cannot proceed at a brisk pace because the question is too contentious, too important and in the final instance too perilous. Those were the words used by the Secretary of State.

Mr. Speaker, the motion before the House asks the Government to delay the passage of Bill C-45 for a month because the situation has changed.

[*English*]

Bill C-45 which provides employees of the House of Commons and the Senate with a framework of representation is a Bill which must be looked at in a new light and perspective. In its present form, the legislation has been rejected by the Public Service Alliance of Canada, as well by the National Association of Broadcasting Employees and Technicians. Their concern centres on the fact that the Bill enshrines in law an employer-employee relationship which does not meet with the employees' approval. With the new developments, which I will explain later, Bill C-45 must be the object of further consideration by the Government before it will be acceptable to its own employees.

• (1530)

I for one would go along with the process of further consultation. I would like to see the Government sit down with its employees in order to figure out a plan of action which would be acceptable to the Government and to the employees of Parliament. When I say "of Parliament" I mean the Senate, the House of Commons, and the Library of Parliament. I consider the workers on the Hill essential. Whether my friend, the Hon. Member for Ottawa Centre (Mr. Cassidy), does or does not, I do. I know for a fact that if the bus drivers, the security people, or for that matter any employee of the House of Commons goes on strike, my friend from Ottawa Centre will be the last one to cross a picket line. I know him to be very respectful of picket lines. We have to make up our minds in respect of this matter. We cannot have it both ways. One has to stand up and say: "Yes, we believe their services are essential because they serve Parliament and Parliament is a servant of the Canadian public". It is an essential service and it should be defined as such.

I have been waiting for the Clerk to bring me a definition of the word "essential" as defined in the Public Service Staff Relations Act. I would like to use that definition in my participation here, and I do not have it with me. I see that a gentleman is bringing the book to me.

Mr. Epp (Provencher): An essential service.

Mr. Gauthier: Yes, it is. Here is an example *in vivo*, as we say. It is an essential service to the Members of this House. Here is a gentleman who went, with the help of one of the Clerks, to obtain a book for me. In this book we will find the definition of "essential services".

The President of the Treasury Board (Mr. de Cotret) has stated to employee representatives that the Government is willing to give parliamentary employees the same rights as those enjoyed by public servants. However, the legislation presented in the House does not live up to that billing. It does not live up to my expectations of what should be forthcoming from the Treasury Board as the employer of public servants.

I say that it does not live up to my expectations because I went through this process before in 1976-77. At that time the House of Commons, in concert with the other place, formed a joint committee to look at possible amendments to the Public Service Staff Relations Act. We did this because there are in the Act matters which I find to be in great need of change. In my view, they should be modernized, if not updated, to take the wellbeing of our public servants into consideration, as well as to try to modernize the whole process of negotiation. There are matters such as classification standards to be considered. During the election campaign the governing Party promised that it would make classification standards negotiable. That Party has been in office for two years now and it has not even put forward a suggestion on the subject. I admit it is a complex issue. I also admit that it is a very technical one since classification standards determine where one sits in the organization, what kind of job one has waiting for one.

Mr. Epp (Provencher): Rug-ranking.

Mr. Gauthier: I believe that is an image which one can use to decide where one sits *dans l'organigramme de l'organisation.*

I find it interesting that a challenge such as amending the Public Service Staff Relations Act has not been forthcoming and that the Government still hesitates. It hesitates on this matter as it does on many other matters. It hesitates to come forward with some reasonable and meaningful modifications to

its own Public Service Staff Relations Act. Yet the Government would like us to buy Bill C-45 when, indeed, we know that the employees are not happy with the process.

Why are they not happy? I will explain why. Bill C-45 does not allow the employees of the House the right to strike. It is a right which they would enjoy under the Canada Labour Code. Recent Canada Labour Relations Board rulings have indicated that Hill employees are governed by the Canada Labour Code and that they can be represented by certified bargaining units. This is the reason employees on the Hill want to be covered under the Canada Labour Code. They think that the deal they will get through that arrangement is better than the deal they will get through the Public Service Staff Relations Act. If that is the position they hold, then one must say: "Fine. Let us sit down and find common ground".

The unions on the Hill have said that they will forgo their right to strike because they understand what are essential services. God knows they are devoted and that they have been good to us. However, they want the assurance, as do all public servants, that binding arbitration procedures will be changed and not maintained as they exist in their present form. That is the key to the whole issue. The employees have said: "We will not strike, but you must give us a deal. We will forfeit our right to strike in exchange for an agreement on arbitration procedures and matters which are not covered in the present legislation". I would add that they are not covered in the Public Service Staff Relations Act either.

NABET and PSAC object, in particular, to Clauses 5(3) and 55(2). Clause 5(3) states:

> Nothing in this Part shall be construed so as to affect the right or authority of an employer to determine the organization of the employer and to assign duties and classify positions of employment.

I will now read into the record Clause 55(2) since it is important. It states:

> No arbitral award shall deal with the standards, procedures or processes governing the appointment, appraisal, promotion, demotion, transfer, lay-off or release of employees, or with any term or condition of employment of employees that was not a subject of negotiation between the parties during the period before arbitration was requested in respect thereof.

In the name of all of us here in Parliament how can the Government proceed with a Bill that does not make classification standards a negotiable matter? Why do we not place that on the table? That is what the Government promised during the election campaign. It is something with which I am in accord. I do not think that members of the New Democratic Party would object to it. Why not give some of these matters serious thought?

I recall that the Treasury Board, in negotiating several contracts this year, tried to give its employees a reasonable approach in regard to lay-off. We are now into an era of compression of the human resources of the Government of Canada. Therefore, the Government must be very sensitive and try to answer those justifiable and deeply felt feelings of people who may be threatened in their jobs and in their careers. They want to be able to negotiate some form of job security. They want to be able to negotiate job classification because job classification means pay. That is the essential truth. Bill C-45 will not do the two most important things the Government promised to do, and that is, to offer a multilateral process of negotiation and to give the employees a better deal than they have had up until now by including certain things in law such as classification, layoff, promotion, demotion, transfer, release and other standards which affect the wellbeing of employees.

• (1540)

When the average person in my riding thinks of the House of Commons and its essential role, he or she does not understand why Parliament has taken so long to come to grips with the issue of employer-employee relations. Indeed, for some 20 years we have had a rather good employer-employee relations law for the Public Service, yet we fail as parliamentarians to look after the close to 3,000 employees of this place who are justifiably requesting that they be included in some form of employer-employee relations agreement.

I heard the Conservative Member for Nepean—Carleton (Mr. Tupper) on the radio the other day, and I will paraphrase what he said. He said that Bill C-45 is landmark labour legislation which provides Hill workers with important rights including health and safety rights. That is a mistake if anything because, as workers covered by the Canada Labour Code, Hill employees already enjoy the health and safety rights and privileges which came into force under Bill C-24. To say that Bill C-45 is landmark labour legislation is, I think, to misinform Canadians and the Ottawa community. As a matter of fact, Hill employees are covered by Bill C-24 and we know that because we debated it.

The workers on the Hill have asked for a six-month delay. They have asked for meaningful negotiations. I believe they are in possession of a decision on the Canada Labour Code which makes them confident that they will now be able to come forward with an meaningful employer-employee relations formula.

I hope the House will understand that, in the interests of our own employees, we could vote for the motion of the Hon. Member for Hamilton East (Ms. Copps) and support a one-month hoist in order to have the Government understand that it must get on with the negotiations with employees and come forward with a compromise solution if needed, and that it must do it soon and do it in the interests of Canadians and the employees on the Hill.

The Acting Speaker (Mr. Paproski): Are questions or comments? If there are no questions or comments, is the House ready for the question?

Mr. Orlikow: No.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to speak against this Bill, which I consider to be a real disgrace to Members of Parliament and certainly to the Government. It does not deal with the real and urgent need

for true collective bargaining rights for employees of Parliament, including employees of Members of Parliament. At this time, we are speaking to a motion that would delay this Bill, because we feel that this Bill should be delayed—in fact it should be withdrawn—because it restricts and does not enhance the collective bargaining rights of parliamentary employees.

I wish I had had a chance to say this a few moments ago when the hon. gentleman named Stanley Knowles was sitting at the Table because it is this gentleman who still sits as a conscience for many of us here in the House. Nineteen years ago, Stanley Knowles spoke of the obligation of Parliament to protect the rights of parliamentary employees. He advocated collective bargaining rights for all employees.

According to a recent report done by Mr. Jeff Parr who has studied this matter at some length, he has said the following:

> It is evident that while much is made of parliamentary privilege as an impediment to collective bargaining rights on Parliament Hill, it is evident that Parliament can most certainly, on its own authority, grant those rights to its employees.
>
> This Bill does not grant rights; indeed it restricts them.

Mr. Parr's report is entitled *Preserving the Employee's Prerogative*, and he also said the following:

> Tradition has served admirably in preserving the prerogative of employees on Parliament Hill; sheltering them from the interference of the Public Service Commission and the application of merit to staffing decisions, and from the interference of trade unions in managing the parliamentary workforce. But it has been much less successful in protecting employees of Parliament Hill from abuse by their employers.

Some of those employers sit right here in Parliament.

I would like to relate to the House my own personal feelings about this matter. I came to this House as an elected Member in 1979. At that time, and there has not been a great deal of change since, it was very apparent to me how unprotected workers were. I was concerned particularly about the working conditions of workers on the Hill. A number of employees of the Parliamentary Restaurant and others have spoken to me about their concerns, but they are afraid to talk openly because they feel very insecure. They are afraid of making complaints because they do not have any protection. There are no grievance procedures. We all know that there have been incidents of sexual harassment documented by unions, and it is an absolute disgrace that workers on Parliament Hill and in Members' offices are not protected from such offensive practices, not to mention favouritism in general.

I was struck, and I imagine most female Members of the House were struck, by the patriarchal atmosphere of Parliament Hill which still exists. The tradition of patronage in hiring is very offensive, and I am particularly offended when I hear Members of Parliament referring to their staff members as "the girls", as in: "I must have the girls do this". The kind of lack of respect that appears so often in this patriarchal atmosphere would not be tolerated if staff members had a union. It is undemocratic and it is offensive.

Until recently, women and men were locked in traditional job ghettos on the Hill. Women were the waitresses and men were the supervisors and members of the security staff with a higher rate of pay. I congratulate the former Speaker of the House, who is now the Governor General, for the kinds of changes she made. I am referring to changes which moved employees on the Hill one step toward greater equality and equal opportunities. I was also proud to be a part of her project in promoting the first day care facility on the Hill, although I am very concerned that it is not affordable care for many of the lower paid employees, most of whom are women. As well, I wish our staff were much better paid.

• (1550)

This demonstrates that there has been some change, but the slowness of the change has been quite appalling. Also it demonstrates the need for collective bargaining rights for employees who work for Parliament and for Members of Parliament. They should not have to wait for those of us who happen to be their employers to sort of pat them on the head and say: "Now, dear, you will get a little extra bonus or privilege of some kind this year". It should be a right. They should have a proper grievance procedure and all the conditions which go along with collective bargaining rights.

I should like to give two or three examples of the experiences documented by Hill employees. There is quite a long list, but I will mention the ones which pertain particularly to female employees. They are some of the types of problems which reinforce the need for collective bargaining rights as a means to resolve workplace issues. The first example is that of employees of the Library of Parliament who were denied maternity benefits for a full year after such benefits were finally extended to employees of the House of Commons. The administration of the Library states than an administrative error was made. This would not have been allowed to happen if those people had been in a union. Another is the Employee Assistance Program of the House of Commons which was established to give employees a safety-valve or a means of having personal problems dealt with in confidence by a qualified counsellor. Perhaps it was not a bad idea, but earlier this year the EAP counsellor was fired, the position abolished and the program responsibility turned over to the nurses. An appeal to the Speaker asking for the position to be re-established was denied. Two petitions signed by 1,500 Hill employees were ignored. This kind of attitude and denial of sensible employee rights would not take place if employees on the Hill had collective bargaining rights and a union of their choice.

I should like to refer to another example in the support services. A female employee is the object of sexual harassment. Her manager touches her, leans up behind her and rubs against her. When she protests she is assigned a heavier workload. She is later given a poor performance evaluation and finally transferred to another position. I am sure most employees who experience sexual harassment would be afraid to complain about it under the present situation. It should not

be tolerated either by workers or by all of us on the Hill. The only way to deal with it in a professional and effective way is to have a union agreement and a proper grievance procedure.

I should like to refer to another example. In the cafeteria services an employee cuts his hand on the job. He is told to visit the nurse. The nurse tells him that it is not safe to work and that he should go home. The manager informs the employee that he should go back to work or face discipline. What kind of work situation is that? This is the kind of condition which should not be left to chance or whim. All of us, as well-meaning employers, are working under pressure and perhaps our own needs come before those of the employees.

Let us return to Bill C-45 which is before us. There are many problems with it, and that is why we do not support it. We support negotiated collective bargaining rights for employees. Government Members may not realize how ineffective Bill C-45 is. Many important concerns are not open for negotiation. They are not on the table at all. I should like to refer to some examples of this. Bill C-45 prevents any real negotiation of the classification of positions and assignment of duties.

Turning to the question of staffing, job appointments, appraisals, promotions, demotions, transfers and lay-offs are not negotiable, nor are grievance procedures. Limits are set on what grievances can go to third party arbitration. Union grievances are not allowed. What kind of collective bargaining are we talking about if union grievances are not allowed?

The staff of Members of Parliament are excluded from the right to collective bargaining, a great omission. Also the right to strike is prohibited. I heard my colleague speak about essential services. In any collective bargaining negotiation there is a definition of essential services as a part of the negotiations between employers and employees. It would be worked out as part of the collective bargaining procedure if it were a sound procedure, and the Bill does not offer it. Certification procedures require that all the union cards which have been signed on Parliament Hill be re-signed. This eliminates the kinds of negotiations and certifications under the Canada Labour Code which have already gone forward. We are very disappointed that they have not been implemented.

I should like to elaborate quickly and for the record on some of the negative points in the Bill. First, classification under the Bill would prevent any negotiation on problems related to job descriptions, assignment of pay level and evaluation of duties. The present situation as far as classifications are concerned has evolved over the years, taking into account special characteristics peculiar to the environment of Parliament Hill. I understand that it is the source of a great deal of employee dissatisfaction. As an employer I like to have a collective job classification system in my office, and the criteria set down by the House make it very difficult to have everyone at an equal level of pay. Many employees do not have job descriptions at all. Those employees who have them discover that they are out of date and frequently and arbitrarily changed in an environment which has seen extensive reorganization and technological change introduced. The result is that employees on the whole are frustrated and insecure, and there is a low level of morale.

Improper classification can also result in significant financial losses for employees. The lack of proper job descriptions hampers efficient operation of the workplace. Under the Canada Labour Code, classification can be negotiated and has been successfully negotiated in many workplaces. We should have the same situation on the Hill. There should be at least a minimum requirement for acceptable legislation, and it is not covered effectively by Bill C-45.

Staffing issues such as job appointments, job appraisals, promotions, demotions, transfers, et cetera, are central to the drive by parliamentary employees to gain bargaining rights. We know that Parliament Hill has a history of staffing decisions which are coloured by political influence, favouritism, nepotism and even administrative incompetence. Parliamentary employees want to have a say in establishing a fair and equitable staffing system based upon merit, length of experience and service. If certified under the Canada Labour Code, employees would have the right to negotiate both staffing and classification. As it stands Bill C-45 is inferior to the Canada Labour Code and to the Public Service Staff Relations Act.

The whole question of grievances is a very important right of employees, especially in this kind of situation and in view of our traditions on Parliament Hill. Bill C-45 does not allow workplace problems to be addressed by union grievances, grievances filed by a group of workers. For example, there are health and safety problems in the print-shop and cafeterias. I remember several years ago hearing complaints about this. Here it is coming up again, particularly about air quality and other environmental problems in the Wellington Building. These cannot be subject to a union grievance. What are workers supposed to do, Mr. Speaker? They have been putting up with bad air for years. Technological change also brings in very negative kinds of habits that are environmental situations, and these cannot be contested by filing a union grievance under this Bill. What use is the Bill if that is the case?

• (1600)

If an item cannot be brought to third party adjudication, the employer is under no requirements to take it seriously. It remains an in-house issue. For example, a poor performance appraisal, demotion or transfer cannot go to adjudication. A grievance cannot go to adjudication. Again, it shows the weakness of this Bill.

What about the right to strike? I know this is a very controversial issue in the minds of some Members of Parliament. Anyone who has studied the tradition of the labour movement, unions and collective bargaining and the results that have come about in improved working conditions,

improved rates of pay for workers, knows that you must have the right to strike in any collective bargaining arrangement.

I know that parliamentary employees do not want to go on strike, few workers ever do. This is only a final resort used by workers when all else fails. Nevertheless, it is a fundamental union right that workers must be able to negotiate on an equitable basis with an employer by having the right to withdraw their services. Within this are certain essential services that are defined and agreed to by both employees and employers. Without the right to strike, the impetus for failing negotiated settlements is lost. If there were terrible working conditions that could not be negotiated by any other means, I would be proud of my employees if they went out on strike.

This brings me to the crossing of picket lines. I, for one, would not cross a picket line. In other unionized legislatures, such as Queen's Park, Quebec City, Westminster and Australia, the right to strike has not interfered with the workings of Parliament. I was interested to learn that those Parliaments have a collective bargaining right to strike.

Another concern about this Bill has to do with other staff. As we said earlier, this section of the Bill excludes the 1,200 employees of Members of Parliament, Leaders' staff and research staff from collective bargaining provisions. I cannot understand at all why this is necessary. I think most of us are very concerned about the inequities from one office to another that affect staffs of Members of Parliament. There are different working hours and hiring conditions. There are different rates of pay for the same jobs and so on. Low pay, unpaid overtime, lack of job security, arbitrary management and lack of any procedure of redress are missing when we exclude certain employees from this Bill and from collective bargaining. All workers on the Hill should have the same right to collective bargaining. They should choose to exercise it as other Canadian workers have these rights. It is argued that Bill C-45 will cover Members' staffs by certain parts of the Canada Labour Code. However, this coverage provides only very minimum standards. We have concerns about that.

I think you are aware, Mr. Speaker, that we in the New Democratic caucus have had a collective agreement with our own staffs since 1977. This agreement has been negotiated three times since then. Our contract sets standards for working conditions for employees who are hired by our caucus. However, we cannot negotiate wages with our staffs because employers, Members of Parliament, do not have control over their budgets. The House of Commons has control. Although we support this organization and negotiate officially and sign agreements with our organization which is called PASS, it is not the answer. It does provide grievance procedures which include appeals of difficult problems for third party arbitration. It also provides agreed procedures for staffing of vacant positions, technological change, respect for overtime hours and standards for vacations, education and travel. These are very important questions. Again, I do not want to say that we cannot have a real collective bargaining agreement with our staff until this is recognized under law and under the Canada Labour Code.

Bill C-45 will not help us in that regard. In fact, it will be a regressive step for our staff because our staff would not be included under this Bill. There are many other things I would like to raise, Mr. Speaker, but my time is up and I know my colleagues will be presenting other arguments.

Mr. Lewis: Mr. Speaker, I won't take up much of the time of the House because I know all Parties want this Bill to proceed. Since there was a draft Bill prepared with all Party support, including one or perhaps two members of the New Democratic Party, by the Standing Committee on Management and Members Services in April, 1984, and since this Bill goes well beyond what was proposed in that Bill, why is the Hon. Member against this Bill? Has she had an opportunity to discuss her concerns with the member or members of her Party who sat on that committee?

Ms. Mitchell: It is my understanding, Mr. Speaker, that members of our caucus never agreed that the Bill was satisfactory. I think I have already elaborated on the reasons. There are many more. The Bill is weak in many regards and there is no way our caucus would agree to it. I do not know the exact history to which the Hon. Member referred. Perhaps we can get one of our members to elaborate but I know we are unanimous in opposing this Bill.

Mr. Lewis: Mr. Speaker, rather than precipitate any further disagreement in the New Democratic Party I will not pursue that line of questioning any further.

Mr. Gauthier: Mr. Speaker, since the Member did refer to essential services as defined in law, and since I had also referred to them, I have been looking at the Public Service Staff Relations Act and Bill C-45 to try to find an interpretation of what an essential service was. I must admit to the House that I could not find it. It is possibly what we do here.

I did find in Section 79 of the Public Service Staff Relations Act a designated employee as one:

—whose duties consist in the whole or in part of duties the performance of which at any particular time after any specified period of time is or will be necessary in the interest or safety or security of the public.

It may be that I have been forgetful or have not read the proper amended article, but I do recall a discussion in committee where we added security of certain federal institutions. I think it was related through certain experiments done in laboratories and in certain other instances where one would require the people who look after these labs or essential services to be designated.

I want to ask the Hon. Member for Vancouver East (Ms. Mitchell) a question because it is important for me to understand where the Member stands. If indeed she understands designated employees as those who are in essential services, and if an essential service is defined as one which requires the maintenance, safety and security of the operations and of the public, how would she feel if certain employees of the House

went on strike? I am thinking of the security guards, for example, or for that matter anybody related to the maintenance of this place. Would the Member cross a picket line if the front of this building were picketed? I would like to know what she would do in that instance.

• (1610)

Ms. Mitchell: Mr. Speaker, I am very pleased to answer that question. I certainly would not cross a picket line. It is very important to recognize the rights of workers. With regard to strikes, it seems to me that in the past Members of Parliament have shown the right to strike. I am thinking of a number of occasions when this House has been closed down. I do not know that Canada suffered too much during those incidents.

In any collective bargaining agreement, part of the negotiations are to clarify essential services. Having participated in Public Service negotiations, and sometimes strikes, in Vancouver when I was working with the Public Welfare Department there, I know that it is quite possible to keep essential services operating. Unions are very understanding of what these essential services are and make arrangements for the workers to continue providing those services.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official Languages—Assistance for official language minority groups—Government position. b) Inquiry when Government will act; the Hon. Member for Drummond (Mr. Guilbault)—Research and Development—Textiles—Government position; the Hon. Member for Scarborough West (Mr. Stackhouse)—Energy—Suggested discounts for motorists paying cash for gasoline.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read the second time and referred to a legislative committee and the amendment (Ms. Copps) (p. 8331).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am happy to participate in this debate because I have watched, from a very close range, the recent successful efforts to organize by employees who work on Parliament Hill. When many of the employees decided it was time for them to try to get the law changed so that they would have the same right of collective bargaining as have all the other people who work in the country, my then research assistant volunteered to help them in their organizing efforts. He spent about two years working four or five evenings a week on the campaign. He then took a leave of absence without pay to work full time in the organizing effort. He worked out of my office, and I was very happy to permit and encourage him to do that because I believe, of course, that every worker in Canada should be entitled, by law, to belong to the union of their choice.

When people who work on the Hill heard that an effort was being made to form the union and to have the law changed to give them the right to collective bargaining, they joined in overwhelming numbers. Employees in the restaurant and cafeterias, the messenger and distributing services, maintenance employees, employees in the Library, in French and English indexing and in the printing service, and the security people and committee clerks all joined.

Bill C-45 was tabled in the House on April 30, 1985, just a few weeks after the Canada Labour Relations Board had completed hearings on the majority of the certification applications received from the House of Commons, Senate, and Library of Parliament employees. We believe that this Bill is aimed at restricting the collective bargaining rights of these employees, the rights which they would have had under he provisions of the Canada Labour Relations Code.

Let us look at the provisions of this Bill. Employees of Members of Parliament and the Leaders of the Parties, and research staffs of the Parties are excluded from some clauses of the Bill. These employees suffer from the same problems as other employees working on Parliament Hill. They have the same problems with arbitrary management, low pay, unpaid overtime, and a lack of job security. Another clause prevents any negotiation on classification issues. There would be no negotiations, under the provisions of this Bill, for questions of job description, assignment of pay levels, or change in duties. The present system of classification would be left unchanged. This system is totally unacceptable and is the cause of much employee dissatisfaction.

Under another clause no arbitral award can deal with appointments, appraisals, promotions, demotions, transfers, lay-offs, and releases. This is similar to the Public Service Staff Relations Act, but other Public Service employees have rights under the Public Service Employment Act, which this Bill does not provide for employees on the Hill.

Another section restricts the right of grievance to the individual employee. Workplace problems cannot be addressed by union grievances, grievances filed on behalf of a group of workers.

There is one other important matter which is completely overlooked, and that is the whole question of technological change. Any Member of Parliament who has been here for any length of time knows how rapidly and fundamentally the operations of their offices have changed in recent years. Technological change is occurring on the Hill as it is everywhere else. Even employees with many years of experience fear they will be laid off. Rather than allay these fears, management has fueled them with major reorganizations and cutbacks in several areas. I do not want to criticize anyone presently or formerly in management, but I am sure that Members know that many of the decisions made in recent years had adverse effects on many of our employees.

I will take a few moments to give some examples of the type of things that have happened in recent years which, in my view, were completely unacceptable and would never have happened if employees on the Hill had the same rights as other employees in the public and private sectors, that is, the right to belong to an organization which could protect them by having their grievances dealt with through discussions between the union and the employer, and by following the usual steps in grievance procedures which are available to all other employees.

An older female employee with close to 20 years seniority in a position injured her back and was off on long-term disability for a couple of months. When she returned, she was assigned duties which included heavy lifting and carrying, although her old position still existed. She was told she should apply for early retirement if she was not satisfied. Her grievance under the present procedure was denied. That could never have happened if that employee had belonged to a union which had the right to real collective bargaining.

As a second example, a technician was hired for a position and was paid below the advertised salary level. It took the individual a year and a half to reach the salary level advertised in the competition. A year later another technician was hired with the same qualifications and started at the posted level immediately. I suppose the new employee was a friend of the supervisor. That would never happen if there was a real union. Here is another one; employees in a technical service are required to attend training courses on their days off and on weekends without pay. When these employees protested, they were told it was mandatory and they had no choice. In what other area would this be permitted? No area where there is a union. These are the reasons workers join unions.

• (1620)

In the cafeteria service, all job classifications have been revoked. This is at a time when the restaurant and cafeteria business has more supervisors and managers at higher salaries than we have ever had. The employees of the restaurant and cafeterias have to suffer because, supposedly, we have to save money. All employees have been informed they can be assigned any duties, although many have held specialized positions for a number of years. This is the kind of thing that is completely unreasonable and unacceptable. Two butchers have been assigned to drive food delivery trucks, and a pastry chef was assigned to washing and cutting vegetables. Is it surprising that the level of frustration in the cafeteria service is very high? I ask Members who have doubts that this is happening to talk to the people in the restaurant and cafeteria business whom they know.

In a support service a female employee was the object of sexual harassment. Her manager touched her, leaned up behind her and rubbed against her. When she protested, she was assigned to a heavier work load and later given a poor performance evaluation, and finally transferred to another position.

We have just been discussing and debating employer equity legislation. It is ludicrous to be discussing that kind of legislation and listening to all the wonderful speeches in theory, which we have heard from the Government side when this kind of thing happens.

In the cafeteria service an employee cut his hand on the job. He was told to visit the nurse. The nurse told him it was not safe to work and that he should go home. The manager informed the employee he should go back to work or face discipline.

In a technical service a senior position became vacant. Several employees inquired about a competition, but none was held. The husband of a manager in another department of the same service was brought in to fill the position on a temporary basis. Several months later a competition was announced. The now experienced husband was, of course, hired permanently as he now had the experience. The appeal of the employees in the service was denied. That reminds me of the kind of thing that went on in the packing plants in Winnipeg 40 years ago. Workers who wanted to work came down every day with the hope that they would get an hour or two of work, and if they were prepared to give the foreman a bottle of liquor that helped them get a job. That kind of thing has not happened in employment areas for many, many years where unions have had the right to bargain collectively for their workers. It is a disgrace that the kinds of illustrations I have put on the record today should continue in the Parliament of Canada in the year 1986.

This Bill is so deficient that it does not provide adequate means for the people who work on Parliament Hill to lodge grievances which can be dealt with equitably. When I say, "being dealt with equitably" I mean that they can be discussed openly, honestly and fairly between the employee and employer. I do not say that the employees are always right. We all know that employees are like any other human beings, sometimes subject to doing the wrong thing. When the employee has a grievance which cannot be settled, and when the decision made by the foreman or the supervisor is one which he or she cannot accept, the employee, given proper legislation and a union which has the right to grieve on the employee's behalf, given law which establishes the proper and fair system for handling grievance procedures, can rest assured

that those grievances can be discussed between the employee, the union's representative and management. Usually they arrive at a settlement which is acceptable to both sides. If they do not, that dispute can go to an impartial arbitrator who would hear the case as presented by both sides and render a judgment. That is not provided for in this legislation.

The whole question of technological change and the adverse effects which it can have on employees, many of whom have worked on the Hill for many years is not dealt with. The situation is that we are cutting back on permanent employees and replacing them with temporary employees who are paid less money per hour and do not have the benefits of a pension plan, or sick leave. None of these benefits are provided for these temporary employees who are being found on the Hill and in Government Departments more and more.

All of these questions need to be dealt with in a fair and equitable way. The only way they can be dealt with in a fair and equitable way is if the legislation which we are now debating and while will eventually pass, gives the employees who want to join a union—I emphasize the point that the employees will join the union only if they want to—the same rights to have a union bargain collectively on their behalf as all other workers in this country who come under either federal or provincial jurisdiction. Because this Bill is so deficient in meeting the needs of workers who work on Parliament Hill, I and my colleagues in the New Democratic Party intend to vote against this it.

The Acting Speaker (Mr. Paproski): Questions or comments? Is the Hon. Member rising on a point of order?

Mr. Lewis: Mr. Speaker, we are awaiting a document which will be tabled under the House order which was passed earlier this day, and I think if we could perhaps proceed to the next speaker—

The Acting Speaker (Mr. Paproski): We have questions and comments so we can carry on until questions and comments are terminated and then maybe at that time the documents will be in the House and we can hear the statement of the Minister of State for Finance (Mrs. McDougall). Are there any questions or comments?

• (1630)

Mr. Boudria: I have a short question I would like to put to the Hon. Member for Winnipeg North (Mr. Orlikow). He has been a Member of this Chamber for a very long time, as we all know. He has had the opportunity to meet with and speak to employees for many years. As a matter of fact, I remember quite well when I was an employee of the House of Commons in the 1960s going to his office, both as part of my duties and, along with others, whenever there was a grievance with which we were trying to get assistance. As history sometimes works, the tables have turned and I find today many employees coming to my office for the same reasons. The Hon. Member for Lanark—Renfrew—Carleton (Mr. Dick), with his usual wisdom, has said: "Perhaps they are very hard up". They're not that hard up because they would have gone to see him. Then again, they probably would not because the service they would get would not be very good.

At some point in the past, even though there were no formal structures by way of job descriptions and so on which we now see on the Hill, there was an informal rule of appeal, at least where an employee could air his or her grievance with an individual Member of Parliament. Through that mechanism, and through the good offices of the Speaker and others, there was at least a form of redress. Now, with the administration of the House fully structured and the employees' rights being unstructured, if the Hon. Member follows my line of thought, there seems to be a tremendous imbalance. On the management side everything is formalized, but there is very little of this on the employee side. That has, in my view, and I would like the Hon. Member to comment, created a situation where the employee is totally frustrated when it comes time to try to grieve an injustice. Of course, the employee is equally frustrated in attempting to get redress for that kind of situation.

Mr. Orlikow: Mr. Speaker, if the Hon. Member is asking me whether the present system does not work very well, I agree with him. We have supposedly a very structured, trained and efficient management staff with great power, indeed too much power, to deal with the individual complaints of employees. If, on the other hand, he suggests that the situation was better years ago, I cannot agree with him. I can remember that when I first came here, outside the office door of one of the Liberal Members from Ottawa there could be found about 25 chairs sitting in the hall. I remember asking what the chairs were doing there. I was told that it was very simple, people who want employment with the Government come and see that Member and he is able to find them jobs. That was a very bad system of patronage which I think, fortunately, is long gone.

Mr. Dick: You are talking about Boudria.

Mr. Orlikow: Yes, I am talking about those guys.

Mr. Dick: That is how he got hired.

Mr. Boudria: Put that on the record.

Mr. Orlikow: I say to the Hon. Member who has just interjected that if I had been here in the years 1957 to 1962, when we had a Conservative Government with a big majority, probably the same thing was happening with a Conservative Member of Parliament from Ottawa.

Mr. Dick: Probably? You do not know.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Boudria: Mr. Speaker, I will try to ignore the subsequent ignorant interruption of the Hon. Member for Lanark—Renfrew—Carleton and go back—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Gauthier: Well, it is true.

Mr. Boudria: Well, it was!

The Acting Speaker (Mr. Paproski): Order, please. I really do not care whether or not it was. The question should be directed to the Hon. Member who has just finished speaking. I hope the Hon. Member will direct his comments to the Hon. Member for Winnipeg North (Mr. Orlikow). I hope that the Hon. Member for—

Mr. Dick: I did not say a thing until he—

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member will not interject. We are waiting for a statement from the Hon. Minister and you are causing me a lot of grief.

Mr. Gauthier: You never say anything, Paul.

Mr. Dick: It is true.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Boudria: Mr. Speaker, the Hon. Member for Winnipeg North is well versed in the situation involving employees of this House. In my first question I was not questioning the hiring practices. That is a totally different topic. I do not like the kind of system he has described either. However, what we are talking about is the employees' grievances. Over the years, and even today, in the absence of any formal structure, employees on many occasions present their grievances to Members of this House in an attempt to obtain redress. As the Hon. Member has appropriately described, there have been a large number of such injustices in the past, and he has described some of them. Later on in my remarks I intend to spend some time describing some of them as well.

I said earlier that I was an employee of the House of Commons for a little over 14 years, but I was really asking the Hon. Member about how the grievance procedure is working now. I see a deterioration in the morale of employees from what it was a year and a half ago when I came back to this building, compared to what it was during the 1960s and 1970s. Then there was at least a system, although informal and improperly structured and not the best, where employees could attempt to obtain redress. That is not the case now. That is really what I was questioning, not the hiring practices, because of course they are indefensible.

Mr. Orlikow: Mr. Speaker, let me just reply very briefly by saying to the Hon. Member that there will be problems as long as the system of grievances is informal and not based on a precise set of rules and regulations. If the person who has a grievance goes to a Member of Parliament or a superior in the Public Service, if that grievance is not settled to the satisfaction of the employee, and I am sure many times it is not, and I am sure there are times when it is not because the grievance was not justified, then there will be problems. If you do not have a system based on law and procedures which are clearly outlined in advance, there will be a great deal of dissatisfaction with the decisions made. That is another reason that it is important that we have a law which makes it clear what the employees are entitled to, what they can do if they are not satisfied, and everything else that real collective bargaining gives to employees.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired.

[*English*]

Pursuant to an order made earlier this day, the House will now revert to Tabling of Documents.

ROUTINE PROCEEDINGS

[*English*]

FINANCIAL INSTITUTIONS

TABLING OF CORRESPONDENCE RESPECTING IMASCO BID TO TAKE OVER GENSTAR

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour to lay upon the Table, in both official languages, copies of certain correspondence relating to the bid to take over Genstar by Imasco.

The Acting Speaker (Mr. Paproski): The House will now proceed to Statements by Ministers.

* * *

FINANCIAL INSTITUTIONS

IMASCO BID TO TAKE OVER GENSTAR—GOVERNMENT POSITION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as you are aware, the proposed takeover of Genstar Corporation by Imasco Enterprises has received considerable attention from Members of this House and the media. The issues which have been raised are important and I commend Hon. Members for their concern. The Government's responsibility is to protect the public interest in the financial sector. I know that Hon. Members share that concern. That is why I proposed, and the Government is carrying forward, a comprehensive review of financial institution regulation. That is why public notice of impending legislation, which is now before this House as Bill C-103, was given last November 29.

• (1640)

The House is well aware that regulatory efforts to protect the public interest and preserve financial stability in the financial sector raise complex and challenging issues. These include self-dealing, increased concentration of ownership, links between non-financial and financial companies, reduction

of competition and conflict of interest. I had already informed the House that I would review very carefully the Imasco-Genstar takeover under Bill C-103 with the public interest and stability of the financial system as very clear priorities. As part of this review, I asked Imasco for very specific undertakings.

I am pleased to inform the House that Imasco has met the Government's requirement for strong and clear undertakings to protect the public interest in the spirit of Bill C-103. These undertakings cover not only the period prior to passage of the regulatory Bill but a further period which should provide us all with sufficient time to discuss and resolve these very fundamental issues. At the same time, the Government and Parliament can move in an orderly and careful way to a decision on the policy which should apply to ownership and control of financial institutions in the context of over-all regulatory reform in this sector.

Specifically, the following undertakings have been received from Imasco; there will be no self-dealing between Canada Trustco and Imasco and its affiliates either through loans, trustee arrangements or other types of transactions. Canada Trustco's board of directors and management will be independent from Imasco and its affiliates and associates.

[*Translation*]

Imasco will not acquire control of any other financial service corporations.

Imasco fully accepts the powers which Bill C-103 as presently drafted will give to the Minister upon adoption, particularly the power to cancel the acquisition of Canada Trustco, in part or in whole.

Imasco accepts that Parliament may legislate on a financial institutions policy ownership which might require divestiture, and more rapidly still in the case of firms that have acquired financial institutions after November 29, 1985.

I therefore urge all present and future members of that sector to make a careful examination of Bill C-103 and the Imasco commitment.

[*English*]

The fundamental importance of our financial institutions to Canadians, and to the growth and stability of the economy, will always impose special obligations on those who participate in this industry. I recognize also the Government's obligation to put in place a new framework for regulation of the financial sector. We are doing just that. The report of the Estey Commission and the Senate Banking Committee's recommendations on the Green Paper proposals for financial institutions regulatory policy will all be part of that process. I am not prepared to force the process to a premature end. As other observers have noted, the issues are too fundamental, too complex and the financial sector too important to be decided in a matter of days over one specific case.

Before closing I want to deal briefly with the issue of corporate concentration which Hon. Members of the House have raised in relation to the Imasco-Genstar situation. Corporate concentration is a very broad issue which encompasses many sectors of the economy, not just the financial sector. The debate on this broad issue cannot be resolved in the context of the financial industry alone and certainly not on the basis of this one particular situation. The chief concern raised in this House about the ownership of financial institutions by non-financial corporations is self-dealing and the resulting risks not only for the depositors but for the economy as a whole.

With the assistance of Hon. Members and with the co-operation of Imasco, the specific situation which raised concerns in this House is under careful control and review. The public interest is being protected and will be in the critical areas I have noted. We will continue to move forward in close consultation with the provinces and with the best available advice from all sources to ensure that a new framework for the financial sector is put in place to support the solvency of financial institutions and to strengthen competition and efficiency in the financial sector.

I look forward to receiving in future, as I have in the past, the thoughtful assistance of Hon. Members in this important area of Government policy and regulatory reform.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I want to thank the Minister for her courtesy in supplying a copy of her statement in advance. Most Hon. Members of this House are concerned that a takeover by a non-financial institution of a financial institution is not in the best interests of our country. That position was stated by the Leader of my Party in this House when he pointed out some of the reasons why people are generally concerned. He said at page 12051 of *Hansard* on April 9, and I quote:

> A financial institution so controlled can block or divert loans from competitors or to competitive allies. It can control cash flow. There is the temptation for self-dealing that was only too apparent during the crisis three years ago in Ontario involving Greymac and other trust companies.
>
> —the interests of the depositors are not necessarily going to be paramount where there is a conflict of interest in holding and where the shareholders in their correlated and blended interests will take precedence over the depositors.

In a recent article in *McLean's* magazine a prominent businessman in Canada said very succinctly: "When one entity is both creditor and owner of equity in a company, there is an obvious conflict of interest". These were some of the concerns which were addressed by the Committee on Finance when it was studying the Green Paper on regulation of financial institutions last fall. The report of the Committee on Finance included this sentence, and I quote:

> The committee is concerned about the increasing trend towards non-financial ownership of financial institutions and feels that concentrated ownership, particularly that of large financial institutions, should be limited.

● (1650)

The Canadian Bankers Association stated to the committee:

> —this co-mingling of non-financial and financial businesses is undesirable. It would try the confidence and trust that Canadians place in their financial system.

The Liberal members of the Finance Committee issued a separate report in which we stated: " . . . we do not believe that financial activities and non-financial activities should be combined".

In the course of the committee's work last fall, when the merger of Canada Trust and Canada Permanent Trust was in the works, the committee specifically recommended that the Government not approve this merger until such time as there is an ownership policy in place. However, the Government chose not to act on that recommendation. Of course, the decision to allow that merger contributed directly to the situation which we have before us today.

Genstar Corporation owned Canada Permanent Trust. It then acquired Canada Trust against the Finance Committee's recommendation, giving it Canada's biggest trust company. That is the main reason for Imasco's interest in this takeover.

The Minister properly says in her statement that the Government's responsibility is to protect the public interest in the financial sector. In effect, the Minister has now chosen to move to protect that interest by requiring certain commitments of Imasco rather than by blocking the merger. The Government really had no choice in this matter. Since the Genstar takeover was not blocked it would be illogical now to block the Imasco one.

The precautions against self-dealing required by the Minister, and on which she has reached agreement, are reasonable. There is to be no self-dealing and no interlocking boards. Imasco undertakes not to acquire control of any other financial service corporations. Since Imasco has a very good reputation, this type of agreement which used to be called a "gentleman's agreement" will probably work very well in this case. But we are still left with the fact that the Government has not yet produced an ownership policy.

Bill C-103, to which the Minister referred in her statement, leaves a tremendous amount of power to ministerial discretion. In the public interest, the Minister can block certain transactions or require divesting. But the conditions are not spelled out. Granted that the Minister is competent, and we would expect her to use good judgment, but a system which leaves so much to ministerial discretion is not a system which anyone would want to see in place.

Bill C-103 will have to be amended. There will have to be a great many amendments made to it in order to put some clear conditions in place. The end result is that Imasco has undertaken to acknowledge the powers of Bill C-103 without knowing what these powers will be and without knowing what type of divestiture may be required in future legislation.

The Minister says that she recognizes the Government's obligation to put in place a new framework for regulation of the financial sector. However, the Government has moved slowly in that respect. I would remind the House that prior to 1984 the previous Minister of State for Finance put in place a consultation system on which the present Minister poured scorn when she took office. Thus she decided to rediscover the wheel.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but her time has expired. Each Party had seven minutes in which to reply.

Mr. Lewis: Mr. Speaker, I am sure Hon. Members would be prepared to grant to the Hon. Member for Trinity (Miss Nicholson) whatever time is necessary for her to complete her response.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Trinity (Miss Nicholson).

Miss Nicholson (Trinity): Mr. Speaker, I appreciate the courtesy of the House. I will not abuse it. I will finish my remarks quickly.

While the Minister points out risks in forcing the process to a premature end, I do not think this is the risk we are facing. The risk is in not acting firmly enough since the rate of takeovers has been escalating in recent years. Indeed, as one of the Minister's own colleagues said, we are faced with a situation of trying to unscramble eggs or trying to get the toothpaste back into the tube. So while the Minister says it is important to move in a considered way and not to be too rushed in terms of further legislation, may I say that our concern is that the time for the new legislation is now. It is important to get Bill C-103 in place, with some amendments. It is also important to move on establishing a clear ownership policy, not only so that Imasco will know where it is at but so that all Canadians will know where they stand.

I particularly wish to emphasize that legislation which relies so much on ministerial discretion will need to be replaced by legislation with clear standards.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, over the last few weeks we have seen a major game being played in the country involving large conglomerates wanting the right to own their own bank. They want to own their own major financial institution, to buy the money power against the security of the depositors, and, really, the people of Canada. Today, the Minister of State for Finance (Mrs. McDougall) has announced the winner of that contest. It is, of course, the large conglomerates which are now being given the go-ahead to purchase their own bank. They are being given the go-ahead to go out and purchase their own trust company.

When the Minister was forced to make a decision between the giant corporation, Imasco, and the security of the depositors of Canada Trust, she said she would give the benefit of the doubt to Imasco. It is a serious situation which occurred in the

last few moments. It was the unanimous decision of the Finance Committee, not on one occasion but on two, after months of deliberation and thought, to recommend that the Minister not approve the go-ahead of this takeover. She has ignored that advice. She has disregarded it completely. She has shown no respect for the work, advice and thought which every single member of the Finance Committee put into making that recommendation. I am not only talking about members of the Finance Committee, I am speaking about some very thoughtful back-benchers who spent many weeks attempting to indicate to the Minister the wisdom in stopping this takeover and stopping this type of corporate concentration now involving financial and non-financial institutions.

Yesterday in the House of Commons the opportunity was provided to any Member to speak in favour of the action which the Minister has just taken. Not one single Member rose to speak in its favour. In other words, the best information we have is that every Member of Parliament feels that the decision which the Minister took today is wrong. In a sense what we are saying is that the people of Canada, through their duly elected Members, have indicated their concern about financial institutions being taken over by non-financial institutions. Through their elected representatives they have said that this is not in the best interests of Canada. In effect, they have said that this is not in the best interests of the Canadian economy. The Minister has chosen to ignore that advice. Presumably this has been done in the context of the new parliamentary reform. Back-benchers and committees were to be given more consideration. Presumably more attention was to be given to the House of Commons. The Minister of State for Finance has now indicated that she will ignore that advice, even when it is unanimous, time after time.

• (1700)

I suspect that the Chairman of the Finance Committee, who has gone on record very clearly along with the rest of his colleagues, will have virtually no choice but to resign as chairman of that committee.

There have been seven months of deliberations and literally dozens and dozens of experts have appeared before the committee. Every one of the experts has said the same thing, with the exception of a handful of people and that handful of people are those representatives of the big seven families that control more than 50 per cent of the Toronto Stock Exchange. They like this decision. There will be lots of champagne flowing in the households of the big seven tonight because this means that the Government has said that the gates are open and any industrial conglomerate can purchase its own bank.

What the Minister of State for Finance has said to justify her actions is unbelievable. She has said that Imasco promises that there will be no self-dealing. Well, big bloody deal. Imasco is saying that it will do what we expect every single corporation to do by law. Does Imasco promising to deal the way it always has bring us much comfort, knowing as we do that there are abuses after abuses and all kinds of self-dealings going on? On Monday night, the Finance Committee will be exposing a number of those actions that have not been exposed to date.

The Minister of State for Finance went on to say that Imasco will not acquire control of any other financial service corporation. When it has just acquired, with the approval of the Minister of State for Finance, the sixth largest financial institution in Canada, there is little wonder that it is not interested in now acquiring the Bank of Montreal. It now owns a financial institution that brags in full-page advertisements in Canada's major newspapers that it is larger than some of the big banks. Imasco promises that it will not buy another major trust company or financial institution. Big deal.

The Minister went on to say that Bill C-103 will include the power to roll back this takeover. It is a little late, is it not, Mr. Speaker? It is a little late considering the billions of dollars involved, the unbelievable chaos and the web of restrictions and dealings that will have to be undone if the Minister decides next month or next year or in another decade that the decision made today was inappropriate. Who believes that we are going to ask this company to change its mind after the takeover has occurred and the shares have been acquired, something which I understand was completed today?

This flies in the face of what Canadians believe to be the appropriate thing to do, and that is, to stop this move toward corporate concentration that places more and more economic power and now more and more financial and political power in the hands of a few powerful corporations and families. One could be cynical and say that the major political contributions Imasco made to the Conservative Party in 1984 have now paid off. One could say that Imasco is now seeing the fruits of those thousands and thousands of dollars of campaign contributions. That is not the way decision making should take place in Canada.

The Minister of State for Finance should have listened to the unanimous voice of the Finance Committee after its deliberations. She should have listened to the unanimous voice of the House of Commons after its deliberations. She should have listened to the people with financial expertise who came before the Standing Committee on Finance, Trade and Economic Affairs to tell us not to do this. She should have listened to the Superintendent of Insurance who said that he could not find any compelling reason to show that this takeover would be in the best interests of Canada.

To whom did the Minister listen? Where did she get her advice? I can only say now that members of the Finance Committee, and particularly those who belong to the Government Party, are going to have to do some soul searching. After all, they worked hard, and I will give them credit for this, to try to bring sanity into this decision-making process. The Minister has ignored them. She has slapped the face of the Hon. Member for Mississauga South (Mr. Blenkarn) and has said that she does not care about the work, deliberations and studies of the Finance Committee, that she is going to ignore

its advice. It is a very, very sad day for Canada and for Canadians.

* * *

PRIVILEGE

ALLEGATION OF PATRONAGE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to rise on a question of privilege. I wish to inform you that if you judge, as I have, that a *prima facie* question of privilege has been made, I am prepared to move the necessary motion that the matter to which I will refer in a minute be referred to the Standing Committee on Elections, Privileges and Procedure.

Earlier today in the House of Commons, the Hon. Member for Lanark—Renfrew—Carleton (Mr. Dick) made allegations to the effect that I had been employed at the House of Commons through the patronage of an Ottawa-Carleton area Member of Parliament. Those motives that have been imputed are totally false, as you of course know, and as I am sure the Hon. Member knows deep down in his heart. I would ask that the statement be withdrawn and, in the absence of that, I would wish to move the necessary motion to which I referred a while ago.

Mr. Dick: Mr. Speaker—

The Acting Speaker (Mr. Paproski): The Hon. Member for Lanark—Renfrew-Carleton (Mr. Dick) will be given his opportunity, but I just want to say something. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has just made reference to something which did not arise from the debate occurring at this particular time. If he does feel that he has a *prima facie* case of privilege, then he should give the proper notice and it should be dealt with tomorrow. I am afraid that I cannot accept it at this time and therefore we should go on to Orders of the Day.

Mr. Gauthier: Mr. Speaker, on that same question of privilege, the House interrupted its normal business to go to a statement by a Minister by unanimous agreement. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) wanted to raise this point at that time. He did not do so for the sake of keeping our word with the Government that we would not interfere with the arrangements made for the Minister of State for Finance (Mrs. McDougall) for 4.30 p.m. I would hope that—

The Acting Speaker (Mr. Paproski): I hope that the Hon. Member will give notice in writing so that we can go ahead and deal with it accordingly.

Order, please. I wish to inform the House that because of the ministerial statement and pursuant to order made earlier this day, this sitting will be extended by 25 minutes. Therefore, the adjournment proceedings will begin at 6.25 p.m. The House will now turn to Orders of the Day.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read the second time and referred to a legislative committee; and the amendment (Ms. Copps)(p. 833).

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Ottawa—I am sorry, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). How could I forget that?

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, inadvertently you were quite correct. The Ottawa area is part of my riding. I represent the Counties of Glengarry, Prescott and Russell as well as that part of Ottawa-Carleton called the Township of Cumberland. Unbeknownst to you, Mr. Speaker, you were quite correct in calling me the Hon. Member for Ottawa, as I do represent at least a small part of the Ottawa-Carleton region.

Mr. Gauthier: We're very proud of you.

Mr. Boudria: Thank you. I am pleased to participate in this debate on Bill C-45 this afternoon. We should look at some of the history of Bill C-45 and more particularly at the question that begs to be asked today, which is, why are we now dealing with this Bill when the case of the employees of the House of Commons has been before the Canada Labour Relations Board for a long time. The board decided in its wisdom that the employees of the House had collective rights under the Canada Labour Code. Of course that has been dragged through various steps of the court process. As far as I know, on every occasion the courts and the board dealt with this topic, adjudication has always been on the side of the employees. Negotiations are scheduled to proceed on Monday, April 21 or some four days from now. Why are we attempting to sneak through the legislation at this time? Why do we want to do it now? Why can we not wait until the process is finished and final judgments come down on the issue? Why would Hon. Members of the House want to pass this piece of legislation now? What is the need to pass it now? Are we collectively afraid of what eventually will come out of the court decision? If that is not the case, and since we have not had such legislation since 1867, why do we need to pass it before next Monday at which time the negotiations will get under way?

• (1710)

The Hon. Member for Hamilton East (Ms. Copps) moved a very appropriate amendment to delay the Bill for six months. At that time we did not know some of the things we know now. However, she was right. We had to delay discussion on the Bill for six months in order to provide the time required for the process which I described just a few moments ago.

[*Translation*]

Mr. Speaker, why do the employees of the House want a union? Undoubtedly the first answer is that they want one, and they have the right to have one because it is the collective right of all employees in this country. Even if they do not exercise this right, the mechanism should be in place so they may do so whenever they wish. Right now they are not allowed to do that.

Yes, Bill C-45 would give them that power, Mr. Speaker, but a useless power, an incomplete power because, first of all, the employees would not have as many benefits as they would enjoy if they were accredited under the labour commission. Secondly, it is a useless power because it is incomplete in the sense that Bill C-45 does not give them the right to strike, nor other rights which Government employees normally have.

As I said in the House earlier today, I first joined the labour market on Octobre 25, 1966 as an employee of this House, as a servant of those who are elected to represent Canadians. Mr. Speaker, I would not pretend to be an expert in all cases because that would not be true. But I think that as an employee of this House for 14 years, I remember very well certain cases of employees of the House, and some of them are still open even today.

The employees of the House have been asking for their collective rights for a long time, Mr. Speaker, but the need to have these privileges, the need to have these rights if you wish, to form a union and enjoy other collective rights has become more pressing in recent years. And why? I discussed this earlier this afternoon in my comments on the excellent speech made by the Hon. Member for Winnipeg North (Mr. Orlikow), when I asked him whether he agreed that although procedures were not clearly formalized a couple of years ago, there was nevertheless a certain balance between the rights and privileges of employees and the authority of supervisors.

Today, this balance no longer exists. Mr. Speaker, I agree it is a good thing and that it was a good policy to formalize the procedures with respect to managers and supervisors on the Hill. What I cannot accept, however, is that these rights and privileges and procedures were increased or improved for the managers, while nothing of the kind was done for House employees. And I think it is this imbalance which has created a situation where morale among House employees is extremely low. Parliamentary employees feel totally frustrated because they have no way of defending their individual and collective rights.

I listened carefully to the speech made by the Hon. Member for Winnipeg-North, when he was describing the cases of certain parliamentary employees, with their grievances and their problems. In each case, I could recognize who the person was. I could even name them each and every one of them. In many cases, I could even give the names of family members, because I know nearly all of them.

Mr. Speaker, it is clear that we as parliamentarians and legislators should grant our employees the kind of rights that other establishments, both in the private and the public sector, would want to emulate. However, Mr. Speaker, I would not want any employer to emulate the procedures existing today on Parliament Hill.

[*English*]

I certainly would not want anyone to use our procedures as a model. The way we treat our employees should be an example to everyone else in the public and private sectors. However, it is not an example of which we can be proud.

Why is that so? It is so because principally we as Members collectively fear, whether or not we admit it, unions on Parliament Hill. Perhaps there is a fear that the day will come when one of us will have to cross a picket line in order to come to the Chamber and do his job on behalf of our constituents. Perhaps it is a morbid fear of the picket line which has stopped us from granting our employees collective rights. If that is so, is it a good enough reason to deny someone their rights? Potentially we could put ourselves in a situation which could be viewed or seen as embarrassing. If that is our reason for failing to give our employees their rights, it is a pretty poor reason indeed. It is not one we would permit anyone else to use. If we would not permit anyone else to use the same criteria, why are we using them ourselves?

• (1720)

I have said before in this House that if we as legislators cannot take proper care of and pay attention to the 3,000 employees who come under our jurisdiction, what makes us so fit to take care of the interests of the 25 million more people elsewhere in the country? I submit to you and to all Members of this House, Mr. Speaker, that it is a shame, and it is a dark shadow on every one of us, not to have been able to take care of the rights and privileges of Canadians who work on Parliament Hill. It is my hope that in a very few days we will see the final stages of that process in the courts that will give employees of this House the same rights and privileges as other Canadians have. Once and for all this issue can be out of the way and the employees of Parliament, if they wish to—it is very important to stress that because it has to be their collective right—can exercise their rights to unionize or in any other way collectively air their grievances and needs to us as their employers.

It is my hope with that process that no longer will we see an employee being terminated because he or she was ill and someone was hired while he or she was on leave only for that employer to come back to find out that the job was not there. I hope that no longer will we see such cases as that of the employee who was on long term disability for some time who

subsequently received a medical certificate which eliminated the long term disability pension and made it possible for that employee to re-enter the workplace on Parliament Hill, only to come back to Parliament Hill to be told, "We do not care that the doctor's certificate says that you are in good enough condition to work because we do not think you are". That employee found herself—in this particular case it was a woman—no longer receiving the benefits she was getting when she was ill and she was not getting a salary either. She was falling between two chairs. She was well enough to be off sick pay, but not well enough to work.

I hope that very shortly we will see the day as well when an employee who is injured on the job as a result of using defective equipment is not told to go back to work injured, but can go home to recover the way everyone else would in the private or the public sector outside of the precincts of Parliament Hill.

Finally, I hope the day will come when we will have a system that can be used as an example, a system of which we can be proud. Let us hope we can go to private enterprise or even other public sectors, the provinces, and tell them about our way, that we look after the people who work for us. That does not mean you hire five people to do the job of two, Mr. Speaker. That does not mean you let everybody go home at noon. That is not what the employees are asking for. The employees who work here, and I am sure you know it, Mr. Speaker, because you have been here for a long time, are very good employees and, by and large, they are dedicated and have a strong allegiance to the people for whom they work. They become friends of all of us and they consider Members of this House who are collectively, and I suppose individually, their bosses and representatives. They have a special dedication.

How many times do we see employees on the Hill working well beyond the call of duty? I know what time they start. Many years ago I had the same working hours as some of them. I know they come way ahead of working hours and are here long after, in many cases without getting overtime or any other benefit. They are dedicated. They do a good job for each and every one of us, and they deserve to be treated properly by us all collectively and, needless to say, by all of us individually as well.

It is my hope that we will delay this Bill at least for a little while. There is no need to deal with it now. Let the process take care of itself. In my view, within a very few days it will be determined that the rights of these employees go far beyond what is in Bill C-45. I hope the process will determine that their rights are the same as those of all public servants and all other Canadians. I think that we as Members of Parliament will have fulfilled a much better job and we will have accomplished far more by waiting out that process than by acting hastily now, and in so doing we will be failing to give our people what they deserve.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: Mr. Speaker, I have been listening to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) praise the employees of the House of Commons, and of course I would use the same words to describe the human resources available to Hon. Members.

Still, I wonder. The economic situation experienced by the Hon. Member two, three, four or five years ago was more difficult than it is today, interest rates were very high, employers laid off their employees, in short conditions were quite unfavourable to the employees. At the time his Government did not even see fit to act upon the kind of recommendations and representations he is making today.

So why and how can he explain his about turn today when economic conditions have improved and are better for employment, why this reversal and these proposals which neither he nor his Government ever implemented?

Mr. Boudria: Mr. Speaker, I am not quite sure I understand the meaning of the Hon. Member's question. He seems to be saying that his Government's Bill now under consideration which, as we all know or should know, is practically identical to the Bill introduced under the previous administration, that the Bill presented by the previous Government was somehow not as good as this one because he claims that economic conditions are better now, or something to that effect.

I do not quite follow the logic of what the Hon. Member is telling us. He should know that not very long ago the Canadian labour commission ruled on this case and that the matter is now before the courts. It was not the case a number of years ago, but it is now.

I would therefore urge him to reflect upon this aspect of the case and he will know why it is important today to wait for the end of the proceedings before going ahead with a Bill which, in my judgment, is incomplete, particularly since we hope that in a few days something better will come out of the courts proceedings.

• (1730)

[*English*]

Mr. Althouse: The Hon. Member has had experience as an employee on the Hill. Would he comment on the progress which employees of the Hill made, during his sojourn in Toronto as an M.P.P., toward organizing into an association? As the Member said, they have applied to the Canada Labour Relations Board and seem to be making slow but positive progress in that direction. Could the Member comment on some of the advantages employees would have under the Canada Labour Code as opposed to those they would have under Bill C-45?

The Hon. Member and the Member for Winnipeg North (Mr. Orlikow) gave examples of incidents involving people working on the Hill. Would it be possible for some of those situations to be dealt with under the provisions of Bill C-45, or would the powers of the organization to represent them be somewhat limited under this Bill?

Mr. Boudria: Mr. Speaker, obviously the employees would have some collective rights under Bill C-45. It would be incorrect to deny that they would have those. They would not, however, have identical benefits, which is what I believe the Member wants me to point out. If anyone is making the case that this Bill offers many benefits similar to those offered by the Canada Labour Code, one must ask why we are bothering with the Bill at all. It is obvious that the purpose of the Bill is to offer something between full rights and those which they have now, which, it could be argued, are not much. I think I am being generous in using the words "not much". The process which now exists is more of a hit-and-miss one. Employees can either present a grievance through the administration, which is not known to have a very high rate of success, or go through their Member of Parliament and hope that he or she can raise a temper tantrum with the Speaker, when the Member feels that the employee's case merits their support, and attempt to get redress in that way.

In my view, House employees should be accorded the right to strike, although not in all cases. Obviously, some people must be designated "essential". Most of the people in the House at the present time would have to be so designated. However, I would argue that we do not need a full complement of busboys so designated. I can relate to that job very easily because I happen to have done it in 1966. The same applies to the messenger staff, the cleaning people, and so on. Only a small number of those employees would have to be designated as essential in order to maintain certain standards.

It may be necessary for a few messengers who carry official documents to be designated as essential for the purposes of transmitting messages between the *Hansard* offices and the Clerk's office, but it would be highly exaggerated to say that all of the messengers and the bus drivers were essential to the functioning of Parliament. They may be essential to achieving a certain level of comfort for the parliamentarians, but that is not the same as being essential for the functioning of Parliament.

I am sure you have recognized already, Mr. Speaker, that a large number of our employees should be given full bargaining rights. At this point we do not even know whether they want all of these rights, and that is for them to decide collectively. However, apart from those people who would necessarily be designated essential, the rest of them should be afforded the full rights which they would receive under the Canada Labour Code.

Mr. Althouse: The Member has served for some time in the provincial Parliament at Queen's Park in Toronto where employees do have some bargaining rights. Did he experience any problems in carrying out his duties as a member of the provincial Parliament because employees at Queen's Park have more bargaining rights than they have here in Ottawa?

Mr. Boudria: Mr. Speaker, not all of them do. It is pretty confusing to try to compare the two situations. The Legislative Assembly building at Queen's Park is partially under the jurisdiction of the Speaker of the Assembly and partly under the jurisdiction of the Minister of Government Services. It would be rather difficult to draw a parallel between the two Legislatures. There are a large number of people in the building who are employees of other Government Departments or agencies, which adds to the confusion.

I know that the employees of the NDP caucus at Queen's Park have a method of airing their grievances. I am not sure whether that is a formal union, or only an association of employees. Not having been a member of that particular caucus, I did not take much time to inquire about how it operates. However, there are a large number of staff members in the Legislative Assembly building at Queen's Park who are unionized. As a matter of fact, there are a number of employees on the Hill in that situation as well. People working outside of the buildings, but within the precincts of Parliament Hill, are unionized. They have not turned the world upside down because of it, nor did they at Queen's Park.

In direct response to the Member's question, I never perceived that to be a problem while I was at Queen's Park. Since I have returned to the Hill, I have inquired whether there have been any disruptions or other undesirable effects due to having a certain number of the employees unionized, and I have not yet heard of any instance of that.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to join the debate on Bill C-45. Our Party has been opposing the move by the Govenment to change the law as it applies to the collective bargaining rights of people who work on Parliament Hill. We are doing it for a very simple reason, and that is because we believe in equity, the right of individuals to form unions and alliances to protect their rights as employees. For that reason it is probably suitable that this particular debate occurs on equality day. It is a time when we are trying to extend rights of Canadian citizens equally to all.

• (1740)

Prior to coming to Parliament I was a representative of one group which was largely ignored when it comes to legislation permitting them to organize, and that is, the farming sector. I have always been quite interested in the application of these rights on an equitable basis to all sectors of our society. This Bill is unfortunate in that it comes at a time when many of the employees on the Hill had gotten quite a way ahead through the long process of organizing themselves. They had even succeeded several months ago in obtaining the right to begin certification procedures under the Canada Labour Code. There are five or six bargaining units here on the Hill who are well on the way to getting into the negotiating process and

moving towards having the first collective bargaining agreement for those particular groups on the Hill.

This process is an ongoing one, and it is always a slow process. It takes several years to go through all the organizational and legal and negotiating procedures to get a first contract. Some first contracts take years and years and years, but they do eventually happen. It is extremely unfortunate that in the midst of these negotiations, which followed the organizational pursuit and the legal challenges that have gone on, the Government should put on the Order Paper before the House of Commons Bill C-45, which is a Bill that has the effect of starting the process all over again. It means that those people who have been trying to organize themselves on the Hill for the last three or four years, with some success—I realize there are many who have been trying to organize themselves for much longer than that—will be stopped dead in their tracks and forced to begin all over again. The rights and procedures they will follow under Bill C-45 are such that they will gain fewer rather than more rights than what they would have under the Canada Labour Code.

It being equality day—and I think every day in Canada should be equality day—we should, as a general principle, treat all of our citizens in the same manner. It should not matter under that edict whether a worker works on Parliament Hill in a restaurant or cafeteria, sweeps the floor, is part of the cleaning staff, or whether he or she works off the Hill, the rules and regulations that apply to their efforts to organize themselves as workers should be the same.

I find it very difficult to understand why, because they work on Parliament Hill, their rights and privileges should be somewhat less than if they worked across the street. I think a lot of Canadians have trouble with that concept, and that is why I think they would have trouble with Bill C-45 if they read it and understood it better. I think the Government has been having some trouble with Bill C-45 as well because it introduced it some time ago, the Bill was debated in this House in December of 1985, and it has just been brought back in again now. I would hope that that is some indication that the Government sees it as being not particularly necessary and it is only bringing it forward to interfere with the bargaining process that is now in place. I would hope that the only reason it was put before the House today was because it did not have any other pressing legislation. I would hope that that was the reason it was brought forward.

I realize that sometimes Governments do get to the point where their agenda is so clear they only bring in legislation that is peripheral to the needs of Canadians. I would assume that today, on a Thursday, is the kind of day that we happen to have hit.

There has been some feeling left in the country, and I think there is a fair bit of feeling which exists on the Government side of the House, that some of these jobs that are performed around Parliament Hill fall into the area of being designated as essential services. I am not sure that that is really a very good argument for offering Bill C-45 to us, because I do not think that we can look at the operations of the House objectively and say that all of the people who contribute to it are performing an absolutely essential service. It is an important service and the job they do is important. The job that any one of us does as MP is also relatively important, but it is not essential. We have had, since this Parliament began, two resignations from the House. The House functions just as well without those two, albeit both were extremely good and effective Members, but the House is still functioning since they have left. The mother of Parliament, Westminster in London, allows its employees to have bargaining rights, and to organize and have procedures whereby they can appeal the hiring practices and the practices putting people forward in particular branches to permit them to work their way up within the organization, and they function well. The Parliament in Australia has similar legislation and it has no problem with it. I fail to understand how the argument can be made that Canada could not function with this kind of labour legislation.

I was here when the bells rang in this Parliament for 14 or 15 days. It was not a disaster and the country still functioned. All of the Departments of Government still did their job. There was nothing that was held up and the people of Canada barely noticed the difference, unless they happened to come to Parliament Hill and heard the bells clanging through these tall stone corridors and reverberating in their ear drums. It did not precipitate a crisis, and we were out for 15 days.

I fail to see the validity of the argument that is sometimes made, or at least if not made directly often alluded to under cover, that this place provides an essential service and the various groups that have the potential to make up bargaining units on the Hill are performing essential services without which this country cannot operate. I find it even more difficult to understand when I look at some of the groups that are now permitted to have full bargaining rights, including the right to strike, which include the basic transport workers we have in this country who work for Air Canada, CN, CP. They include the people who work at the post office, and occasionally those workers do strike, and yet the country functions. The occasional strike that we have I think is accepted by the general public because they know that there are occasions when workers, in order to make their point about hiring practices or promotion practices are forced at the bargaining table to use the last trump card that they have, namely, the strike. If the strike weapon were available to Parliament Hill employees I think it would be used very seldom.

• (1750)

We just had the opportunity to hear from a former Hill employee recounting some of his experiences and some of the attitudes and opinions of people around the Hill. When you listen to Hill employees, it seems most of the problems and grievances that build up are due to the fact that there is no proper procedure for those employees to deal with their grievances. They have no place to go. That is why we have such instances as the following one. An older worker had hurt her back and was sent home. She was receiving benefits. Her

doctor told her he thought her back was well enough for her to go back to work, which meant that her benefits would cease. When she arrived at work here on the Hill she was told that her employers did not think she was fit to work and they would not pay her. She is no longer eligible for benefits, no longer able to work, and she has no place else to go. There is no grievance procedure except for some Member of Parliament trying to catch the Speaker's attention and having him put some pressure on the people concerned. With an organization they will have a grievance procedure. They can use the combined weight of all employees to argue for a particular person.

We know from listening to employees that there are discrepancies in the hiring practices and, because there is no grievance procedure, those discrepancies continue. If and when the five or six units who have applied for certification under the Canada Labour Code finally obtain the right to negotiate, they will be in a position to make certain that hiring procedures are regulated in a way that everyone understands. We can then avoid the kind of things we have had brought to our attention, such as the case of a technician being hired for a position at below the advertised salary level. He worked for a year and a half to reach that salary level and finally did so. Another position opened up in his same unit, another employee with exactly the same qualifications as the first employee was hired, but he was hired at the same salary level that the first one fought for a year and a half to get. These kinds of discrepancies bother our employees. I think they bother all of us when we realize there is inequitable treatment with no visible reason for it.

It makes little sense for us to be imposing more legislation regarding hiring practices and organizational structure for employees of Parliament in the form of Bill C-45. We have seen the Canada Labour Code being applied, and much effort has gone into organizing over the last three or four years. There have been court appeals. The legislative route is being followed, slowly but it is still being followed. It seems extremely unjust for us, particularly on equality day, to be imposing this much reduced form of rights on our employees when they are attempting to organize under the provisions of the Canada Labour Code.

The Acting Speaker (Mr. Schellenberg): Questions or comments.

Mr. Murphy: Mr. Speaker, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) mentioned that this was equality day for many groups in our society. It is interesting that the Government picked this particular day to move this legislation forward. It is also interesting that the Government had five months to move on this legislation and it would have done so earlier if it had believed it was serious legislation. That is rather ironic because we are now in a situation where the Government has not treated its own legislation seriously. Can you imagine introducing legislation in the late fall of last year, bringing it forward for one or two days' debate, and then postponing further debate for a full four months? Yet that is what has happened.

Neither has the Government been serious in its negotiations with its employees on the Hill. It has used the courts to delay negotiating. It waited until the Canada Labour Relations Board certified the workers on the Hill, appealed that decision, lost the appeal, and is now appealing it further. Yet the Government has not shown the credibility involved in sitting down with its own workers to find out what kind of legislation would be acceptable.

There is no question of the Government's right to introduce legislation which it thinks is necessary. There is no question that the Government has a right to introduce its own legislation, based on a court decision, to change a process. What I find ironic is that the Government has spent so much time in doing nothing that I wonder if the Hon. Member would care to communicate whether he feels the Government is really negotiating in bad faith with its employees.

Mr. Althouse: Mr. Speaker, on the face of it, it does seem the Government is not serious about negotiating. The various court actions taken as employees began to organize under the auspices of the Canada Labour Code indicate that the Government intends to fight the effort to organize on the Hill as far as it can. This move to introduce Bill C-45 was a legislative effort to back up the legal efforts in the courts. For that reason it probably would go some way to explaining why this legislation comes forward in fits and starts. I think it is somehow being used as part of the varied arsenal of the Government in its fight against the application by five or six units to organize and get their first contract.

Mr. Gauthier: Mr. Speaker, I listened with some attention to the Hon. Member's remarks. He, like his colleagues in the NDP, has a definition of a designated employee. I want to know exactly where he stands on the question of essential employees. As I said this afternoon, under the Public Service Staff Relations Act, designated employees are those whose duty consists in whole or in part of duties the performance of which at or after any specific period of time are or will be necessary in the interests of the safety or security of the public. We could change all that and say: "The safety or security of Parliament". Given that the NDP Members' position on this issue is, I take it, that they favour the right to strike as a condition of Bill C-45, I wonder whether the Hon. Member would cross a picket line set up outside here consisting of messengers, truck drivers, maintenance people or anyone else. Would he cross that picket line? I would like to know the answer to that from his Party.

Mr. Althouse: Mr. Speaker, I have been involved in a few settlements of labour agreements.

An Hon. Member: On whose side?

Mr. Althouse: On the management side. Generally speaking, the definitions are drawn up quite clearly within the contract

itself as to who is crucial and who is not. There are usually in scope and out of scope employees designated in the contract.

• (1800)

The question of whether or not I would cross a picket line would depend really on whether the legislation we are dealing with is of a very serious and necessary nature, and on the kind of picketing that is going on. A lot of the picketing on the Hill, I foresee, will not be of a particularly crucial nature to the functioning of this House and this Chamber. When it is a question of serving my constituents and there is no other way of doing that but by being in the House, then I suppose I would have no choice but to cross the picket line. I would attempt to explain my reason to the picketers. I am sure that once they understood the reason, they would agree that the parliamentary function is also necessary. I have had this happen on a number of occasions and usually such picketers are quite in accord with what you are doing once they understand why you are doing it.

Mr. Gauthier: I appreciate the Hon. Member's comments and point of view because I know how seriously he feels about the subject.

Picket lines, as I understand, were originally organized for information purposes. They were originally thought up to inform the public that there was a conflict between the employee and the employers, between the democratic process and sometimes the aristocratic owners of an enterprise. Since information was the original intent of the picket line—and we know that today strikes and picket lines receive coverage—I am rather pleased to hear the Hon. Member's position that he would indeed cross the picket line if he felt that the business of the House required his presence. That is a serious position and one which I respect, although one I do not necessarily share.

Is the Hon. Member telling us he would assess his position according to the legislation before the House, or would he, rather, assess his position as that of a servant of the Canadian public, an elected representative who has an obligation to sit in the House and represent the people of Humbolt—Lake Centre?

Mr. Althouse: Mr. Speaker, I think I tried to make it fairly clear in my first answer that both would be at work. The legislation which is before the House rarely, but sometimes, does affect my constituents very clearly. On those occasions I would feel it would be my responsibility and, indeed, my duty to be in the House looking after them.

I will reiterate something I said in my speech. It is not very often that this House has that kind of crucial legislation before it. I refer again to the 15 days when we listened to the bells and nothing fell apart. However, there are occasions when the country may be on the verge of war or something like that and I think it would be necessary to explain why I had to cross the picket line, and I would do so.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated.

Miss Aideen Nicholson (Trinity): Mr. Speaker, Bill C-45, an Act to provide employees of the House of Commons and Senate with a framework of representation, is proving controversial in its present form. Both the Public Service Alliance of Canada and the National Association of Broadast Employees and Technicians are finding considerable difficulty with this proposal. We must consider that this Bill will enshrine in law an employee-employer relationship which does not meet with the employees' approval.

With the advances workers on the Hill have made using the Canada Labour Relations Board, many see Bill C-45 as at best redundant and at worst a step backward for their rights. The President of the Treasury Board (Mr. de Cotret) has stated to employee representatives that the Government is willing to give parliamentary employees the same rights enjoyed by federal public servants. However, the legislation before us does not include one particular right enjoyed by federal public servants, and that is, the right to strike. We might all consider that there are good reasons why employees on the Hill should not have the right to strike. But if that tool is removed from them, surely they must be compensated by having an extremely effective, strong and binding arbitration procedure in its place. That is not offered by Bill C-45.

I understand that there is a court decision pending. I really wonder about the advisability of proceeding with this Bill until that decision has been reached. I understand that the decision is likely to come down in a few days. The history is that on November 4, 1985, the Canada Labour Relations Board announced its decision to certify four bargaining units in the House of Commons and the Library of Parliament. I believe that since that time an additional unit has been certified. The fact that the Canada Labour Relations Board recognized those units has encouraged the workers on the Hill to feel they would prefer to be covered by the Canada Labour Code provisions rather than by the provisions of Bill C-45.

However, the House of Commons, Senate and Library of Parliament administration appealed the CLRB's decision to the Federal Court. The appeal was heard on January 20 and January 21, 1986, and a decision is expected within the next few days. In the interim, the request by the House of Commons for a stay allowing the employer to avoid participating in the negotiations process was rejected by the court.

I find it strange that we are proceeding with Bill C-45 at this time when we are hearing from the employees on the Hill, the people directly concerned, that they do not want this legislation and they would prefer to be under the Canada Labour Code. Their appeal concerning the Canada Labour Relations Board is still before the courts. Surely it would make more sense to have the court decision first and then look again at what kind of legislation is needed.

• (1810)

I certainly have a great deal of difficulty in understanding why we are proceeding with this legislation when the employees have said that it is not what they want. Surely, good employer-employee relations require making a much more serious effort to find out what it is the employees want and then proceed on that basis.

Two clauses in Bill C-45, Clause 5(3) and Clause 55(2), are being objected to. These two clauses would prohibit unions from referring to arbitration matters such as job classification, appointment, appraisal, promotion, demotion, transfer, lay-off and release of employees. These are matters which are really central to working conditions. I have great difficulty in understanding why they should be excluded from arbitration.

Federal public servants under the Public Service Staff Relations Board also face limitations as to what can and cannot be taken to arbitration. However, the Public Service Employment Act also gives federal public servants rights with regard to some of these issues, rights which are not contained in the Bill before us. Increasingly, what we are hearing from those who criticize the Bill is that it is almost word-for-word the Public Service Staff Relations Act minus the rights federal public servants enjoy by way of other legislation governing them.

A Conservative Member of Parliament from Ottawa stated in a radio interview recently that Bill C-45 is landmark legislation which provides Hill workers with important rights, including health and safety rights. That is not accurate. Under the Canada Labour Code, health and safety rights are already allowed. This is so as a result of Bill C-24, as my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), points out.

The workers on Parliament Hill have asked that Bill C-45 be delayed. They do not even want it to go to committee since that would bring it one step closer to enactment. The workers on the Hill know how our system operates. There have been many times in the House when Members on all sides have agreed to the principle of a Bill which has very large flaws and have wanted the Bill to go to committee, where amendments can be moved, so that it can be improved upon. The workers on the Hill are very familiar with this procedure. Yet what they are saying to us is: "We do not want it to go to committee. We want you to block it". This is really a serious situation.

Although negotiations with the union are being conducted by the administration of the House, every Member has a vested interest in this matter. While we are not empowered to negotiate, in a sense we are the employers of these peopie. If they are not happy with this Bill, then why on earth do we not just go back to the drawing-board and try to come up with something on which there can be agreement? I find it absolutely illogical and inconsistent with everything I stand for as a Member of Parliament to be involved in a discussion concerning a Bill which affects our own employees on the Hill and which they have told us they do not want. How did we ever get into this situation? Why on earth are the people concerned, the administration—and I still call them personnel people but I understand the term now is human resources—not talking with the employees, trying to obtain from them some sensible recommendation with respect to what should go into the legislation?

I am sure everyone would agree that the workers on the Hill are entitled to some type of staff association, a union, we can call it what we will. They are entitled to some type of arrangement by which they can bargain and which will allow them a say in the conditions of their work. Since everyone is agreed on that point, why on earth not take the next step and make more of an effort to ensure that what they are offered is what they want? After all, one of the points in having a union is so that there is an organized framework for the resolution of disputes and so that there can be fairer labour practices which benefit both worker and employer. If we start off with a situation in which workers say they do not want this, then surely we are starting off on the wrong foot.

Surely, there is no way of rescuing this legislation. I strongly suggest that the Government withdraw it and start some meaningful and time-limited negotiations with the employees in order to come up with something that is acceptable. After all, if people have something forced upon them, they will not use it productively. However, something which is agreed upon with good will between employer and employee is more likely to work and more likely to provide a sensible framework for the resolution of disputes.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Churchill (Mr. Murphy).

Mr. Murphy: Mr. Speaker, I would like to ask the Hon. Member for Trinity (Miss Nicholson) what her impression is with respect to why this legislation, or similar legislation, was not brought forward by the Government of which she was a part prior to September of 1984. It is deeply regrettable that after so many years of knowing that the workers on the Hill wanted to join a union and wanted to have the right to negotiate that the previous Government did not act at all in that respect.

Miss Nicholson (Trinity): Mr. Speaker, the Hon. Member is not correct in saying that the previous Government did not act at all in this respect. It was the Charter of Rights and Freedoms introduced by the previous Government which was the basis for broadening access to collective bargaining. In fact, we had draft legislation. Since it was not an area in which I was immediately involved, I cannot remember whether or not it was introduced in the House. However, there was certainly discussion with the workers on the Hill as a result of which I understand there was a fairly clear understanding that the way they wished to proceed was under the Canada Labour Code.

Mr. Gauthier: Mr. Speaker, I am more than pleased to have listened to the remarks of my colleague, the Hon. Member for Trinity (Miss Nicholson). Knowing her background, especially in social work, and knowing of her commitment to good

employee relations, I was very impressed with her approach to the subject matter before us. In the name of all of us who have a deep interest in employer-employee relations, I wish to thank her for her remarks.

I would like to ask her if she recognizes that the House of Commons is an essential service and that as such we should designate certain services as essential to the safety and security of the operation of Parliament. I believe she was in the House when I asked a question of the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). I asked him what he would do if the House of Commons in its wisdom, and the employees in theirs, accepted to include the right to strike, as is the case with public servants. In my speech, I think I made it clear that the employees themselves have said that they could forgo that right if meaningful negotiations were forthcoming on binding, third-party arbitration.

• (1820)

Perhaps what I am putting forward is hypothetical. I prefaced my remarks by saying that I know the Hon. Member's commitment to employer-employee relations, and I also understand how she has worked with people over the years. How would she feel if there was a strike and a picket line was set up on Parliament Hill? Would she adopt the position taken by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), for example, who has said publicly that, indeed, the work of the House of Commons is essential, and he has given warning that he would see fit to enter the House to do what he has to do as a Member of Parliament in order to represent his electorate?

I know the position of certain members of the NDP who spoke today. They said that they would never cross a picket line for whatever reason. However, the Hon. Member for Humboldt—Lake Centre said that in certain circumstances, he might cross a picket line if he judged that the matter at hand was of such importance to warrant his explaining to those who were picketing that he was crossing so that he could do his job as a Member of Parliament.

I wonder how the Hon. Member for Trinity feels about this. Perhaps this is unfair to her because I did not discuss this matter with her before. Perhaps I should ask the Parliamentary Secretary to the Minister—

Mr. Murphy: They have to make a speech before you can do that.

Mr. Gauthier: Yes, I may have to ask that question of the Parliamentary Secretary to the House Leader. Perhaps the Hon. Member for Gatineau (Mrs. Mailly) wishes to make a speech and to tell us how she would act. However, I am asking the question of the Hon. Member for Trinity who has made public her views on this Bill. We do not yet know the views of the Hon. Member for Gatineau, but we may find out about them some day.

What would the Hon. Member for Trinity do if faced with a picket line of bus drivers, messengers or security guards who were saying: "We do not believe that you should go to your workplace because we are openly protesting a conflict in employer-employee relations"? What would the Hon. Member say in response to the comments I have just made?

Miss Nicholson (Trinity): Mr. Speaker, first, I do think it is logical to regard Parliament as an essential service in which strikes would not be permitted. I think that way because of how important it is for citizens to be able to have access to their elected representatives to redress grievances. If Parliament was not able to operate, the Government and the executive level would operate without any checks and balances, and that would be most undesirable in a democracy. That kind of situation would be fraught with all kinds of possibilities for arbitrary decisions against citizens who would not have any means of redress. For those reasons, I think it is reasonable to withhold the right to strike from Hill employees. However, having said that, workers who are deprived of that particular right, which is a blunt and very powerful weapon, must be protected in other ways. They must have—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that there is not enough time left today. When we resume the debate, the Hon. Member for Trinity (Miss Nicholson) will have the floor for another four minutes for questions and comments.

• (1830)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

OFFICIAL LANGUAGES—ASSISTANCE FOR OFFICIAL LANGUAGE MINORITY GROUPS (A) GOVERNMENT POSITION. (B) INQUIRY WHEN GOVERNMENT WILL ACT.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on April 8, I put a question to the Secretary of State (Mr. Bouchard), which I actually wanted to direct to the Prime Minister (Mr. Mulroney), and he refused to answer. I read some comments in the press that the Government was rather slow and hesitant about implementing official languages programs and policies. I read some headlines, such as: "*La* Fédération des francophones hors Québec *and Alliance* Québec say these petty reforms are unacceptable.". Another headline: "Exasperation a result of Ottawa's hesitations", and another headline in an English newspaper, I think it was the Gazette: "Ottawa has failed to consult us on reform: language minorities", and it goes on: "Alliance Québec and francophones outside Quebec blame Ottawa for inaction".

Mr. Speaker, I therefore put my question to the Prime Minister: When is this Government going to deal with the problems that concern official language minority groups and when can we expect, and I am reading at page 12187 of Hansard, April 14:

—when can we expect some solutions to the problems in Newfoundland regarding access to French in the courts; in Ontario, regarding French television; in Manitoba, regarding services in French, and throughout the province regarding education and Section 23?

Mr. Speaker, we know that the problem in Newfoundland is that two Francophones asked for a French trial, and up to now, they have not been able to get one, because our own Government, through its officials at the Department of Justice, is arguing that Bill C-42, which was passed by this House in 1977 or 1978, was not proclaimed in Newfoundland, and it is a particular section of this Bill that provides one is entitled to be heard by a judge who speaks the same language.

Mr. Speaker, the problem is that since that time, a Charter of Rights was adopted by Parliament which I believe recognizes the right of a person to express himself before the Courts in his own language. I asked the question, because if I had known the answer, Mr. Speaker, I would not have asked the Secretary of State for further details.

We know that the Court Challenges Program under which groups authorized to bring questions of national importance before the courts was expanded in September 1985. We know also that today is the anniversary of the proclamation of Clause 15, and all of this put together indicates that the Government, five or six months after the proclamation of Clause 15, has extended the court challenges program to allow target groups who feel their rights have been infringed on either under Clause 15 or Clause 27, to appeal to the courts and defend their interests.

As we know, Mr. Speaker, the whole process has been entrusted to a third party. The Social Planning Council has been instructed to set up a panel to rule on the eligibility of the various claims. So far, no claim has been accepted, as far as I know, because the said committee has not yet ruled on any of these claims. If the Minister's response tonight is that the said Committee has to deal with 20 cases, I will say: Yes, but where are the results?

Well, Mr. Speaker, there are people in Canada who feel that their rights have been infringed on, whether the right to an education, the right to be heard by the courts in their own language, or some other essential and basic right. Therefore, I ask the Minister or the Parliamentary Secretary to tell me when we can expect results concerning the court challenges program issue, more specifically, the rights of the accused to be heard in courts in their own languages?

Mr. Speaker, my other question dealing with the financing of educational television in Ontario is one which I have close at heart—I put everything in my question—and I should like the Minister to tell me when Ontario can expect to receive the few million dollars which it is seeking, and which have been promised, to extend French television programming on the TVO Network. I have not received any reply to that, Mr. Speaker.

Concerning Clause 23, I have asked just how many cases we could expect would be heard or at least considered, and I have not received any reply there either, because actually, it is not the Government who answered my question, but the President of the Treasury Board (Mr. de Cotret) who stated that the Government was carrying out a full review of the official languages programs, that the task force was supposed to submit its report shortly, and that we would be eventually advised—I do not know when, sometimes in the future—of the amendments which it would recommend.

Mr. Speaker, my question was not about the Official Languages Act. My question was more concerned with language programs and policies. Today again, I tried to make this Government understand that all this hesitating and shilly-shallying . . . we are sick and tired, Mr. Speaker, of being told: It is too complex. It is too contentious, as the Secretary of State (Mr. Bouchard) said. I didn't say it, he did in a press conference or an interview with Canadian Press recently.

He said, and I quote, it may not be word for word, because I don't have the statement in front of me, but I remember clearly the gist of his announcement. He said: It is not wise to proceed too quickly, because this is so contentious and complex and dangerous that we must take a gradual approach.

You know, all this means is *festina lente*, Mr. Speaker. You understand Latin, so you know what *festina lente* means. It means: Make haste slowly.

Mr. Speaker, that is not what we need. We need leadership. We need a Government that has the courage of its convictions and can say: We are going to do something. We are going to start something new, We will provide the necessary leadership, and we will give that leadership to Canadians and we will show by our convictions—

The Acting Speaker (Mr. Paproski): Order. I am sorry but the Hon. Member's seven minutes are up.

The Parliamentary Secretary to the Secretary of State (Mr.Scott).

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, in answer to the question of the hon. Member for Ottawa—Vanier (Mr. Gauthier) who is asking when will the Government do something to help minority groups in the provinces, I think it is obvious that our Government has already done a lot for these groups. Support for minorities is an essential aspect of the over-all policy of the federal Government with respect to the official languages. At the request of the Prime Minister (Mr. Mulroney), the Secretary of State (Mr. Bouchard) happens to be reviewing the present policy with his colleagues from Justice and Treasury Board.

In addition, our Government has maintained the $20 million budget for the official languages communities program. We

have renewed and expanded the Court Challenges Program and made sure that it will be administered by the Canadian Council on Social Development.

We are now examining new ways to support the development of minorities in co-operation with the provinces, the private sector and volunteer organizations.

[*English*]

The protocol on official languages in education has been renewed until 1988 with a 3 per cent increase for the first year. This means $432 million over two years. With regard to Francophones in Ontario receiving French language programming, our Government has made a significant contribution. For 1985-86 we have provided $1.6 million for French language programming. The Government has also made a commitment to finance half the costs of establishing the French network of TV Ontario. This amounts to $3 million a year for five years. With regard to services in French in Manitoba, the federal Government will be providing $400,000 this year to support Manitoba in translating its laws, further to the Supreme Court decision which requires laws to be in both official languages.

• (1835)

Let us look at the Hon. Member's concern regarding Section 23 of the Charter and the question of minority education rights. I want to point out that since the adoption of the Charter of Rights and Freedoms, some provinces have improved the availability of education in the minority language. The Province of Ontario has dropped the criterion "where numbers warrant" and is proposing the establishment of a minority language school board in Ottawa. The Province of Manitoba is reviewing minority school management.

We are all aware, of course, of the federal Government's support to the Northwest Territories in establishing French as an official language of the territories. Preliminary steps are now being taken to negotiate an agreement on official languages with the Yukon.

[*Translation*]

In short, Mr. Speaker, I think it is clear that the federal Government has been and still is very supportive of the minority official languages communities throughout Canada.

RESEARCH AND DEVELOPMENT—TEXTILES—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, today I want to raise a matter pursuant to a question raised in the House on March 12 during Oral Question Period, which was directed to the Minister of State for Science and Technology (Mr. Oberle).

The House knows my concern for the survival of the textile industry in Canada, and I am particularly worried about the ability of our industry to cope with international competition. That is why I would like to inform the Minister of my concerns about research in the textile industry.

The textile industry has introduced ultramodern technology which is accessible throughout the world and it has become increasing capital intensive. On the other hand, the clothing industry is more fragmented and more labour-intensive, and several distinctions must be made in the case of the textile industry, since in some sub-groups like hosiery and drapes and curtains, modern technology has not been introduced at the same rate.

We know that at the present time, Canada has no research centres that are really specialized in textiles. I am referring to research aimed at discovering new products and new manufacturing processes.

Of course there are a number of research centres that can help the industry with quality control testing, such as the Ontario Research Foundation and the *Centre de recherche* industrielle du Québec, *the CRIQ, but these centres do not* specialize in textile research. There is also our biggest reseach centre, the National Research Council of Canada, and I found out that textile manufacturers, or at least those in Quebec, do not make use of its services and are hardly aware it exists.

At the present time, when a textile manufacturer is looking for new ideas, he has to get them from the trade magazines or visit the textile fairs in Europe. The House will agree it is not very practical to have to travel so far to learn something. And it will also recognize that small businesses are always penalized more than others, because they lack the resources to be able to send regularly a person or persons around the world to look for new concepts. We are now seeing the introduction of new technology with the latest computerized equipment for primary manufacturing operations. The application of new technologies, such as robotics, microelectronics or laser technology could transform the industry into one that requires huge investments, which might help it to neutralize the advantages enjoyed by countries with low overhead and to win their share of the market.

In 1982, for instance, Japan earmarked over $60 million US to fund a new nine-year research and development project to produce a fully automated sewing process. At the same time, the United States launched a similar project to design an automatic machine to sew the sleeves of men's overcoats, one of the most complex and most difficult operations in that sector.

This research program is sponsored by a group of textile and garment manufacturers, the unions involved, and the American Department of Trade. In fact, it is a ten-year $69 million program being carried out in Boston, in the State of Massachussetts. The results are quite encouraging, and the prototype of a sewing system using mobile sewing machines remotely controlled by cameras and computers has been developed and tested in a plant.

Advanced research has been made to include other sewing operations and to lower the production cost of the prototype. This revolutionary sewing system should be on the market within three years.

In Western Europe, research and development work is being done at two levels, by the European Economic Community and by individual countries. The European Economic Community's research and development project has a budget of $17 million spread over four years, and will be up to 50 per cent financed by these countries.

In Canada, our main exports are furs and outer wear, which represent 49 per cent and 21 per cent, respectively, of the industry's exports. In the fur group, 42 per cent of our entire production is exported to the United States, our main export market since they purchase more than 82 per cent of our total clothing exports.

Actually, the countries of South-East Asia have recently penetrated the fur market. Are we going to let them have a free rein? When I think of textile research and development in my own province, I think of businesses that have succeeded in taking the initiative and creating an original product.

I am thinking, for instance, of NALPAC, in Montreal, which invented a revolutionary snow fence made of polyester.

I am thinking of TEXCEL in Beauce, which manufactures geotextiles that are immensely useful for road construction in marshy areas. I am thinking of Dominion Textiles, in Drummondville, which manufactures KEVLAR cloth for tires.

Mr. Speaker, can you imagine what our inventive geniuses could do if they had technical support through a specialized textile research centre? The centre could do regular testing on manufactured products entering Canada to examine the actual composition of such products and find out whether they are up to import standards.

It could also be a place where we would have a bank of experts. I know several people who are retired and who would be delighted to serve as consultants.

Mr. Speaker, I hope these considerations will encourage the Minister to look at the feasibility of setting up a research centre that would be welcomed by many primary textile products and clothing manufacturers.

• (1840)

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to congratulate the Hon. Member on his very fine and well researched presentation. It is well known in the House of Commons that the Hon. Member for Drummond (Mr. Guilbault) is very, very interested in ensuring that the textile industry progresses. He makes his presentations very well known to the Minister of Science and Technology (Mr. Oberle), as well as the Minister of Regional Industrial Expansion (Mr. Stevens).

The Government took steps in the May, 1985 and February, 1986 Budgets to stimulate research and development, particularly by small and medium-sized companies, which comprise a significant part of many of our traditional industries, including textiles. The fully refundable R and D investment tax credit was specifically intended to assist such companies.

The Hon. Member for Drummond may be aware that the Minister signed a subsidiary agreement on scientific and technological development with the Government of Quebec on a great day, St. Patrick's Day, March 17, 1986. It also happens to be my birthday, so it must be a great day. Under the agreement, the two Governments will spend $38 million over five years to promote research and technological innovation in Quebec firms.

There will be particular emphasis on manufacturing technologies, including computer assisted design and manufacture, new uses for traditional materials, and electronics and infometrics, all of which are of particular relevance to the textile industry. Firms may apply for the grants in order to conduct feasibility studies with regard to major new technologies or products, to acquire modern scientific equipment for research and development, and to undertake significant new R and D projects. While the initiatives must come from the firms, they are encouraged to collaborate closely with universities.

• (1845)

Research and textile fibre technology is supported at the University of Guelph and the University of Manitoba. The National Research Council maintains a team of 12 people who conduct research on textiles and textile fibres, the results of which are available to the industry. I know the Hon. Member mentioned that the textile industry may not be that interested in the NRC, but I am sure that the co-operation between the industry and NRC can improve and will do so. The field staff of NRC provides advice on research and the latest technology to the firms in the sector.

[*Translation*]

The Hon. Member should know that Quebec provides assistance to the *Centre québécois de la productivité* et du rendement, and that the federal Governmemt does not want to duplicate the work of that organization.

Finally, the federal Government does much to promote technical progress in that sector.

[*English*]

ENERGY—SUGGESTED DISCOUNTS FOR MOTORISTS PAYING CASH FOR GASOLINE

Mr. Reginald Stackhouse (Scarborough West): Thank you, Mr. Speaker. The adjournment debate is designed to give Members of Parliament an opportunity for further discussion when Members are not satisfied with answers they have received. I welcome this opportunity and thank the Parliamentary Secretary for his attendance.

My question on April 7 asked the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) if the Minister would contact Canadian oil companies

and request them to consider giving discount prices to motorists who pay cash rather than use credit cards. This would be an appropriate sequel to the actions already taken by the Energy Minister, who has clearly shown that she is an advocate for consumers. It is right that a Minister be that kind of advocate. Lobbyists represent different interest groups within Canadian society on this Hill. Trade, business and labour associations all have their champions here. Who represents individual consumers except their Members of Parliament and the Government they elect?

Speaking out on behalf of consumers is especially appropriate for a Progressive Conservative Government, for ours is a people party that cares about people and their concerns. Time on this adjournment debate does not permit the review of the many occasions when the Conservative Party has acted on behalf of consumers. Robert Stanfield, for example, as Leader of the Opposition, was ready to go as far as price controls.

My question did not urge any action, extreme or moderate. In place of action, it suggested using moral suasion, for moral suasion has been proven to be an effective instrument in gaining fairness for the Canadian consumer. It is well known that over the years the Minister of Finance (Mr. Wilson) and the Governor of the Bank of Canada have frequently on behalf of the Canadian people and their well-being made use of moral suasion to influence banking policies. The Energy Minister has herself made use of moral suasion on behalf of motorists in this country. I quote from her remarks in the House on March 12:

> Mr. Speaker, I am glad to be able to tell the Hon. Member that politeness pays off. Today Esso and Petro-Canada have announced that they have dropped the price of gasoline by two cents a litre.
>
> You will recall, Mr. Speaker, that I asked the industry to ensure that the price decreases were passed along to consumers so that everyone could take advantage of our deregulated oil and gas industry.

I have been encouraged by the effectiveness of her moral suasion. On March 13, for example, one gas station in Scarborough West charged 46.9 cents for regular gas and 49 cents for unleaded. Today the same station charges 38.1 cents for regular and 41.1 cents for unleaded, a drop of 8.8 cents a litre. In the past 36 days, the price of regular gas has dropped 18.8 per cent and the price of unleaded 17.6 per cent, demonstrating the effectiveness of moral suasion and the appropriateness of it when a Minister uses it in a private enterprise economy. "Politeness does pay off".

If the Energy Minister would ask Canadian oil companies to take another step on behalf of consumers and to at least consider giving discount prices to motorists who pay cash rather than use credit cards, it would be another opportunity for a Government to show it cares about consumers. A caring Government cares enough to help. As well, the discount for cash proposal is credible. Already one of Canada's major oil companies has informed me that it is "seriously studying" this proposal and its application in British Columbia.

• (1850)

At this very moment in various parts of the U.S., certain major oil companies such as Esso are presently giving discount prices to motorists who pay with cash rather than credit cards in particular regions. The proposal is thus credible and practical. In response to my request on April 7, I was told by the Parliamentary Secretary:

> No more would she suggest that a company do that than she would suggest that a haberdasher charge less for a suit when customers pay cash rather than use credit cards.

There was simply no parallel there. The Minister's actions show that retail gas prices are on her agenda and part of her concern. Rightly so. I had to be impressed and somewhat amused by the way the word "haberdasher" was used in a political sense. The late President Harry Truman was a haberdasher. At one point in his life he saw the value of his inventory reduced by over 800 per cent in one week through bank action. There was a haberdasher who would have appreciated some Government action.

It has been demonstrated time and time again that moral suasion by the Government produces results in private enterprise. I commend the Minister for what she has done on behalf of consumers. I hope she might yet take one further step. Moral suasion and politeness pay off.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the opportunity to reply to my hon. friend, who has always shown a great interest in the consumer. He has made an excellent suggestion to the oil companies. Obviously they have already received his message loud and clear. The Minister does not and will not interfere in the day-to-day operations of private sector companies. She has made that very, very clear. At one time, and I think rightfully so, she said that she expected the savings from falling oil prices would be passed on to the consumer. The companies are doing that. I would like to think that when the Minister sent that telegram to the various companies, it had some effect.

There are many marketing tools, and this is a marketing tool, which the companies use. The Hon. Member mentioned that some of the major oil companies use it in the U.S., but only in certain areas. Obviously it is a marketing tool within a certain area. I know that here in Canada many of our energy companies provide 5 per cent discounts to various organizations which have a special card and buy their gas at a certain station of a certain company. These are all marketing practices carried on by various companies.

The Minister does not want to get involved in day-to-day marketing operations of these companies. We deregulated the industry and as a Government, we are committed to deregulation. The Canadian electorate have said that we should let them operate their businesses and get off their backs. They will do the job, they will create employment and make things better for Canadians, but we should stop placing this burden of

Government on them. This is happening and we have seen some very positive results.

That is not to minimize the importance of the suggestion by the Hon. Member. It is a good one. Obviously he has been in touch with one of the major oil companies, and he might want to encourage the others by making that suggestion to them. I thank him for bringing up this issue and for his concern. Yes, we are very, very pleased that the savings resulting from lower oil prices have been passed on to consumers right across this great country of ours.

[*Translation*]

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

The House adjourned at 6.54 p.m.

HOUSE OF COMMONS

Friday, April 18, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CROWN CORPORATIONS

SALE OF CANADIAN ARSENALS LIMITED—EMPLOYEES' PENSIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): On December 2, 1985, Mr. Speaker, the Government announced its decision to authorize the divestiture of Canadian Arsenals Limited in Montreal. Established in 1945, this corporation is one of the most profitable agencies of the Government of Canada, with 750 employees in Montreal and 50 more in Saint-Augustin near Quebec City.

Mr. Speaker, Canadian Arsenals employees were completely ignored when the Canadian Government made its decision, for they stand to lose most of their benefits once the corporation has been sold. For instance, Mr. Speaker, the pensions of these employees: a 29-year-old employee with 12 years' seniority will lose $17,213 a year under the new—

Mr. Speaker: Order, please. The 60 seconds have expired. The Hon. Member for Humbolt—Lake Centre (Mr. Althouse).

* * *

[*English*]

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

HIRING PRACTICES IN HUMBOLDT—LAKE CENTRE CONSTITUENCY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would like to begin the day with a small puzzle for Members of the House. It is a brain teaser concerning a real life situation. Since I do not know the answer, I will ask the House.

Young people in my constituency who are permanent employees of the Department of Employment and Immigration are regularly hired in the fall as permanent employees, and then receive unemployment insurance in the spring when their jobs are filled by two university students. When those students go back to school in the fall, the permanent employees become members of the Employment and Immigration staff again. The puzzle I have for Hon. Members is this. Has that created three jobs, two jobs, or one job? Those Hon. Members who get the answer have places reserved for them in the line-ups in front of their local Canada Employment Offices.

* * *

• (1105)

VANDALISM

DEFACING OF UKRAINIAN MONUMENT IN EDMONTON

Mr. William G. Lesick (Edmonton East): Mr. Speaker, on the evening of April 6 the monument commemorating the memory of millions of Urkainians who died during the famine of 1932-1933 was defaced for the second time outside Edmonton City Hall. The words "Nazi lies" were painted on the monument.

The Ukrainian Canadian Committee and the Jewish Federation of Edmonton stated, and I quote:

> This act of vandalism undoubtedly reflects the views of an insignificant sector of our society, yet it serves as a reminder that there are still those who will not accept the reality that the man-made famine of 1932-33 took place.

As a Canadian of Ukrainian racial origin I am outraged at this act of vulgarity against the memory of over six million Ukrainians who were starved at the hands of communism. This monument reminds us of past evils and atrocities committed against Ukrainians. People may deface monuments, but they cannot erase the memory of a people or change the truth of history.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

INDUSTRIAL POLLUTION CONTROL IN CONSTRUCTION OF NORANDA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Minister of Environment, the Hon. Tom McMillan, publicly stated this week that our Government is prepared to put up a sizeable part of the $150 million needed to build the Rouyn-Noranda industrial depollution plant which, between now and 1990, would recuperate 50 per cent of the 500,000 tons of sulphur dioxide released annually through Noranda smokestacks.

According to Government estimates, Mr. Speaker, this project will cost $110 million. The Minister said he thought the least that could be done would be to reach a tripartite shared-cost agreement, which means that the federal Government is prepared to invest a minimum of $36 million.

However, our Minister of Environment acknowledges that the Government of Quebec has to be the key promoter of such an endeavour. Therefore I would urge the Quebec Minister of Environment to expedite negotiations with Noranda so as to get the project under way as soon as possible, for it has long been a major topic of conversation in the region, and it would certainly contribute to improve the quality of life of local residents.

* * *

[*English*]

AGRICULTURE

DIESEL FUEL PRICES IN UPPER OTTAWA VALLEY

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the failure of the Arab led OPEC consortium to agree on production quotas has caused the price of oil to fall by 60 per cent in the last three months. Yet farmers in the Upper Ottawa Valley who will be on the land very soon are not paying lower prices.

As diesel fuel costs form a significant portion of a farmer's fixed costs, I find the present state of affairs grossly unfair and indicative of the Government's continuing insensitivity to the plight of the farmer. I call upon the Minister of Energy, Mines and Resources (Miss Carney) to initiate, on an urgent basis, a full and complete inquiry into diesel fuel prices in the Upper Ottawa Valley.

The Minister's own Department of Energy has informed me that diesel fuel prices have dropped five cents per litre in the Kingston area and two cents per litre in Montreal. Yet in the Upper Ottawa Valley prices have not dropped at all. This is an injustice to the farm community and to the forest industry. It is a deplorable situation and needs immediate attention. The Minister says she will not interfere with private enterprise. This is proof that she is not interfering with her friends who have oil interests.

* * *

[*Translation*]

THE ECONOMY

POSITIVE EFFECTS FROM BANK RATE REDUCTION

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, Canadians, Quebecers and people in the Gaspé feel confident once again, since the good news that is coming in practically every day augurs well for the future.

Yesterday, the Bank of Canada announced a further reduction in the bank rate. Successive reductions within the last few weeks have had a positive impact on all sectors of our economy.

According to Statistics Canada, sales reached $11.2 billion in February 1986, an increase of 14.1 per cent over September 1984, and 9.7 per cent over February 1985.

In Quebec, the figures are almost identical: 14.2 per cent compared with September 1984, and 9.2 per cent compared with February 1985.

Mr. Speaker, this is thanks to the sound and effective policies of our Government.

* * *

[*English*]

YOUTH

FEDERAL EMPLOYMENT FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, this Conservative Government has turned its back on the unemployed and student youth. The total funding for Summer Employment Experience Development has been reduced from $163 million in 1985 to $127 million in 1986. Some of this money has already been siphoned off to be used only for Expo '86.

What is the result? In my riding of Churchill, despite the fact that youth unemployment remains high and the demand for youth employment programs remains the same, the federal Government has reduced its contribution to the SEED Program from over $700,000 to $409,000. This money is earmarked for municipal, public, and private sector job creation where wage subsidies are required. The Government must act now to provide funds for youth, at least meeting and matching last year's contribution, even if it is not willing to meet the real needs of unemployed youth.

* * *

• (1110)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE TO SARNIA-LAMBTON

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the Canadian Government, in co-operation with the American Government, has until next Tuesday to convince the Senate Finance Committee in the U.S. to agree to the positiveness of bilateral trade negotiations. Enhanced trade with the U.S. is no longer an option for the Canadian economy but a necessity.

The choice is no longer between freer trade or maintaining the *status quo*, but between freer trade or closed borders.

My riding of Sarnia—Lambton, with its proximity to the U.S., is extremely interested in having our borders opened. The unemployment rate in my constituency is far above the national average, and the attraction of new businesses and industries is essential to our area.

Earlier this week I attended the opening of an American company which has chosen the Sarnia area as its first Canadian location. On many other occasions we have not been so fortunate. Recently another American firm was deterred from opening in our area because of the high tariffs and duties on goods entering the U.S.

We must make a determined effort to attract new businesses into our country. Opening our borders is very essential.

* * *

THE ECONOMY

CONFIDENCE IN GOVERNMENT POLICIES

Mr. Bob Hicks (Scarborough East): Mr. Speaker, the results of a recent economic survey of 200 Scarborough business people have now been printed in the March edition of the *Scarborough Businessmen's Association Newsletter*. The results clearly show confidence in the federal Government's economic and fiscal policies, as well as in the forthcoming trade negotiations with the United States.

For example, with respect to the question of unemployment 57 per cent of the respondents stated that their outlook for the eocnomy was positive; 60 per cent stated that interest rates would decrease; 51 per cent stated unemployment would decrease; 49 per cent stated that, as a whole, the impact of free trade will be positive; and 70 per cent said their company sales will increase—all positive responses clearly indicative of just what is happening with the Canadian economy under a Conservative Government.

* * *

[*Translation*]

PROSTITUTION

ALLEGED DISCRIMINATION RESULTING FROM BILL C-49

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today I would like to discuss some of the consequences of the new legislation on soliciting for the purpose of engaging in prostitution.

In Vancouver, about two-thirds of the arrests made involved prostitutes and only one-third their clients. We had a glaring example the other day in Vancouver of the difference between the treatment given prostitutes and the treatment given their clients.

A prostitute and a client were both arrested for soliciting, and both cases were heard by the same judge.

The prostitute was fined $150 or five days in jail, and the client was acquitted and put on probation.

This evidence of discrimination proves that the *many* people who are opposed to this legislation are right. Mr. Speaker, once more I want to voice my objections against this unfair legislation which allows the police and judges to apply a double standard, depending on where their prejudice lies.

* * *

[*English*]

INDUSTRY

B.C. TELEPHONE COMPANY—ANNOUNCEMENT OF LAY-OFFS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, B. C. Telephone Company appears to be deliberately terminating jobs for operators, most of whom are women. After decimating jobs for women in Terrace, the company now plans to terminate some 70 jobs in Cranbrook. Since most women operators cannot leave their families to transfer elsewhere, this has resulted in a subtle tactic to reduce operators' jobs by the hundreds.

We do not agree with the Hon. Member for Kootenay East—Revelstoke (Mr. Graham) who has said that this is not a federal issue. We ask the Minister of Communications (Mr. Masse) to ask the CRTC immediately to hold special hearings in Cranbrook, with a one-year moratorium on B.C. Tel job transfers, until service and community implications of this move are established.

We again ask the Minister of Employment and Immigation (Miss MacDonald) to approve the request of TWU for a job maintenance technological change study into B.C. Tel actions.

We ask the Minister of Labour (Mr. McKnight) to investigate whether B.C. Tel is ignoring its responsibility under the Canada Labour Code—

Mr. Speaker: Order, please. Sixty seconds.

* * *

AGRICULTURE

FREEZE PLACED ON GRAIN COMPANIES' STORAGE CHARGES

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, with low commodity prices and increasingly high input costs, Canadian farmers are under an immense amount of financial pressure. Therefore I was very relieved to learn that the Canadian Grain Commission has frozen the amount that grain companies can charge farmers for storing, handling, and cleaning grain. This

decision will mean a saving to Canadian grain producers of an estimated $20 million.

While officials with companies such as UGG and Cargill have agreed that the freeze is a necessary step, Otto Lang, the Vice-President of Pioneer Grain, contends that the freeze is bad economics and a giant step backward. Bearing in mind that the same Otto Lang is a former Liberal Wheat Board Minister, I would have expected him to be more knowledgeable about the severity of the financial crisis, and a bit more sympathetic to the plight of western Canadian grain producers. In light of Mr. Lang's previous prominence in Canadian public life, it would be most useful if the Right Hon. Leader of the Opposition (Mr. Turner) would reassure this House that Mr. Lang is no longer an influential member of the Liberal Party.

* * *

[*Translation*]

CENTENNIAL OF CITY OF SAINT-LÉONARD

INVITATION TO CELEBRATIONS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the City of Saint-Léonard, in the beautiful riding of Saint-Léonard—Anjou, is about to celebrate its very first centennial, and we want to share our delight in this occasion with all Canadians and invite you all to come and celebrate with us in Saint-Léonard. There is a series of activities that will take place between April 1986 and April 1987, and they are all very exciting. We hope to see you among our enthusiastic crowds. Welcome to Saint-Léonard on the occasion of its 100th birthday!

• (1115)

ORAL QUESTION PERIOD

[*English*]

FINANCIAL INSTITUTIONS

IMASCO TAKEOVER OF GENSTAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of State for Finance. By allowing the takeover yesterday by Imasco of Canada Trust, the Government has blatantly flouted the will of Parliament and two successive resolutions passed by the Finance Committee of the House of Commons which unanimously recommended against the takeover, and against the principle of takeover by a non-financial institution of a financial institution. Will the Government announce a policy prohibiting such takeovers and the continuing concentration of economic power in Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, regarding the rights of Parliament, I might point out that the other place is very much a part of Parliament and it has not yet issued its report which will also deal with this issue. I will certainly respect the rights of Parliament in addressing ownership policy, as I indicated yesterday. We have made a lot of progress in this arrangement we have made with Imasco and Genstar in terms of the conditions we laid down for them.

[*Translation*]

GOVERNMENT'S ATTITUDE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my answer to that is that the conditions laid down by the Government are practically a farce and not stringent at all, and I repeat my question: Why doesn't the Government take an approach that reflects the almost unanimous will of this House to prevent such takeovers?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have recommendations from a House of Commons Committee and we are in the process of developing an ownership policy. We have made considerable strides. As I said yesterday in the House and outside the House, we are now in a new era in terms of financial institutions and the quality of our regulations, after years and years of neglect.

REQUEST THAT PARLIAMENTARY COMMITTEE BE RECONVENED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final question is directed to the House Leader in the absence of the Hon. Member who is the Chairman of the Standing Committee on Finance. Would the House Leader consult over the weekend with that Hon. Member to allow a reconvening of the committee so that Members of Parliament from all sides of the House who have expressed strong views about this issue can have their views reflected on the record, beginning on Monday?

[*Translation*]

Hon. Ray Hnatyshyn (President of Privy Council): Mr. Speaker, I think that is a good idea, but it is up to the members of the Committee—

[*English*]

I think the Right Hon. Member will understand that members of the committee, particularly under the new reform rules, are able to make these determinations. Certainly the mere fact that the Right Hon. Leader of the Opposition has made this suggestion will make its way to Westaskiwin where the Chairman of the committee is now speaking on behalf of one of our distinguished Hon. Members.

SELF-DEALING INQUIRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also for the Minister of State for Finance and also concerns the Imasco takeover. Since this process started last year when

the Minister allowed Genstar to take over Canada Trust, can the Minister assure the House that there has been no self-dealing in that situation?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we received an undertaking from Genstar at the time of that takeover that there would be no self-dealing. We have much stronger undertakings from Imasco, and we also have undertakings on other things on which we did not have undertakings before.

RESPECT FOR UNDERTAKING GIVEN BY GENSTAR

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister has said that she received an undertaking from Genstar that it would not be involved in self-dealing, but can she confirm that that undertaking was respected?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would be very happy to check with the Superintendent of Insurance, but no self-dealing incidents have been brought to my attention.

SUPERINTENDENT OF INSURANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Minister of State for Finance and refers to the Superintendent of Insurance to whom the Minister just referred. When the Superintendent of Insurance, the Minister's chief adviser on trust companies, was asked whether he could provide any compelling evidence that the takeover by Imasco would in fact be in the best interest of the country, he said that he could not provide any compelling evidence that it would be in the best interest of Canada. If her chief adviser said that it was not in the best interest of the country, why did she go against that advice?

• (1120)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I understand that the Superintendent of Insurance did not say that the *status quo* was necessarily in the best interest of the country either.

Let me explain to the Hon. Member that what we were able to accomplish in the arrangement of which the Government can be very proud was our underlying commitment to allow the market-place to function, provided policy purposes were met. It is fair to depositors. It is fair to the companies involved. It is fair to Hon. Members of the House who expressed concern about some of the matters on which we obtained undertakings. I think that is in the public interest.

GOVERNMENT'S DECISION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a supplementary question for the Minister. The clear recommendation of the Finance Committee on two occasions was to stop the takeover. It was virtually the opinion of the House of Commons that the takeover should be stopped. The Minister did not do that; the Minister did not stop it. Can she identify any Member of the House, or anybody, who says that the decision to go ahead with the takeover is a good idea or a good decision in the interest of Canada and Canadians?

Hon. Barbara McDougall (Minister of State (Finance)): Yes, Mr. Speaker, I think there are Members of the House who think we did a good job on this deal.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

CANADA-LIBYA RELATIONS—REQUEST FOR COMPREHENSIVE ECONOMIC SANCTIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Deputy Prime Minister. On January 10 the Prime Minister announced a series of economic measures against Libya, but they were far from cutting off all significant economic relations with that country. Would the Government not agree that the situation has become far more serious than it was on January 10? Will the Government, therefore, immediately announce a truly comprehensive package of economic measures against Libya, covering both companies and workers, and thereby set an example for the world community and help encourage Libya to become a more responsible member of the world community?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know where the Liberal House Leader has been over the last few days, because I have certainly been answering those questions. He will be happy to know that the Secretary of State for External Affairs is taking advantage of the OECD meeting to meet with representatives from France, Japan, Australia, the United States, New Zealand, Denmark, the Netherlands, and the Federal Republic of Germany, and that he now detects a greater momentum for co-operation on terrorism, which is likely to be high on the agenda of the Tokyo Summit.

REPLACEMENT OF AMERICAN WORKERS IN LIBYA BY CANADIAN WORKERS

Hon. Herb Gray (Windsor West): Mr. Speaker, I am surprised the Government does not realize that the situation has changed since January 10. In the January 10 statement the Government urged Canadian companies and workers not to fill gaps when Americans left Libya. Could the Government assure the House today that this has not happened and that Canadian companies and workers are not helping to prop up the Libyan regime and everything connected with it? Could the Government give us that assurance and tell us what steps it is taking, and has taken, to ensure that Canadian workers and companies are not filling gaps left when Americans withdrew from Libya?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have told the hon. gentleman what steps Canada has taken. The issue which he raises is certainly in the January 10 statement. Any further alternatives which are to be explored are currently being explored by the Government in preparation for discussion of the entire matter of the elimination of the reprehensible and evil scourge of terrorism throughout the world.

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FINANCIAL INSTITUTIONS

IMASCO TAKEOVER OF GENSTAR—ROLE OF CANADA TRUST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. Will the Minister confirm that, as a result of her highly imaginative and highly misleading policy on the Imasco takeover, at the end of next year one Imasco subsidiary, Canada Trust, can make a loan to another Imasco subsidiary, namely, Imperial Tobacco?

• (1125)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the undertaking we have is that there will be no self-dealing whatever between Imasco, its associates and affiliates, and Canada Trust. That is in the schedule which was signed by the company.

* * *

CORPORATE AFFAIRS

INCREASE IN CORPORATE MERGERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the policy that was announced, that will hold for only one year. It will be interesting to see all that spelled out at some point in the near future.

Quite apart from the self-dealing aspect of this issue, which was of great concern to members of the House committee and members of my Party, we are also concerned about the alarming rate of mergers in the Canadian economy. Is the Minister aware that in the 1960s some 250 mergers took place each year, that in 1985 there were over 700, and the forecast rate of takeovers this year will exceed 900? Is the Minister aware of this trend and, if so, what does the Government plan to do about it if it really believes in competition?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure that many of those mergers and takeovers are probably very positive for Canada. There will be some that will not be because of difficulties in one company or another. Any practical experience in the business field would tell the Hon. Member that sometimes these are very beneficial. Big-sized companies compete internationally and they compete better sometimes than small companies, not always, but sometimes.

COST TO TAXPAYERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Minister would read some of her old speeches and some of the old speeches of the Prime Minister, she would pick up interesting observations about such mergers almost never providing more jobs and almost always reducing the amount of competition.

I have had a list prepared of 21 mergers that have taken place since 1979 which shows that these mergers have cost some $24 billion in the main, without producing more jobs. Also they were mainly financed in some part by tax breaks. If I send the Minister the list of these 21 mergers costing, I repeat, some $24 billion, will she provide us, not on a case-by-case basis but totalled together, the net cost to the Canadian taxpayer who has been financing these takeovers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as my colleague, the Minister of Finance, has said in this House, our tax law with regard to the write-off of interest and takeovers and mergers is consistent with other countries'. The Hon. Member may recall an answer given by my colleague, which is inconsistent with what he is asking today, because foreign companies, which the Hon. Member has many times said he does not like, can write off the interest to take over Canadian companies.

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RAILWAYS

NEWFOUNDLAND RAILWAY—FEDERAL-PROVINCIAL DISCUSSIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Transport. He knows that Newfoundlanders have been waiting since last September for a decision on the fate of the Newfoundland Railway. Indeed the Minister in this House, and as recently as last night on CBC television in Newfoundland, confirmed that discussions were ongoing with the Newfoundland Government. Can the Minister indicate today when he expects those discussions and negotiations to draw to a conclusion, and a decision one way or the other on the future of the Newfoundland Railway will be announced?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would hope those discussions will conclude and a decision be reached very soon. I appreciate the Hon. Member's concern about this. I also recognize the concern of Newfoundlanders and the uncertainty that this matter has created. I apologize for that, but nonetheless we are using our very best efforts to try to put together the best kind of transportation package to meet the needs and services of Newfoundland.

PREMIER'S STATEMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, is the Minister aware that a large part of the reason for the uncertainty is that yesterday in Newfoundland a statement was made by the Minister confirming that negotiations are ongoing, and an absolute denial was made by the Premier of Newfoundland that negotiations actually exist? Can the Minister tell us why that very large contradiction exists between the statement of the Minister, the Hon. Member for St. John's West, and the denial by Premier of Newfoundland? Newfoundlanders have suffered long enough from an uncertainty caused, I suspect, by confederation-building in Newfoundland at this time.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is perhaps a matter of semantics. There have been discussions, and perhaps they could be referred to as negotiations, but I can confirm to the Hon. Member that there have been discussions. Those discussions will continue until such time as an agreement can be reached more or less in principle, after which time we will set out to consult with the people of Newfoundland, the communities, and particularly the workers involved.

* * *

• (1130)

FINANCIAL INSTITUTIONS

OWNERSHIP OF IMASCO

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Supply and Services. Statistics Canada, for which he is responsible, carefully reviews company structures and shareholdings to determine which are foreign controlled. Will the Minister confirm that Statistics Canada, in the latest information under CALURA, which I have here, considers Imasco a foreign-controlled company under the effective control of the U.K. owned British American Tobacco Company?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I have not read that particular report, but I would be happy to review it and reply to my hon. friend.

Mr. Langdon: Mr. Speaker, I suggest that the Minister might be a bit more on top of his Ministry.

APPROVAL OF GENSTAR TAKEOVER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I will direct my supplementary question to the Minister responsible for financial institutions. In view of the fact that Imasco is classified as foreign-controlled, has the Minister not in fact approved a back-door increase in foreign control of our financial institutions, something which the country considers quite unacceptable in the banking sector?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my hon. colleague to my right is very much on top of his Ministry.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Imasco is classified as a Canadian company under FIRA and Investment Canada. BAT in Britain is a broadly-held company which does not have control of Imasco's board, even though it is a large shareholder. The board of directors is totally Canadian controlled, and will continue to be so.

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RAILWAYS

FUTURE OF NEWFOUNDLAND RAILWAY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the federal Minister of Transport is being publicly contradicted by the provincial Minister of Transport in Newfoundland, and the federal Minister of Justice, representing Newfoundland, is being publicly contradicted by the Premier of Newfoundland with regard to the future of the Newfoundland Railway. I will direct my question to the Minister of Transport. When are these Governments going to stop playing peek-a-boo with each other and the people of Newfoundland so that the people of Newfoundland will know what is being discussed?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member's rhetoric is a bunch of nonsense, and my previous answer stands.

Some Hon. Members: Hear, hear!

POLL RESULTS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in an interview in Newfoundland last night the Minister of Transport said: "According to our polls, the Newfoundland people consider the highway as the most important mode of transportation", and that he was going to Cabinet with his proposal.

Is the Minister so naive as to believe that the people's belief that the highway is the most important mode will give justification for doing away with the railway? Through that reasoning the railway could be done away with right across the country. Is that what the Minister wants to do?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not one-tenth as naive as the Hon. Member who just spoke.

Oral Questions

TRADE

CANADA-UNITED STATES NEGOTIATIONS—SOFTWOOD EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of State for Forestry. We have known for over a year that the mood of protectionism has been on the rise in the U.S. Congress on everything from fish and hogs to steel and, particularly, wood.

Would the Minister explain why his Government continues to wander around in a daze on this issue when he knows that it is time for this House and the country to start talking tough and put some real lobbying money where our mouth is on the issue of softwood?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the Hon. Member is wrong in his assumption that the Canadian industry or the Government has been inactive on this particular issue. We welcomed the delaying of the vote in the U.S. Senate Finance Committee. We think that the President of the United States has given us an indication that the trade talks will start off with a clean launch, and that is what we are hoping for.

MINISTER'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, to date the Muldoon belly crawl has brought us quotas and tariffs. Of all members of Cabinet, the Minister should have done something real through the 1986-87 Estimates. All he has brought forward is one-half a person year in order to deal with the very real trade threat from the United States Congress. Is he prepared to explain why he did not do more in the 1986-87 Estimates??

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I suggest the Hon. Member ask the industry and the provincial Governments whether this particular Minister has been co-operative with my colleague, the Minister responsible for Trade, on this particular issue.

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FINANCIAL INSTITUTIONS

FUTURE TAKEOVERS—REQUEST FOR RESTRICTIONS ON SELF-DEALING

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of State for Finance. Will the Minister guarantee the House that in any future proposed takeover of a financial institution by a non financial institution, or in any future attempt by non financial institutions which already control financial institutions to increase their ownership, she will impose the same or similar restrictions on self-dealing ownership and divestiture as those she imposed on Imasco yesterday?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think we crossed an important watershed with the agreement with Imasco. Certainly in any future reviews we would be considering the same kind of controls and undertakings, giving some thought to individual circumstances. We are very pleased that our review process worked very well. I do not want financial institutions in our country to be traded around like penny stocks.

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INSURANCE

INTRODUCTION OF LEGISLATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of State for Finance. Self-insurance and group funding are becoming alternative programs for Canadian individuals or institutions which cannot get liability insurance or afford the unlimited increases. Can the Minister tell Canadians if she is encouraging such programs, and when she will table legislation to protect Canadians under this new system?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his continued interest in this important issue. Our officials are continuing to study the specific problems and are in the process of developing an approach which we think will be helpful. The industry itself has been helpful in coming up with solutions. I think the worst of our crisis is over. Legislation on property and casualty insurance will be forthcoming shortly.

[*Translation*]

CASUALTY SELF-INSURANCE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I may remind the Minister that although on January 20, she informed the House that the legislation was practically ready, we have yet to receive it. Is she going to consult with her colleague, the Minister of Consumer and Corporate Affairs, so that Canadian consumers will be protected under this new casualty self-insurance system?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I consult regularly with my colleague, the Minister of Consumer and Corporate Affairs. I am very anxious to get this legislation into the House as rapidly as possible. Sometimes I am a little optimistic about timing.

FINANCIAL INSTITUTIONS

GENSTAR TAKEOVER—REPORTED EARNINGS OF CHAIRMAN AND PRESIDENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Finance and is with regard to the Imasco takeover of Genstar. Is the Minister aware that, according to *The Toronto Star* business section of last Sunday, Mr. Angus MacNaughton, Chairman of Genstar, and Mr. Ross Turner, President of Genstar, will each earn $40 million as a result of the Imasco takeover of Genstar? Was the Minister aware of that?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have seen those reports in the press, but have not confirmed them with anyone.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, does the Minister see any problem with the Chairman and President of Genstar personally standing to make so much money from the merger?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that the arrangements between buyers and sellers are their own.

Mr. Rodriguez: It's a conflict.

Mrs. McDougall: What may seem extravagant to the Hon. Member, and perhaps even to myself, is not necessarily what is going to take place between consenting adults.

Mr. Murphy: We are paying for it, remember that.

* * *

[*Translation*]

STATUS OF WOMEN

NIELSEN REPORT—HALT TO CREATION OF UNIVERSITY CHAIRS OF WOMEN'S STUDIES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of State responsible for the Status of Women.

One of the recommendations of the Nielsen Report is to stop creating chairs of women's studies. We know that interdisciplinary research is essential to the progress being by women in every way.

I wish the Minister would let us know whether he intends to implement this recommendation in the Nielsen Report.

• (1140)

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, the Hon. Member will know that the study teams have made a series of recommendations which are available to the standing committees for discussion. She will also know that study teams have in other places dealt with women's issues, such as the Advisory Council on the Status of Women. They have called for more research and enhanced appointment of women. All in all, some of the recommendations relating to women from the different study teams can be readily accepted, and others need to be discussed.

[*Translation*]

PROMOTION OF STUDIES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am talking about chairs for women's studies, which is quite different from the research that the Advisory Council or other women's organizations can do.

Therefore, I would like to hear from the Minister whether he intends to implement the Nielsen Report recommendation, which is not at all like the answer he just gave me. So, is he going to implement this recommendation, and if not, what kind of measures is he going to take to promote research? I think that what the Council does and what chairs for women's studies do are two entirely different things.

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I want to thank the Hon. Member for her representations. I share with her the importance of research into women's studies. As she knows, in the last year there was the completion of five regional chairs set up across the country. The Government has been looking at whether to increase them, and the recommendations are part of the ongoing discussions on how best to enhance research into women's issues.

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CANADIAN NATIONAL RAILWAYS

SALE OF CN ROUTE—SITUATION OF WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport. He knows that CN Route is selling its assets to three Toronto investors. In the negotiations did the Government or the Minister take any steps to guarantee job security for the workers involved?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the CN management and board have agreed in principle to a proposal to sell CN Route. Within the context of that agreement there will be provision for certain job guarantees. Indeed, those details are being worked out at the present

time. Of course. the Hon. Member should be aware that the final package will have to be approved by the Governor-in-Council and the CTC. Until such time as all of these details can be worked out with the unions and all other parties affected, we are not in a position to say just what the full package will look like.

RETIREMENT PACKAGES INQUIRY

Mr. Rod Murphy (Churchill): Mr. Speaker, is the Government, and CN through the negotiations, looking at offering retirement packages for those who do not already qualify for early retirement benefits?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in the past CN has been very generous in its severance arrangements and early retirement packages. These kinds of arrangements are being negotiated with the unions within the context of the purchase agreement which has been put together.

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INCOME TAX

COLLECTION OF DELINQUENT TAXES—AMNESTY PROGRAM PROPOSAL

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, in the absence of the Minister of National Revenue I will direct my question to his Parliamentary Secretary. In a statement made in this House on March 26 I called to the attention of the House the very successful amnesty program in a number of U.S. States to collect delinquent income taxes. Since that time has the Department had an opportunity to look into the feasibility of this program as a means of allowing Canadians who would like to do so to come forward and pay delinquent income taxes?

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, in the absence of the Minister, who is in Vancouver attending the opening of a Canadian Pacific Highway customs post in preparation for Expo 86, I want to thank the Hon. Member for his question and interest. Currently in Canada there is a voluntary disclosure program which allows anyone who has failed to file a return, or who has filed an incorrect return, to make a voluntary disclosure subsequently without fear of prosecution. This matter is held in strictest confidence between the taxpayer and Revenue Canada. I want to assure the Hon. Member that I will take his concern as a representation to the Minister.

FISHERIES

RESOURCE SHORT PLANT PROGRAM

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is directed to the Deputy Prime Minister in his capacity as Acting Minister of Fisheries, which is one of the more important capacities he has. Hundreds of plant workers along the northeast coast of Newfoundland will not have jobs this year because plants like La Scie and Englee do not have an adequate supply of fish. The Government does have a Resource Short Plant Program but it is not working as it should. Is he prepared to review that program and make the necessary changes to ensure an adequate supply of fish to those plants and protect the jobs of those workers?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, with respect to the Resource short Plant Program it is my recollection that there are certain objective criteria in place and that a plant like La Scie has not met those criteria. If I understand the hon. gentleman correctly, he is asking the Government to review the program with a view to looking at those objective criteria once again. I do not know where the Minister might be in that review process, but I will certainly draw the hon. gentleman's representations to his attention as soon as he returns to the House.

NEWFOUNDLAND GOVERNMENT'S MIDDLE-DISTANCE FLEET LICENSING APPLICATION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the Government of Newfoundland has applied for licences for a whole new middle-distance fleet which also will have an impact on fish supply. I want to know where those licences stand. Is the Government of Canada going to issue licences to the Government of Newfoundland for that new middle-distance fleet?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the hon. gentleman would not expect me to have that kind of detail in the House today. I shall certainly bring that matter as well to the attention of the Minister as soon as he returns.

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EXPO 86

REFUSAL OF VISITORS' VISAS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Premier of British Columbia has invited the world to come to Expo 86. That is terrific. However, for the Government of Canada that apparently does not include the Third World. Is the Minister of Immigration aware that there are cases of Canadians in my riding with relatives in Chile, Hong Kong, the People's Republic of China, India, the Philippines and

other countries who have been invited to Expo by Bill Bennett but the Canadian Government will not give them a visitor's visa to get into Canada?

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I want to assure the Hon. Member that the Government is aware of the importance of visitors to Expo 86. We are also aware that where there are visitor visa provisions in place, the officers dealing with these cases should be particularly sensitive to the circumstances of Expo 86. I have in fact received representations from a number of Vancouver area Members as recently as yesterday on this matter, and have sent out a telex advising those officers granting visitor visas to be sensitive to the tourist implications, while honouring, obviously, the security needs of the country.

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[*Translation*]

AGRICULTURE

PROBLEMS OF QUEBEC POTATO PRODUCERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wanted to direct my question to the Minister of Agriculture, to inform him of the serious financial problems facing potato producers in Quebec.

I would like to ask someone on the Government side to explain why potato producers in New Brunswick and Prince Edward Island are to receive federal financial assistance totalling $9.8 million, when Quebec potato producers are in great financial difficulty and have received no assistance and no announcement from the federal Government.

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I can assure you that the potato producers of eastern Canada were very pleased with the type of assistance we were able to provide. As to the observation about the problems in Quebec, I would be pleased to present that particular position to the Minister who is absent on government duty.

[*Translation*]

REQUEST FOR IMMEDIATE ASSISTANCE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am glad the Minister realizes there is a difficult situation in Quebec, but it seems to me the Government could do more.

Why is it helping only two of the potato producing provinces—not that I disapprove of helping Prince Edward Island and New Brunswick,— but only has words of sympathy for Quebec producers? We would like immediate assistance.

• (1150)

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the importance of the potatato producers in those two provinces of Prince Edward Island and New Brunswick is very significant. They had very real problems in putting in this year's crop. However, I will take the Hon. Member's representations to the Minister.

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[*Translation*]

FORESTRY

INQUIRY IF NEW DEVELOPMENTS OCCURRED FOLLOWING CANADA-QUEBEC AGREEMENT ON GENETICS OF SMALL PLANTS SOUGHT BY QUEBEC

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of State (Forestry). On April 30, 1985, our Government signed the Canada-Quebec Agreement on Forestry. Quebec wanted 300 million small plants per year under this Agreement.

Have there been any significant developments in the genetics of small plants, in co-operation with the Quebec private sector, since the Agreement was signed?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I can assure the Hon. Member that our own Laurentian Research Centre has been working with the Quebec Department of Energy and Resources to develop the new kinds of strains in species that will grow faster and be more productive. I believe that the first run of seeds from that particular strain will be available this year.

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FORESTRY

REQUEST FOR ESTABLISHMENT OF SEPARATE DEPARTMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question also is directed to the Minister of State for Forestry. It must be his day today. Is he aware that his colleague, the Chairman of the Standing Committee on Environment and Forestry, has called for the creation of a complete Department of Forestry which would be a line Department? Will he tell us when this will come about?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the Hon. Member knows quite well that that is the kind of change that falls within the exclusive prerogative of the Prime Minister. If and

when any changes in the machinery or structure of Government are made, it will be announced by the Prime Minister at the appropriate time and in the appropriate place.

INQUIRY OF MINISTER

Ms. Pauline Jewett (New Westminster—Coquitlam): Perhaps I could ask the Minister of State for Forestry, if the Deputy Prime Minister will allow me, whether he agrees with his colleague, the Chairman of the Committee on Environment and Forestry, that there should be a full line Department of Forestry?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, again I can only reiterate my last answer. However, I am sure all Members of the House will agree when I tell the Hon. Member that we have a very able, excellent, talented, and gifted Minister of State for Forestry now.

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OCCUPATIONAL HEALTH AND SAFETY

SMOKING IN FEDERAL BUILDINGS—GOVERNMENT APPEAL AGAINST BOARD DECISION

Hon. Chas. L. Caccia (Davenport): I have a question for the Minister of National Health and Welfare to brighten up his morning and inject some life into it. As the Minister knows, the staff relations board decision to confine tobacco smoke in federal buildings to separately ventilated areas for smokers is being appealed by the federal Government. Will he stop the appeal?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have had a wonderful morning and I have met very many interesting people. I hope my contribution to the Hon. Member's morning will finally give him some light as well. We are encouraging federal Departments to follow the lead that has been taken, not only in my Department but in a few other agencies and Departments of Government as well, and simply declare workplace areas "smoke free".

With regard to the specific case to which the Hon. Member refers, it is a different approach in which one could only do what was done in Health and Welfare if one also conforms to the physical requirements of that earlier judgment. That created some difficulties—not the principle that we would like to see smoke-free areas throughout the federal Government.

REASONS FOR APPEAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if the Minister means what he has said, particularly in many speeches in the House of Commons which are reproduced in *Hansard*, why is there an appeal? Why the appeal if he means what he says?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I mean exactly what I said. I just explained it. If the Hon. Member wants to attend at noon when I speak to another group, he will see that I will be saying the same thing.

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AIRPORTS

OTTAWA INTERNATIONAL AIRPORT RENOVATIONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, in the absence of the Minister of Transport my question is directed to the Government House Leader. As we know, the Ottawa International Airport is still undergoing considerable renovations and will be for some time, at great inconvenience to its users. When can we expect to see some use of the new facilities at the airport which have been under construction for a very long time?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as they say out at the Ottawa International Airport, *Tempus fugit*.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I am pleased to be able to report to the Hon. Member and the House that it is anticipated that the construction on the west wing of the airport will be completed in late April or early May, and that the opening of that great facility will take place then.

Some Hon. Members: What year?

Mr. Hnatyshyn: In 1986, Mr. Speaker.

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CANADIAN HOME INSULATION PROGRAM

PHASING OUT OF PROGRAM—COMMITTEE REPORT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. A communique put out by the Joint Committee on Regulations and Other Statutory Instruments criticizes the phasing out of the Canadian Home Insulation Program. They go so far as to say that the Committee believes the powers and action of the Minister:

> —were not authorized by the—legislation, amounted to an unusal use of the powers granted by Parliament, and infringed the rule of law and the principles of fairness and natural justice.

What will the Minister do about this unanimous report of the committee?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, this report has been drawn to my

attention. It is my view that it has been based on misleading and inaccurate analyses of the situation. It suggests that these measures were—

Mr. Gauthier: It is a unanimous report.

Miss Carney: You asked the question, maybe I could answer. It suggests that these measures were announced by press release without cabinet approval. These measures were not announced by me, they were announced by the Minister of Finance on November 8, on behalf of the President of the Treasury Board. They were tabled in the House in the Blue Book of that date.

The suggestion that any homeowner lost any benefit that was accruing to him or her is not correct because all applications were treated under the old rules until such time as the Order in Council affecting the announcement was passed. The suggestion that anyone lost a benefit—

Mr. Speaker: Order, please.

* * *

FINANCIAL INSTITUTIONS

IMASCO TAKEOVER OF GENSTAR—ROLE OF CANADA TRUST—SELF-DEALING INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. I am sure that she would not deliberately mislead the House. Earlier I asked her if it was the case that one subsidiary of Imasco—Canada Trust—could make a loan to another Imasco subsidiary, namely, Imperial Tobacco, at the end of next year. The Minister replied that it was not possible because there was an agreement by Imasco not to allow that. Will the Minister confirm that the agreement made by the company expires at the end of next year and therefore the kind of self-dealing measure that I alluded to could in fact take place at the end of next year?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I apologize to the Hon. Member. There is a general clause in the agreement that takes effect at the end of December, 1987. As the House knows, our intent is to put in place laws of general application and, with my optimistic nature, hopefully it will be long before then and will apply in this case.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want the Minister to be perfectly clear about what is at stake here with this takeover. In terms of existing law, the concerns of committee members on both sides of the House are still going to be—

Mr. Speaker: Order. May I have a question, please?

Mr. Broadbent: We are being asked to buy a pig in a poke. That is what the Government is doing.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there is no pig and there is no poke. This company has made a real undertaking to conform to our public policy requirements. It did so at our request and we worked very hard to bring about this arrangement. Legislation is forthcoming that will apply to this and other companies as well.

* * *

IMMIGRATION

UNSCRUPULOUS IMMIGRATION CONSULTANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. He has made it public that he is trying to rid the system of phoney refugees. Yet there is growing concern that much of the problem lies with unscrupulous immigration consultants who are scheming fraudulent schemes against innocent individuals. Is the Minister prepared also to rid the system of phony consultants? And is he prepared to ask his colleague, the Solicitor General, to persecute and charge such individuals—

• (1200)

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You have a persecution complex.

Mr. Marchi: prosecute—some of whom his Department knows about?

Mr. Hees: Liberals persecute.

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I want to thank the Hon. Member for raising an important question on a matter of concern to all Members of the House and one which I have been addressing seriously. The RCMP at the moment are investigating the matter. I would ask the Hon. Member and others, to provide information which may permit action to be taken.

I also want to say that I have been in touch particularly with the Portuguese community and others to inform them that this particular action is unacceptable and we are seeking whatever scheme is necessary. I might remind the Hon. Member that the previous Government had conducted a study of this matter and was unable to act and he might like to accouaint himself with the report which was tabled by the Hon. Member for Winnipeg-Fort Garry.

Mr. Marchi: A short question?

Mr. Speaker: No.

Mr. Marchi: Brief? To the point?

Mr. Speaker: Tomorrow.

An Hon. Member: Do you feel persecuted?

Mr. Speaker: Order.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's reponse to the following six petitions: Nos. 331-34, 331-43, 331-96, 331-128, 331-248 and 331-356.

* * *

[*English*]

PROCEDURE AND ORGANIZATION

TABLING OF GOVERNMENT RESPONSE TO FIRST REPORT OF STANDING COMMITTEE

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 99(2), I wish to lay upon the Table, in both official languages, copies of the Government's response to the First Report of the Standing Committee on Procedure and Organization.

* * *

ORGAN DONOR AWARENESS WEEK

MINISTER'S STATEMENT

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to take this opportunity to alert my fellow Parliamentarians and Canadians that National Organ Donor Awareness Week will begin on Sunday, April 20, and extend to Saturday, April 26.

Recipients of Family Allowance cheques will find with their cheques this month a leaflet on organ donation with a detachable organ donor card. Information kits have been distributed to the media and most Canadian hospitals alerting them to the importance of organ donation and transplantation and providing them with resource items to facilitate their involvement.

I shall officially launch the week at a news conference in Halifax on Monday. I look forward to joining Hon. Members of the House, representatives of the transplant community, transplant recipients and a donor family at a breakfast meeting sponsored by Transplant International (Canada) on Tuesday, April 22, in the West Block.

Today thousands of Canadians are awaiting a transplant which will improve the quality of their life. For many of these people a transplant offers them the only chance for survival. However, many will not receive that transplant because there are not enough organs and tissues available. I, therefore, urge all Hon. Members to make a personal commitment to organ donation and to do what they can to encourage organ donation in their constituencies. Please sign a donor card or the donor card portion of your driver's licence. Please inform your family and doctor about your wishes. Consider what you can do to make something good happen by giving the most generous gift of all, the gift of life.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I was delighted to hear the Minister promoting organ donations and also to hear his announcement that he will be taking part next week in an organ donation awareness campaign.

I think it is very important to publicize organ donations, because a substantial number of Canadian men and women depend on such donations in order to survive or to substantially improve their quality of life.

The example of Diane Hébert will help to convince people that an organ donation can be a real success. This young woman waited more than two years for a heart-lung transplant. Today, she is asking to have transplants made easier by giving people the option of indicating their desire to make organ donations on their health insurance cards. This month, family allowance cheque recipients will receive a leaflet urging them to make organ donations. I too want to urge them to make organ donations and I would also ask all my colleagues in our three political groups here in the House and everyone in the beautiful riding of Outremont to do likewise. An organ donation is truly a gift of life.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to respond on behalf of my colleagues in the New Democratic Party in support of the initiative of the Minister. We congratulate him for the statement he has made in the House today urging all Canadians to participate in the donation of organs for this most valuable reason.

Indeed, it is a wonder of science that enables us to make this ultimate gesture, the giving of life itself. The Minister has identified next week as being National Donor Awareness Week. Perhaps as Members of Parliament we can pledge our own organs next week as a dedication to science and transplantation purposes. Again, we applaud the Minister for this initiative and we will encourage our constituents to follow suit.

POINT OF ORDER

REQUEST FOR GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE

Mr. Dan Heap (Spadina): Mr. Speaker, I rise on a point of order. The Minister of State for Immigration (Mr. McLean) is obliged by the Standing Orders to table a comprehensive response to a report submitted by the Committee on Labour, Employment and Immigration 120 days ago. He has already violated that obligation once by refusing to submit a comprehensive response to a previous report. He promised then that he would do the two together at this time.

I received a letter from him in which he says he is not ready and will do it later. I want to ask you, Mr. Speaker, if you will refer this matter to what I believe is a new committee, the Committee on Elections, Privileges and Procedure because this is not the first time that this Minister has breached this Standing Order.

I, therefore, ask that you, Mr. Speaker, refer this matter to the Committee so we can discuss the value of Standing Order 99(2), when a Minister can apparently simply ignore it by writing a polite little letter saying: "I'm not going to do it because I am not ready to do it". If you wish to reserve on this matter, Mr. Speaker, I would be glad to have your response.

Mr. Hnatyshyn: Mr. Speaker, if I may be allowed to perhaps address the point of order raised by the Hon. Member, my understanding of the matter is that there has been a response within the time required in each instance referred to by the Hon. Member. He went on to make reference to the quality or content of that particular response. I do not believe that is an appropriate point of order.

The Hon. Member may not be satisfied with the response, but I believe from what the Hon. Member says that the Minister has been fullsome in his praise with respect to the work which has been done by the Committee, but has indicated that he requires to carry out further consultations and will be giving the detailed response which is required on this very important and complex matter.

The point of order, however, is out of order because there has been a compliance and response by the Minister on each of these two occasions. I do not think it is appropriate for us to comment on the quality of these responses.

Mr. Heap: Point of order.

Mr. Speaker: The Hon. Member is already on one point of order. I presume he wants me to finish this one before he raises another.

Mr. Rodriguez: On the same point of order.

Mr. Speaker: Order. I suggest that the logical course of action is for the Chair to reserve, not having the facts before it on this matter, and to come back to the House after investigating the matter raised by the Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Point of order.

Mr. Speaker: On a separate point of order?

Mr. Heap: No, on the same point of order. I did give you the facts as contained in the letter of the Minister, if a Page will bring it to you.

Mr. Speaker: Yes, of course, the Hon. Member may send me what he has.

Mr. Heap: The word "comprehensive" is a joke if this is a comprehensive answer.

Mr. Speaker: Order, please.

* * *

• (1210)

COMMITTEES OF THE HOUSE

STRIKING—TWENTY-NINTH AND THIRTIETH REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present, in both official languages, the twenty-ninth and thirtieth reports of the Striking Committee.

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PENSION BENEFITS STANDARDS ACT, 1985

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have the honour to present, in both official languages, the legislative committee report on Bill C-90.

(*Editor's Note: For above, see today's Votes and Proceedings.*)

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PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, with your permission, I would like to submit a petition signed by a number of citizens of metro Toronto who make strong representations and pray the Government to reinstate, with full funding, the Katimavik Program for the benefit of the young people of Canada.

USE OF PENSION INCOME IN CALCULATION OF UIC BENEFITS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I wish to present a petition on behalf of several hundred constituents in my riding. It is with respect

to the issue of pension funds now being considered as income for unemployment insurance purposes. They call upon the House to encourage the Government to change this unfair and inequitable practice.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr.Speaker, the following questions will be answered today: 523, 525 and 526.

[*Text*]

POST-HARVEST TREATMENT OF FRUITS AND VEGETABLES

Question No. 523—**Mr. Caccia:**

1. Are fruits and vegetables, in Canada, subjected to post-harvest treatment whereby a waxy chemical coating is put on to preserve moisture and freshness and, if so, what are the names and chemical ingredients used?

2. Are the chemicals, licensed or otherwise regulated by the Government and, if so (*a*) which agencies regulate which chemicals and under what conditions (*b*) which chemicals are used but not regulated?

3. Are toxicity tests conducted on the chemicals in Canada or in the United States and, if so by (*a*) government (*b*) private laboratory?

4. Are the results of toxicity tests available to the public and, if so, how is the public informed of the contents and hazards of any of the chemicals used?

Hon. Jake Epp (Minister of National Health and Welfare): 1. Fruits and vegetables offered for sale in Canada may be subjected to post-harvest treatment with a "waxy" coating to prevent moisture loss and thus extend the keeping quality. In addition, the "waxy" coating protects against the invasion of spoilage micro-organisms. The chemical substances known to be used for this purpose are the following: mineral oil, petrolatum, paraffin, beeswax, carnauba wax, candelilla wax, shellac, sucrose fatty acid esters, oxidized polyethylene, carboxymethyl chitosan.

2. (*a*) and (*b*) All of these substances fall within the purview of the Canadian Food and Drugs Act and regulations administered by Health and Welfare Canada (HWC).

Mineral oil, petrolatum and paraffin are regulated as food additives under the Food and Drug Regulations. Although the remaining substances are not listed in the Food Additive Tables in the Regulations, they are subject to Section 4(a) of the Food and Drugs Act which states: "No person shall sell an article of food that has in or upon it any poisonous or harmful substance".

In this connection, the Health Protection Branch (HPB) of HWC has evaluated information pertaining to the safety of these chemicals and has determined that the use of these substances according to label directions would not pose a hazard to consumers and thus would not violate Section 4(a) of the Act.

3. (*a*) and (*b*) Various types of toxicological tests have been conducted on all the substances mentioned in (1) above. As a general rule, HPB does not undertake toxicity studies to support the use of chemicals in food but rather evaluates all available data which may have been produced by a variety of sources. In the case of these coatings, toxicity data are available from private laboratories, universities, et cetera in various countries including the United States, Canada and Europe.

4. Many of the toxicity studies available on these substances are published in the scientific literature and thus are available to the public. In addition, HPB is prepared to offer additional comments on the safety aspects of any of these chemicals. Substances considered to pose a hazard to consumers would not be permitted for use under existing regulatory authority.

EMPLOYMENT LEVELS IN COAL PRODUCING AREAS OF B.C.

Question No. 525—**Mr. Broadbent:**

1. (a) Did the Government make any studies on employment levels in the coal producing areas of southeast British Columbia and, if so, what were they (b) what action did the Government take to reduce the current levels of unemployment in the area?

2. What actions and/or representations did the Government initiate to encourage the Japanese Government to review coal purchasing policies by Japanese steel companies in British Columbia?

3. Did the Government make any formal representations to the Prime Minister of Japan when he visited Ottawa in January, 1986, to ensure that the coal mining communities of the Kootenays will not be made to suffer as a result of government-subsidized development of the northeast coal fields in British Columbia?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Employment and Immigration as follows:

1. (a) Some analysis of employment levels in the coal producing areas of southeast B.C. was undertaken as part of the studies conducted by the Manpower and Human Resources subcommittee under terms of the 1977 Canada-British Columbia Subsidiary Agreement to evaluate northeast coal and related developments.

The following studies were published from work undertaken by this subcommittee: Coal Development in Northeastern British Columbia Construction Phase, Manpower Study, March, 1978. Day Care Services in the Proposed New Town, 1976, Development of Manpower Training Programs, 1978. Labour Turnover and Community Stability: Implications for Northeast Coal Development in British Columbia, February, 1978, Manpower Demand and Supply for the Northeast Coal Developments, 1981, Manpower Development and Promotion in the Coal Mining Industry, January, 1978, Migration, 1976, Northeast Coal Employment Survey, 1977 Report of the B.C. Manpower Subcommittee on Northeast Coal Development, November, 1976 Women in Mining - An Exploratory Study, October, 1976.

(b) Webstar Mining Ltd. responding significantly to reduced supply contracts (as much as 50 per cent) Westar was forced

into making extensive staff reductions—from its July, 1985, level of 2,000 to approximately 1,500 at this time.

In July, 1985, an initial Industrial Adjustment Service (IAS) Agreement was signed. The joint committee is responsible to seek out employment opportunities for more than 80 senior staff members (managers, administrators, professionals, etc.). To date, over 50 employees have been placed with other companies in the area.

At the same time, a second IAS agreement was signed on behalf of approximately 300 workers, members of either the United Mine Workers or the Office and Technical Employees Union. Limited success has been achieved for this group; however, job opportunities continue to be sought (e.g. the expected reopening of the Faro mine).

Byron Creek Collieries this operation is somewhat stable and has enjoyed a limited work force expansion (a few Webstar workers have been hired by Byron Creek). A joint company/CEIC—IAS Human Resource Planning Agreement is in place to deal with future planning and adjustment developments.

Fording Coal Ltd. this operation has stabilized and continues with a work force of some 1,400. In 1983, however, the Commission, under a work sharing agreement, paid some $850,000 in UI benefits on behalf of 1,600 Fording workers.

Line Creek—Crows Nest Resources Ltd. an effective working relationship has been established between this operation and the B.C. region. A joint Memorandum of Understanding has been signed to deal with future planning and adjustment developments concerning the company's 700 employees.

2. The federal Government's policy with respect to coal, and for many other commodities, has been to leave the commercial and financial details of contracts to the private sector participants.

In 1985, meetings with Japanese steel industry representatives in Tokyo, the Minister of Energy, Mines and Resources stressed Canada's interest in maintaining and expanding coal exports to Japan based on commercial considerations. In line with the above policy, the coal purchasing policies of the Japanese steel companies in B.C. were not discussed.

3. At the January, 1986 meeting between the Prime Ministers of Japan and Canada, several issues germane to the Canadian resource sector generally were raised. With respect to coal, it was noted that Canada as a whole is committed to remaining a reliable supplier of coal to Japan.

COAL EXPORTS TO JAPAN

Question No. 526—**Mr. Broadbent:**

What was the value and quantity of coal exported to Japan over the past three years from the (a) northeast coal fields (b) southeast coal fields in British Columbia?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):

(a) Northeast B.C. coal fields

1983	– nil
1984	– 5.2 million tonnes valued at $472 million
Jan. 1985 – Nov. 1985*	– 6.5 million tonnes valued at $571 million

(b) Southeast B.C. coal fields

1983	– 6.6 million tonnes valued at $471 million
1984	– 7.5 million tonnes valued at $515 million
Jan. 1985 – Nov. 1985*	– 6.5 million tonnes valued at $450 million

* December data not yet available.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remainning questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, as reported (without amendment) from a Legislative Committee.

Mr. Speaker: First, I would like to advise the House that because of the ministerial statement Government Orders will be extended by five minutes today after one o'clock.

There are five motions on this day's Order Paper relating to Bill C-87. I have had the opportunity to examine the said motions and find that they are all in order. They will be proceeded with as follows.

Motions Nos. 1, 2 and 3 will be grouped for debate. Since Motion No. 3 is consequential to Motion No. 1, a vote on Motion No. 1 will apply to Motion No. 3.

Mr. Gauthier: Could we get a copy of that?

Mr. Speaker: Has this not been distributed?

Mr. Gauthier: No. This is the second time.

Mr. Speaker: A vote on Motion No. 1 will dispose of Motion No. 2.

Motions Nos. 4 and 5 are identical. The Chair will select Motion No. 4 which will be debated and voted on separately.

I apologize for the notice not having been distributed in time to Hon. Members.

Canadian Arsenals Limited

Hon. Stewart McInnes (Minister of Supply and Services) moved:

Motion No. 1

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

"12. (1) To the extent provided by the regulations made under subsection (3), the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to a person who meets all the following criteria:

(a) immediately before the coming into force of this section, the person was employed by the Corporation and was a contributor under the Public Service Superannuation Act;

(b) the person is employed by the Corporation or an amalgamated corporation during the whole of the period between the coming into force of this section and the making of the election referred to in paragraph (e);

(c) the President of the Treasury Board has not made a payment to the Corporation or to an amalgamated corporation pursuant to section 30 of the Public Service Superannuation Act in respect of that person;

(d) the person has not received or opted to receive any annuity or other benefit under section 11 or 12 of the Public Service Superannuation Act in respect of the pensionable service that he has to his credit under that Act immediately before the coming into force of this section; and

(e) the person elects, within one year after the coming into force of this section and in such form and manner as the Minister directs, to have the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to him to the extent provided by the regulations made under subsection (3).

(2) An election referred to in paragraph (1)(e) is irrevocable.

(3) The Governor in Council may, in relation to persons who make the election referred to in paragraph (1)(e), make regulations

(a) specifying which provisions of the Acts and regulations mentioned in subsection (1) apply, and to what extent they apply;

(b) adapting provisions of those Acts and regulations for the purposes of this section; and

(c) generally for carrying out the purposes of this section.

(4) Regulations made under subsection (3) may be made applicable on and after a day before their publication if they so provide."

Mr. Don Boudria (Glengarry-Prescott-Russell) moved:

Motion No. 2

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

"12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:

(a) choose to remain and continue as a contributor to the federal superannuation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or

(b) become a contributor to the pension plan as described in the agreement of purchase and sale between the government and the new employer."

Hon. Stewart McInnes (Minister of Supply and Services) moved:

Motion No. 3

That Bill C-87, be amended in Clause 12 by striking out line 35 at page 5 and substituting the following therefor:

"12. Subsection 3(2) and section 9 to 12".

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. It is quite unrelated to the matter before the House, but it is something which has been the subject of discussion and agreement between the Parties. It has to do with the Special Committee on the Pricing of Domestic Wheat.

Mr. Speaker: I take it that the President of the Privy Council seeks unanimous consent to revert to Motions. Is it agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

SPECIAL COMMITTEE ON THE PRICING OF DOMESTIC WHEAT

POWER TO TRAVEL TO WINNIPEG—REPORTING DATE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think Your Honour will find a disposition to receive at this point in time the following draft order and to approve it without debate. It reads as follows:

That, in relation to its Order of Reference of Wednesday, March 26, 1986, the Special Committee on the Pricing of Domestic Wheat be empowered to travel to Winnipeg and that the said Order of Reference be altered to provide that the Committee's final report be made not later than Friday, June 6, 1986.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, as reported (without amendment) from a Legislative Committee; and Motions Nos. 1 and 3 (Mr. McInnes), and Motion No. 2 (Mr. Boudria).

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I rise at this time to speak to the amendments to Bill C-87. The pension situation of employees involved in the privatization of Canadian Arsenals Limited, both in terms of accrued pension benefits and future pension expectations, has been of significant concern to the Government. Throughout the negotiations leading to the legislation now before the House every effort has been made to ensure the fullest protection of accrued benefits and arrangements that will ensure future coverage is provided on a fair and reasonable basis. As a consequence, the Government has concluded that a further measure of protection should be

added. Therefore, it has tabled a motion to amend Bill C-87 accordingly.

As I am sure Hon. Members will appreciate, the degree of control that the Government can exercise over the pension entitlements earned by CAL employees through future employment with SNC is limited. It would not be appropriate for Government to intervene unduly with the flexibility of management and employees to arrive at mutually-acceptable terms and conditions of employment over the long term. Nor would it be consistent with privatization to allow the employees to continue to be covered under the pension plan for federal public servants for service after the date of sale.

At the same time I want to assure the House that, as part of the conditions of sale of this corporation and others, the Government has required, and will continue to require, that the purchaser offer pension arrangements no less generous than those normally found in the industry in question. In addition, the purchaser is required to agree to enter into a reciprocal transfer agreement which will permit the portability of pension credits under the PSSA to the new pension plan at the individual employee's option.

In its briefing before the parliamentary committee, SNC clearly indicated that it will fulfil both of these requirements. In arriving at the terms of this reciprocal agreement, the Government will ensure that employees' accrued benefits are fully portable, subject to suitable guarantees that the amounts transferred will be used exclusively for the benefit of employees who elect to transfer to the new plan.

The transfer of portability option, which I have just described, will appeal to some CAL employees; but there are two other important options which will also be made available to every employee. The first of these would be the normal options available to employees on ceasing to be contributors under the PSSA. Employees will be able to choose to receive whatever benefit would be available to them under the terms of the PSSA as though they were ceasing to be employed on the date the corporation is sold. The choice available to the individual will, of course, depend upon his or her age and length of pensionable service.

The other option the Government is seeking to make available to CAL employees through the present motion to amend Bill C-87 is based on the concept of continuity of service for benefit eligibility. This provision is contained in Bill C-90 which is now before the House, and replaces the current Pension Benefits Standards Act and provides minimum standards for pension plans of employees under federal jurisdiction. Clause 30 of that Bill sets minimum requirements for pension plans on the sale of a business and would, among other things, ensure that if the pension plan is not taken over by the purchaser, the selling employer must permit the employee to remain on a plan and remain a plan member without accruing further pension rights. On ceasing to be employed with the purchasing employer, the employee would then opt for benefits under the selling employer's pension plan. While he or she would not have earned further pension under the old plan, the employee would use the second employment toward qualifying for benefits.

• (1220)

Perhaps I could give an example that might make this clearer. Say a CAL employee who is now age 50 with 25 years service under the PSSA becomes an employee of SNC and remains there for five years at which time he voluntarily retires. At that point, his five years of SNC service is added to his 25 years of service under the PSSA for qualification purposes, and he therefore qualifies for an unreduced PSSA benefit based on his 25 years of CAL service. In other words, the individual has been able to preserve his ability to meet the 50-30 threshold. Obviously this option may well appeal to some employees, depending upon their personal plans and expectations.

I would like to add one final comment on this particular option. As Hon. Members are aware, the President of the Treasury Board (Mr. de Cotret) is currently consulting his advisory committee on the Public Service Superannuation Act on broad questions of Public Service pension reform. The President of the Treasury Board has asked me to assure the House that employees who choose to leave their accrued pension credits in the PSSA under this continuity option will be treated in respect of those credits in the same way as all other employees remaining under the plan. Finally, I would like to stress that in all instances, employees will have one year from the point of sale to select the options they prefer.

The Government has endeavoured to protect employees and maximum flexibility is being provided to individuals to make pension choices that suit their particular situations, desires and long-term plans. Complex questions are involved and it is intended that each individual will be provided with the appropriate information and counselling to make the best possible personal decision.

Under the privatization arrangements proposed by the Government, CAL employees have a number of options with respect to pensions. The first option is to transfer accrued pension benefits to the new SNC pension plan under reciprocal transfer arrangements. This transfer would be done on an actuarial, ongoing basis and negotations are under way to guarantee that all amounts transferred will be for the sole and exclusive benefit of transferring employees.

Depending upon the age and service of employees, there are other options. The second is a return of contributions plus interest. The third is a deferred annuity at age 60. The fourth is an annual allowance at age 50 and the fifth, subject to acceptance of the House of the proposed amendment, is the further option of continuity of service for PSSA pension benefit eligibility upon retirement from CAL.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I am wondering if there might be unanimous consent to allow two or three questions to be asked of the Parliamentary Secretary on the particular provisions of the Government's amendment in

view of the fact that there are both Government amendments and Opposition amendments.

The Acting Speaker (Mr. Paproski): If there is unanimous consent, I will allow it. Is there such unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I regret that there is no unanimous consent.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to participate in this debate on report stage of this Bill. I have listened with great attention to the remarks of the Parliamentary Secretary who seemed to be telling us that it was through the good graces and foresight of the Government that we are now amending this Bill so that it will be what has been called more generous to the employees. I am not sure that the phrase "more generous" is an appropriate one under the circumstances. The best way to describe it would be to say that these amendments make it not quite as bad as it used to be.

I challenge the Hon. Member to say that had the Opposition not brought some of these issues to the attention of the committee we would not have seen very many amendments to this legislation. I must say that I am anxiously awaiting the remarks of the Hon. Member for Terrebonne (Mr. Toupin) who represents almost all the people affected by this Bill. I am sure he will speak vividly and forcefully in this particular debate in order to ensure that his constituents get all the benefits they deserve. I must say that I am a little disappointed that we did not hear from him at committee, but perhaps there is still time for that today.

At issue today is not SNC. We are not here to discuss that corporate citizen. We are not here to discuss whether SNC is a good or a bad employer. I think it has made its reputation in the past and we know it to be what most people would consider a good employer. The bad employer is not SNC, it is the Government of Canada. The Government is letting down over 700 of its employees.

During the committee hearings, Members of the committee asked representatives of the Public Service Alliance what they were asking for their employees. These people do not work for the Public Service Alliance, they work for us. They work for the Government of Canada.

Some Hon. Members: They are members.

Mr. Boudria: The Hon. Members across the way say quite correctly that they are members of that alliance but they are our employees. They are our constituents and it is our duty as Members of the House of Commons to take care of their concerns and to act toward them in the best way possible.

The Parliamentary Secretary used the example of an employee who had worked for the Public Service Alliance for 25 years. He described how the 50-30 threshold would be achieved under the amendment brought before us in Motion No. 1. That may be well and good. However, I remind the Parliamentary Secretary, and perhaps he can respond to this later, that even if the employee does have the option to retire under that formula, if the Government plan and the SNC plan are incompatible in terms of retirement age, the employee would want to retire on his pension under the federal plan but will not be able to do so because he will only receive half a pension. The other half that he will be accumulating under the SNC plan will not come to him when he is the same age and therefore he will either be contributing for the last number of years to the workforce and working for almost nothing or he will be withdrawing with much less in the way of a pension because of the fact that the conditions of the two plans are not the same.

There is really only one solution to this dilemma. I submit that that solution is Motion No. 2 which I have put before the House. Motion No. 2 asks for employees of Canadian Arsenals Limited to be given the same benefits that the Government has given to employees of other companies which have been divested in the past.

• (1230)

In particular, I want the same benefits which we as a Parliament gave when the Deer Lodge Hospital and several other institutions were transferred from the federal Government to other jurisdictions. It does not matter whether the other jurisdictions were provincial entities or the private sector. The point is still the same; our employees are being transferred elsewhere.

There are two ways in which this could be achieved. For example, the employees could continue to contribute toward the federal plan, even though they were no longer federal employees, with SNC contributing its share. The Government indicated that that would not be possible because it would create a precedent. I do not agree, but, nevertheless, the Government has taken that position.

The Public Service Alliance has indicated that it is prepared to go along with my Motion No. 2. I urge the Government to accept the motion because it would permit employees, who are soon to be former government employees, to continue to contribute to the Public Service superannuation system in the same manner as employees who are on leave without pay. All existing employees of Canadian Arsenals could then continue contributing until retirement. Of course any other employee or new employee of SNC would not be in the same situation. It would provide a means to accommodate those Government employees, those employees of a Crown corporation. There is a clear and easy way to accomplish that, and I have indicated it in Motion No. 2.

The Minister has indicated that he has some reluctance with the amendment because there would then be two classes of employees at SNC. In his view there would be those employees who had the Government pension plan and those who had a

private one. That will be the case anyway. One group of employees will have two pension plans, one based on their number of years in the Public Service and the other based on their number of years with SNC. The other group would have just the SNC plan. We are not deciding whether there will be two levels of benefits. We know it already and we cannot change it. It will happen regardless of what we do. That is not the question before us today.

The question before us today is the approval of Motion No. 2 which would provide a means whereby our employees, those employees of Canadian Arsenals, would be able to continue to contribute both the employee's share and the employer's share to the Public Service Superannuation Plan. The employees have agreed to pay both shares, and they will attempt to recover some, if not all, of those funds from their new employer through the collective bargaining process. I believe it is a very reasonable compromise, and the Public Service Alliance has agreed to it. Certainly it is one with which the Government can live.

As I indicated previously, it is not precedent setting, because we went even further in the transfers of Deer Lodge Hospital and similar institutions of which the Government divested itself in the past.? The precedent is there. As a matter of fact, what we are trying to do in this case is less than what was done in the case of Deer Lodge Hospital. If we could live with it in the past, we could certainly live with it now. It is not a precedent setting issue at all. It involves fairness on the part of us collectively toward the treatment of those employees.

Yesterday I referred to fair treatment of employees of the House of Commons. Today I am talking about employees of the Government of Canada. In my view we can, if we have the desire and political will, achieve this result with little or no difficulty.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to participate in the report stage debate on Bill C-87 respecting the privatization of Canadian Arsenals Limited.

Before dealing specifically with Motions Nos. 1 and 2 which are before us today, I should like to spend a moment providing some background on the Bill. Many months ago in British Columbia some erroneous correspondence was circulated saying that I was in great support of the privatization of Canadian Arsenals Limited. For that reason I will refer to some background information which will indicate why that was never the case and is not the case now.

Mr. Riis: It will never be the case.

Mr. Fulton: It will never be the case. Canadian Arsenals is a 100 per cent Crown-owned corporation, established in 1945 for the purpose of returning the armament industry in Canada from wartime to peacetime operations. As all Hon. Members know, currently there are two plants—one at St. Augustin near Quebec City and one at Ville Le Gardeur near Montreal—for manufacturing medium and large calibre ammunition. There are 750 employees at Le Gardeur and 50 at St. Augustin. The Public Service Alliance of Canada is the principal union with about 570 of the employees as members. The federal Government, through the Department of National Defence, is the company's largest customer, responsible for some 90 per cent of its sales. Some 10 per cent of its sales are exported. The following question has been legitimately and properly raised by the workers and many Members of the House: Why sell it?

Last year its profits totalled well in excess of $11 million. At that time it was ranked as No. 470 in *The Financial Post* top 500 in terms of sales. However, the interesting point is that the company was ranked as No. 3 in Canada for its five-year profit growth by *The Financial Post*. Again the question is raised: Why sell?

According to the projections of the Government, sales are expected to double over the next five years. The sale of Canadian Arsenals requires the approval of Parliament, unlike corporations under CDIC such as de Havilland. The President of the Treasury Board (Mr. de Cotret) announced the sale of Canadian Arsenals at the beginning of last December to SNC of Montreal, an engineering, construction and manufacturing firm, for a reported $92.2 million. According to the press release there were eight bidders and SNC was the highest.

The Public Service Alliance of Canada was never notified of the Government's intention to privatize, and learned of it only through press reports. That is a matter which the House should ponder in some greater detail. Why did that take place, and what kind of Government attitude does it demonstrate? As we deal with Bill C-87, it is important to keep in mind that it is very precedent setting and may in fact be a precedent—at that a damn poor precedent—for the privatization of other Crown corporations should the Government continue on the road which seems to be supported by some of its more right-wing friends.

Key questions have been raised by the workers and their representatives with PSAC on the issues of job security, pensions and the Canada Labour Code. At this point I should like to deal with the two particular motions before us. As someone very active on the question of pensions and unions, having been a former member of the B.C. Government Employees' Union, I have some concerns about Motions Nos. 1 and 2. Paragraph (3) of Motion No. 1, standing in the name of the Minister of Supply and Services (Mr. McInnes), reads in part as follows:

> The Governor in Council may, in relation to persons who make the election referred to in paragraph (1)(e), make regulations—

Further on it refers to very vague and non-specific regulatory producing powers. Under the previous Government of Mr. Trudeau, the previous Government of the Right Hon. Member for Yellowhead (Mr. Clark), and the present Government of the Prime Minister (Mr. Mulroney), I have found that only too often these kinds of regulatory producing powers of the

Governor in Council are designed and in fact used, if we look at history, to strip rights from workers who are falsely led to believe that they will come their way. The fight is no longer one where the workers of Canadian Arsenals would be forced to cash out their pension plans and live under whatever SNC decided. It also does not group the pension plans, Mr. Speaker. I think workers in other areas of Crown Corporations are looking to see what happens in this struggle in Parliament and how the Government and the House will respond to a very real dilemma.

• (1240)

Many of the workers, and yourself, Mr. Speaker, if not all workers in the country at some point in their lives have to plan how they will care for themselves and their families. They have to look at costs between the time they stop working and the time they pass on. It seems to me that the Minister and government Members who have spoken have not really taken into account the kind of bombshells they have been throwing at the munitions workers. They started off by saying: "You will have to divest out of the plan—cash out." Then the Government moved to this extremely vague proposal which allows for some options. By being so non-specific it means that we as Members of this House are not doing the job we should be doing, that of setting a blueprint.

Regardless of which Party we belong to, the Government has 211 Members and can vote through whatever it wants. It seems to me that in the interests of workers, their ability to plan to have a decent and liveable pension plan when they do decide to retire, we have done a very poor job as the House of Commons. The Government has done a terrible job in responding to the real concerns of the workers.

Let us now take a look at the proposal, which is somewhat better, Motion No. 2, brought forward by the Hon. Member who just spoke. It is something I do not like because it does not address the issue of pensions head on. I am not saying that Bill C-87 should necessarily be the panacea for pension plans for the portability and transfer of pensions from the private to the public sector or from the public to the private sector or private to private. Let me read Motion No. 2:

> An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:
>
> (a) choose to remain and continue as a contributor to the federal superannuation plan—

That sounds very reasonable.

> —and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or—

I want to come back to that part of the motion.

> (b) become a contributor to the pension plan as described in the agreement of purchase and sale between the government and the new employer

The new employer is SNC.

Let me come back to paragraph (a) of Motion No. 2, because I have some concerns about it. I am not as concerned as with the Government amendment, but it is one that I think could really benefit from some clarity and drafting in that this will force the workers to renegotiate with SNC as a result of paragraph (a).

It says the employee will pay both the employee's and the employer's shares of the required contribution. "X" being the annual cost to the employee and historically to the employer means that there will have to be a great deal of pressure brought on SNC to live up to this. It does not provide what I see as being the most appropriate mechanism, which should have been drafted by now by the Government, in terms of the actual move of all of those years that have been earned by the employees under the public service, so they could carry on in a realistic way and pay in the same way they are paid now, rather than having to enter into a new process of negotiations.

I recognize there is a reason why this has been drafted in this way. There is, however, a better way to do this, not only for the workers of CAL, but for other workers who will be faced with the same dilemma. As was raised by the Hon. Member who just said down, the Government, even under the present administration, is not applying the same kind of criteria to situations that are similar. It all depends on how much pressure is brought on them, and what kinds of co-operation they are getting from the purchaser of an operation such as Canadian Arsenals Limited, and what kind of heat is created in the House of Commons itself.

There is a great deal more than could and should be done. It is something that Canadians will have to reflect on, whether or not this is truly the fairest way possible for this kind of privatization to take place. The Government has a majority. It is its choice, but I think the voices that have been heard in the House of Commons and from the Public Service Alliance of Canada is that what has been proposed so far is pretty tacky and pretty hard to take.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise to speak in this debate on the report stage of Bill C-87 and the motions numbered 1, 2 and 3 for debate. I will try to focus my comments on the subject as a whole. The House will recall that the motion we are now considering is aimed at amending Bill C-87, specifically with respect to the matter of pensions.

Mr. Speaker, I may refer to comments I made here in the House on March 11 of this year, when I pointed out in debate that I was not happy with the provisions made by the Government in this Bill with respect to pensions.

The comments I made at the time may be found on page 11,422 of Hansard and perhaps I may recall what I said at the time, reading from Hansard of March 11, 1986:

> We do not have that guarantee. We do not have much information dealing with the pension arrangements. We will be looking forward in committee to getting from the Minister some of the answers to these questions.

Mr. Speaker, about the pensions... well, we saw what happened this week when employees from Canadian Arsenals demonstrated in front of the Parliament Buildings to protest

against Bill C-87 because it totally ignores their rights, their vested rights with respect to pensions.

We know that the pension system we have for federal public servants is based on employee and employer contributions, and that there are certain formulas that have been established and negotiated and that are recognized as being both generous and fair in concept and application.

Mr. Speaker, employees and their representatives are asking to have the present pension plan, as regulated by the Pensions Act now in effect, transferred to the new employer so they can continue to contribute to their pension plan as they did before, and enjoy those benefits for which they have saved.

Mr. Speaker, in his December 2, 1985 statement on the sale of Canadian Arsenals, the President of the Treasury Board said this: It is a good deal for all parties involved, including the private sector and the employees of Canadian Arsenals Limited.

Mr. Speaker, I have no doubt that the sale is a good deal for the SNC group—and I know that people interested in this debate will refer to the remarks we made last March 11 when the Government was criticized for its amateurish and unplanned privatization procedure carried out with undue haste and without much thought given to the impact of privatization on the employees—but still we entertain serious misgivings about the so-called benefits accruing to the employees of Canadian Arsenals Limited.

Mr. Speaker, we were given assurances by the Minister of Supply and Services (Mr. McInnes) and his Parliamentary Secretary (Mr. Bradley), yet our misgivings have not been dispelled, particularly with respect to employee pensions. Although this amendment deals with that problem, I would simply remind the House that the proposition under study is short on specifics and smacks of amateurism.

Looking at Motion No. 1, I see that the person, namely the employee—I will read subsection 12(*e*):

> (e) the person elects, within one year after the coming into force of this section and in such form and manner as the Minister directs, to have the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to him to the extent provided by the regulations made under subsection (3).

Mr. Speaker, the words that bother me are "in such form and manner as the Minister directs". Had this read "in such form and manner as negotiated between the employer and the union", I would say it makes sense, at least the two parties will negotiate and reach an acceptable compromise. But no! The whole thing is to be decided by the Minister, unilaterally.

Mr. Speaker, you will recall that, yesterday in this House, we discussed Bill C-45 in which the Government proposes to change the system where negotiations are authorized only on one side so as to allow a union to negotiate for the employees. In this case, I find the proposed changes very weak and narrow in their application since negotiation is unilateral.

Mr. Speaker, the Committee had the opportunity to examine the amendment moved by my colleague for Glengarry—Prescott—Russell (Mr. Boudria). Motion No. 2 standing in his name attempts to make the following change to the bill:

> That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:
>
> "12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer—
>
> —that is, SNC—
>
> —either to:
>
> (a) choose to remain and continue as a contributor to the federal superannuation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or
>
> (b) become a contributor to the pension plan as described in the agreement of purchase and sale between the government and the new employer."

Mr. Speaker, this proposal was already made by the Hon. Member for Glengarry—Prescott—Russell in committee on behalf of the Public Service Alliance, and I think that it reflects the intention of the employees to continue to pay their own contributions, and even the share of the employer. As I said earlier, both employee and employer contribute 6 or 7 per cent to a pension fund which, at the time of retirement, after 35 years of service or under the magic number of 85, entitles the worker to a pension and the benefits from his investment.

If we look at Motion No. 2, we find that the employees are aware that the Government did not want to get involved with the private sector and continue to allow contributions to a public pension fund, as the Pension Act is very clear on this point. The employees therefore said: In that case, we shall continue to pay not only our own contributions, but also the share of the employer so that we may continue to benefit from the pension plan in which we already have substantial investments.

Mr. Speaker, that is truly taking the bull by the horns. If these employees cannot be authorized to keep their pension fund in which they already have vested interests and continue to contribute to this fund, I do not know how we could, in this House, authorize or endorse a solution which would be left completely at the discretion of the Minister as suggested in motion no. 1.

A different pension which, as I understand it, Mr. Speaker, has been suggested by certain people, would also be a solution.

Mr. Speaker, the employees are asking, and I shall try to summarize since you are giving me a minute more, to be recognized as contributors to their present pension fund, which is the Canadian Public Service Superannuation Fund, and to contribute also the share of the employer if he refuses to recognize his obligation to keep up his own contributions.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to deal with the amendments moved by the Minister, his Parliamentary Secretary and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on the pension rights of 800 Canadian Arsenals Limited employees affected by this

privatization project. Mr. Speaker, I suggest that the Government is responsible for these problems because, before looking for a prospective buyer for this Crown Corporation, he had failed to determine its privatization policy.

• (1250)

[*English*]

I do not want to revert to the issue of whether or not this company should be privatized. A decision has been made by the majority of the House of Commons over our opposition. We must now talk about how this will be done, and whether it will be done fairly with regard to the workers.

I think it is significant that the Government's amendment has been proposed, because it acknowledges that the Government had not thought through what would happen to the pension rights of the employees in the event of privatization and, therefore, had made no legislative arrangements. Many of the affected employees may well have found themselves forced to cash out their pension contributions, and lose the employers' share, the indexation to which they would have been entitled under the Public Service Superannuation Act, and a lot of the interest. Yet, until the Government was forced to consider the matter, it did not consider that to be a problem.

While I believe that SNC has been acting in good faith in this particular matter, I must point out that neither it nor the Government sat down to discuss these problems seriously and work out solutions until the legislation went to the legislative committee, when finally some action began to be taken.

[*Translation*]

A Crown Corporation, as the epitome of responsibility, should provide a pattern for the way a corporation should deal with its employees in the 1980's. In this case, however, the privatization of the Canadian Arsenals Limited cannot be used as a model; in fact, it would be an improvement if the Government forced these amendments upon us, but it is a precedent that is in fact better than if nothing had been done.

Still, Mr. Speaker, the Government should have thought about this more seriously beforehand and, as we intend to support the amendment moved by the Hon. Member for Glengarry—Prescott—Russell, I suggest that the Government should consider whether the employees, some of them over 45 years of age, should not have the right to stay fully with the Federal Government's Pension Plan instead of being placed in the middle, in between the two plans, as proposed by the Government.

[*English*]

We have some specific concerns, Mr. Speaker. While the Government now recognizes that acquired pension rights, up until the date of the sale, can be preserved, there is no assurance that there will be adequate melding in order that additional pension rights acquired by employees who opt, within a year, to take what is in here and keep their rights in the Public Service Superannuation Fund, or to ensure that the additional pension credits which they earn from SNC will be translated into a pension.

Take as an example a worker aged 52 who intends to work until the age of 57 or 58 before retiring. It would probably be prudent for that worker to decide to keep his or her rights in the public service pension plan because of the indexation and other features. The employee may work for SNC but, having been there for only seven years there is no guarantee that those seven years would translate into additional pension on top of the reduced pension the employee would receive from the Public Service because the employee left at the age of 52.

I could give more examples like that, and I seriously regret the fact that the Parliamentary Secretary was not prepared to permit questioning on some of these points. He forces me to raise them in debate without any give and take. After I asked the House for unanimous consent I talked to the Parliamentary Secretary. I regret to say that he remained reluctant.

In addition, the Parliamentary Secretary must know that since the agreement of sale continues to be a secret document, and since the nuts and bolts of the proposal—

Mr. Daubney: Point of order.

Mr. Boudria: It has been made public.

Mr. Cassidy: It has been been made public? I apologize.

The Acting Speaker (Mr. Paproski): There is no point of order, then.

Mr. Cassidy: The Hon. Member for Ottawa West (Mr. Daubney) is furthering the illusion that I am capable of being in all committees at once. I do my best, and I also trust my colleagues on these particular matters. My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), did a very able job in this area, as I think the Parliamentary Secretary will agree.

The Parliamentary Secretary may have difficulty understanding this, but given the lack of consultation with the union, and the fact that this is a precedent for further privatizations which are a declared policy of the Government, the union is concerned over the wide degree of discretion left to Cabinet in the new Section 12. The Governor in Council is given the power to make regulations and specify which provisions of the Superannuation Act and the Supplementary Retirement Benefits Act will apply, and to what extent. That means theoretically Cabinet could decide, despite the tenor and tone of the agreement, that no sections of those two Acts are going to apply despite the passage of Section 12. That is the legal position no matter what has been said by the Parliamentary Secretary. I have respect for him and I very much hope this Government, which has not kept all of its promises, honours the Parliamentary Secretary's word. I know he will do that personally, but his Government has perhaps a little more clouded reputation than he has as an individual.

The Government is allowed to make regulations to adapt provisions of the Superannuation Act for the purposes of this

Section and then make regulations generally for the carrying out of this Section. As a legislative draft person I think I can understand why these things are there. However, given the climate of unease which these workers feel, it seems to me at the very least we could have had the regulations perused and approved in advance by the union in order to quiet their fears. Instead of that, we have effectively a blank cheque kind of situation. At least that is how it is perceived. Because of the contentiousness of the privatization issue, we have to look at perception as well as intention. The Government's intentions may well be 100 per cent honourable. It may say it has come up with the best solution it could. It is not the best solution, because I believe, as the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) indicated in his amendment, that it should be possible to allow those employees who wish to stay in the Public Service plan to do so. The union says it will negotiate to get the employers' share paid to the employees so they can pay it into the two plans concerned. That should be possible and it is a better way. However, if the Government thinks this is the best way, it should understand that that is not the perception because of acts of omission and commission which have led to unease and disquiet on the part of the workers. That is why we can support the recommendations—

The Acting Speaker (Mr. Paproski): Order, please. Does the House want me to put the question now or shall we wait?

Mr. Cassidy: I believe there are other speakers.

The Acting Speaker (Mr. Paproski): It being 1.05 p.m., I do now leave the Chair until 2 p.m. this day.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops—Shuswap): That was a surprise, Mr. Speaker. Now I feel very uneasy.

While I do not plan to prolong the debate unduly, I want to make a few comments regarding Bill C-87, An Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof. Let me also point out that the decision to join Motion Nos. 1, 2 and 3 together requires one to comment on the need for this grouping in the first place.

The record should indicate clearly that the New Democratic Party opposes this Bill for many reasons, not the least of which is that the Government would want to cut itself off from Canadian Arsenals. Canadian Arsenals is a 100 per cent Crown corporation established in 1945 for the purpose of returning the armament industry in Canada from wartime to peacetime operations, as was required in those days. It has evolved into a corporation that produces munitions whose primary client is the Government of Canada. It is, by and large, an arm of the Government since some 90 per cent of its munitions are sold to the Government of Canada.

Last year, Canadian Arsenals had a profit in excess of $11 million on sales in excess of $100 million. That is quite impressive. That Crown corporation will not make $11 million next year as part of the Government's operation as a result of this Bill. We have some difficulty understanding the priorities of the Government, particularly of those Government Members who are concerned about the lack of Government revenue.

This Crown corporation is very profitable and well run, at least in terms of profitability. As a matter of fact, I believe it was ranked third in Canada for profitability. Yet steps are being taken to cut this particular Crown corporation adrift. It should be held up as ample proof of how a Crown corporation works extremely well in terms of profitability.

The major concern being expressed during the report stage of this Bill involves the pension arrangements for 800 employees of Canadian Arsenals. This concern arises because of the Government's negligence in thinking the process through carefully. Fortunately, in committee, thoughtful Members raised the point that not enough attention had been given to the pension arrangements of the hundreds of employees involved. Indeed, the Government agreed that this had been overlooked to a certain degree. Consequently, the first motion we are debating in this group was initiated by the Government in recognition of this oversight.

Bill C-87 is extremely important because of its precedent-setting measures. The approach used in this Bill will be used elsewhere as the Government attempts to privatize various aspects of Government operations. That is why we are particularly concerned about Clause 12. We are not simply dealing with the balance sheets or the facilities of Canadian Arsenals, we are concerned about what happens to the hundreds of employees in that operation.

Many employees of Canadian Arsenals have been contributing to pension plans for many years. Questions are now being asked about the transfer from this particular pension sphere into another and whether the employee will in fact be severely cut back in terms of the benefits that would accrue as a result of this change. Indeed, that is the case. That is the reason for Motion No. 2 in the name of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) which states:

> "12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:
>
> (a) choose to remain and continue as a contributor to the federal superannuation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or
>
> (b) become a contributor to the pension plan as described in the agreement of purchase and sale between the Government and the new employer."

I understand that is similar to the arrangement one can make when on leave from the federal Government. It is possible to make both contributions and continue the plan. Such a procedure makes imminent sense in this situation and that is

why we support Motion No. 2 in the name of the Hon. Member for Glengarry—Prescott—Russell.

I, and I know other Members were disappointed when Members on the Government side opposed the request by the Hon. Member for Ottawa Centre (Mr. Cassidy) to ask the Parliamentary Secretary a number of questions. This is essentially the last opportunity to clarify some important questions, yet those Members simply want the report stage debate to take place. While that debate may be appropriate, surely this is such a critical issue in terms of the precedent that we should be permitted an opportunity to direct some specific questions to the Parliamentary Secretary. I greatly regret that decision by Government Members.

The fact that there is no legislation ensuring the rights of Crown corporation employees, who have been contributing to pension plans and move to a private corporation, simply emphasizes the point that more consideration ought to be given to this group of motions.

• (1410)

In conclusion, let me simply say that there is much unease with respect to the employees involved. There are concerns which have been registered in committee and have now been raised in this report stage debate. There is a whole range of unanswered questions. Before this round of motions is completed, perhaps an Hon. Member on the Government side will rise and respond to some of the questions posed. If not, then we will have to say that the process being followed is incomplete and inappropriate on such a critical and important Bill.

Because of the questions which have been posed by my colleagues, I anticipate that after sitting down I will hear from some Hon. Members opposite in terms of explanation.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am also pleased to rise at the report stage consideration of Bill C-87, an Act to privatize Canadian Arsenals. I believe what is happening is that the Government is moving forward with its ideological strightjacket without giving any real consideration to what will happen to the number of people who are presently working for Canadian Arsenals.

The Hon. Member for Kamloops-Shuswap (Mr. Riis) indicated that this is not just an isolated concern. Yesterday morning we read that CN intends to sell off CN Route to three investors from Toronto. I asked the Minister of Transport (Mr. Mazankowski) earlier today in the House what the Government's policy is for the people working for a Crown corporation such as CN Route. What is going to happen to those people, their jobs, their pension benefits and their future after spending so many years working for the Government of Canada through one of its Crown corporations?

The Government's philosophy is to get rid of Crown corporations. As a political Party and as the Government, it has the right to its own philosophy. No one can quarrel with that. But it wo;uld be nice on occasions if it would admit what its policies are and even nicer if it would sometimes carry them out. In this case I do not happen to believe it is a good policy.

The Government has a policy to privatize despite the fact that it involves selling a Crown corporation which is making money, and that the major client of the Crown corporation is the Government of Canada. What we are doing is taking a Crown corporation which is selling its goods to the Government and putting it into the hands of a bunch of private individuals who wish to make a profit. But from whom will they be making a profit? It will not be from Procter and Gamble or other large companies, but from the very group which is selling the Crown corporation, the Government of Canada and through it the taxpayers of Canada.

Even if the Conservatives are right in their desire to sell off some Crown corporations, it does not make sense to sell this particular Crown corporation. There are Crown corporations which are in effect competing with private enterprise for a public market. They are competing for the purchase orders of other consumer groups and industries. But this is not the case with Canadian Arsenal. We know the Government is the major consumer, and in that case it is logical that the Government should be the producer of these types of goods.

We also know from the nature of the arms business that it is basically Governments throughout the world who buy the product. We also know that internationally it tends to be a heavily subsidized business. It is a business which quite often comes under Government regulations which are dictated by national policy. It is a very unusual business, not only because the consumer and the producer are so closely linked but because there is, for obvious reasons, Government regulation and control.

But let us look at the employees of that Crown corporation. The amendment before us this afternoon deals in the main with what is going to happen to the people who are working for a Canadian Crown corporation. We know that as a result of the sale these people will face the potential danger of losing their pension benefits, despite the amendment brought forward by the Government earlier today. That is one particular concern.

The Government really wants to sell off Crown corporation after Crown corporation and CN Route is now on the selling block. We know the workers there are going to be affected. There was an article in this morning's *Globe and Mail* that a number of CN's Route workers will lose their jobs. Considering this result, why does the Government not have a policy on how it will deal with the employees of these Crown corporations when they are sold? If those workers want to keep their jobs they will have to be transferred to the domain of the new owners. They quite often do not come under the same legislative protection.

That is the case here where we are going from federal law to the provincial law of the province of Quebec. Pension plans have been started and people have been paying into those pension plans for a number of years, yet there is really no

process in place to guarantee that those people will be able to keep their pensions or continue their pension growth at a rate they would like.

My main reason for speaking in this debate at this time is to point out that although the Government has a right to its policies, if it wants to privatize, that is its right, although we will oppose it because it is not our policy. But if it is going to take the right wing idea to sell a Crown corporation just because it is called a "Crown corporation", and if it is going to ignore the fact that the Crown corporation we are selling is producing goods basically for the Government of Canada, it does so at its own peril.

The Government has an obligation to be concerned about what happens to the employees who are at the present time employees of the people of Canada. If this industry was the only industry the Government was going to privatize, it would be of major concern, because we are concerned about the workers of Canadian Arsenals. But it is even more of concern when we know that it is the Government's intention to continue this process, that it wishes to sell Crown corporation after Crown corporation for whatever ill-defined justification it may have. Yet the Government has not told us what its policy is for the workers. It has not even said what the policies are for the communities in which these industries are located. It has not told us what its responsibility is as it gets out of certain endeavours. If this Government had a soul or a heart, and if it had any real knowledge of where it wants to take the country, one of its Members or a Cabinet Minister would rise and explain exactly what its policy is towards the effected comunities.

If the Government is going to go hell-bent for leather and privatize agency after agency, Government Members should be able to rise in the House and tell the workers and the unions who are involved what the Government's policy is. That is my major concern. No one has done that.

• (1420)

Members of the Government get up and talk about a namby-pamby amendment which they have brought in at the dying stages of discussion on the legislation. The amendment deals with one set of workers in a particular way, but it does not explain where the Government wants to go in the long run. We have already heard from representatives of the workers to the effect that the amendment which is before us is not good enough. We know that to be the case. However, it is even more worrisome that the Government has not said where it will go in the future.

I realize that my time is about to expire. I hope that other Members will get up to see if we can force one of those reluctant Government back-benchers to stand up and say where the Government is taking the country as it goes off on its wild ride toward privatization.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate at the report stage debate of Bill C-87 which deals with the selling of Canadian Arsenals Limited. I say that I am pleased to participate in the debate since I had the opportunity, along with my colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), to participate in second reading debate on this piece of legislation.

At that time, as you will perhaps recall, Mr. Speaker, since I think you were presiding in the Chair, we had a number of grave concerns about the entire process and approach by which the Government was attempting to proceed with this Bill. At that time Hon. Members may recall that we were questioning why the Government was proceeding without giving Canadians the benefit of information. In effect, the Government was saying: "Yes, it is a good price for which we sold this particular company, but we will not tell Canadians what that price is. Just trust us". That was the philosophy which characterized the approach of the Conservative Government during the debate at second reading.

During the committee hearings I think the heat of the observations and representations, not only of members of the Official Opposition but of other representatives from across the country, made the Government come clean, to a certain extent, with respect to a number of questions. However, I regret that at report stage I need to stand in my place again and make a similar pitch on a different issue.

The issue we are debating this afternoon deals with Motion No. 2 which stands in the name of the Hon. Member for Glengarry—Prescott—Russell. It states:

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

"12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:

(a) choose to remain and continue as a contributor to the federal superannuation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or

(b) become a contributor to the pension plan as described in the agreement of purchase and sale between the government and the new employer."

What the Hon. Member is attempting to do by putting forward this motion is have the Government come clean with the employees of this company. This would give them some sense of assurance, some sense of continuity and a sense of respect and dignity in terms of their future with this particular company. This is to what the amendment refers. The amendment speaks in defence of not only the Public Service Alliance of Canada, the particular union involved, but the 800 workers, some of whom have spent a great number of years in the employ of this company.

The average age of a worker at the company is 34 years. He has an average of six years of service and a salary of $22,680. That individual, that breadwinner, wants to know, not tomorrow or the month after but today how his pension contributions will be affected. He wants to know what kind of choices and opportunities he will have in terms of these pension contributions. This is to what the amendment speaks.

The Government has said in a holus-bolus way: "We will move a motion which will allow us to make an Order in

Council sometime in the future which will dictate what kind of arrangement *vis-à-vis* pension contributions these 800 employees will have". That is not the right way to deal with individuals who have been contributing to the system for a number of years. That is not the way by which families can build their futures. That is not the way the Government should be conducting its business on behalf of Canadians. It does not speak very highly of the motives of the Government. If it wants to make a decision to sell this company which has been profitable, then that is the choice of the Government. Of course, that is what it is here for. We on this side of the House have pointed out options with respect to why it should not choose to exercise that alternative.

However, if it is to move in this direction, after having made a clear decision to take the privatization route, then for goodness' sake let us have an infrastructure in keeping with that decision. Why not think of the workers? Why should they be left out of the equation? Why should their pension contributions be left simply to hang for some future discretionary measure within the Minister responsible? That is not the way business should be conducted when it involves the livelihood of people. It is unfair to say: "We will give them the benefit of one year to make up their minds whether or not they want to pursue the pension plan programs which we will be designing and offering them".

It should also be noted that this window of 12 months will begin once the legislation is passed. By the time the legislation passes, and by the time the Government introduces its Order in Council, it may very well be that 6, 8, 10 or 11 months will have passed. Therefore, that window by which an individual employee can make an intelligent decision for his family will be shortened. The one year, which might sound very attractive now, will, in fact, be watered down.

The Parliamentary Secretary laughs. Perhaps that is part of the problem. I do not think Members opposite are taking the issue as painted by the Public Service Alliance and the company seriously enough, and they have been siding on the part of the workers. Individuals in Treasury Board have been quoted in various journals and newspapers as having said that the Government has proceeded in a very unorganized and haphazard way, as far as pension contributions are concerned.

We are not trying to be obstructionist. We are not putting forward opposite views on how the Government should be proceeding simply because we are in opposition. We are doing so because there needs to be someone to speak for the workers in terms of this particular issue in order that their concerns be brought in and articulated. They have been trying to make their concerns known to the Government. This is why we are asking Members of the House to consider seriously Motion No. 2 put forward by my colleague. It is a fair and responsible amendment. It is one which speaks to the investment workers have made over the years and the one they wish to continue to make in future years. What is so wrong with that?

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, having very carefully studied the provisions of this Bill and after having examined with great care the motion which is now before the House—in fact, I believe there are two motions—

Mr. Boudria: There are three.

Mr. Robinson: My colleague tells me that there are three motions before the House which have been grouped together for debate. These motions certainly deal with some very fundamental issues which, in the course of my—is it 40 minutes I have, Mr. Speaker?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): It is 10 minutes.

Mr. Robinson: In the course of my 10-minute intervention on this fundamental question I wish to take the opportunity to address some of the concerns raised by these motions.

• (1430)

I had the opportunity of meeting with many of the workers of Canadian Arsenals who, as the House will know, were here on the Hill on Wednesday of this week. They expressed concerns with respect to the possibility that they might lose certain employee pension benefits. As we know, this is a fundamental issue of concern to these employees who have served Canadian Arsenals faithfully for many years.

The possible effect of the provisions of this Bill would be to seriously jeopardize the pension position of the employees of Canadian Arsenals. That is why we heard the chant on the steps of Parliament Hill: *"On veut la compensation, on veut la compensation!"* The compensation could amount to something in the order of $17,000 per year to the individuals who have been affected by this legislation.

In examining the provisions of this Bill, I note that the Government, in the dying gasp of this debate, has put forward a motion which moves some distance toward meeting the concerns of the employees of Canadian Arsenals. However, I would like to support Motion No. 2, the motion that would permit employees of the corporation, as of the day prior to the date of the transfer of the company, to make an election. They could choose to remain as contributors to the federal superannuation plan, in which case they would be required to pay both the employee's and the employer's share of the required contributions to the plan, or they could accept the alternative of becoming a contributor to the pension plan as described in the Agreement of Purchase and Sale between the Government and the new employer. The fundamental issue here is that this would give the employees in question a choice. Obviously that would permit them to continue to protect the pension rights which have accrued to them through many years of faithful, loyal, dedicated and hardworking service to Canadian Arsenals.

We must ask why it is that the Government seems to be obsessed with the notion that the private sector can do things

better than the public sector. Privatization is the current buzzword of the Conservative Government. Why is it that the Government believes a company which is motivated by the pursuit of profit and the pursuit of maximizing its return on shares is better able to manage this company than the public sector? The Public Service Alliance of Canada, in its submission to the legislative committee on Bill C-87, pointed out that a full public parliamentary debate on the role of Crown corporations and public enterprise is long overdue.

I believe that the purpose of public policy is to serve the interests of Canadians, certainly not to serve the interests of a small group of elite corporate shareholders. It is particularly essential to note that when companies are taking major decisions with respect to investment, employment or plant location, the public interest ought to be the governing interest and not the maximization of global profits.

To the extent that there may have been problems in the public sector, we suggest that that was primarily as a result of the failure of the Government to recognize the creative and important role of the public sector and the importance of Crown corporations being models of corporate responsibility. They should be open, accountable and charged with a clear and definable mandate.

In fact, Canadian Arsenals has been a very profitable company. In 1985, it had a net income of $11.3 million on sales of $103.8 million. Its return on equity was an excellent 21.4 per cent in 1984-85. The profits of this company were being used to help reduce the deficit of the Government. The Government has been cutting back on family allowances and transfer payments for health care and post-secondary education. One would have thought that the Government would have welcomed a contribution of $11 million to the public purse to help reduce the deficit. Instead of cutting back on these important public services, the Government should be recognizing that Canadian Arsenals can help to provide a source of public revenue and at the same time ensure that the priorities established for Canadian Arsenals meet the interests and concerns of the Canadian people and are responsive to the workers of that company.

It is reasonable to assume that the approach which is being taken by the Government in Bill C-87 will very likely serve as a model for other Government privatization efforts. For that reason, as well as the reasons I have discussed previously and which my colleagues have so eloquently placed on the record, we want to make sure that we give Bill C-87 the best possible effort so that it may be a good model. If the Government is determined to plough ahead with its ideological blinkers on in the pursuit of privatization, we are determined to ensure that the interests of the working men and women of Canadian Arsenals are protected and not eroded as this Bill would in fact do. That is why we have urged the Government to recognize that while it has moved forward with an amendment, it does not go far enough to protect the pension contributions of the employees involved.

I would note as well that the jeopardization of the retirement pensions of Canadian Arsenals employees is but one of a number of concerns we have raised in the course of this debate. The Public Service Alliance made representations with respect to this Bill, and I would note here the role played by Vice President Jean Bergeron. The Public Service Alliance has spoken out very clearly with respect to the concern about long-standing contractual rights of employees and the concern that these contractual rights be protected during the transition from public to private enterprise.

The sale in question does require a jurisdictional change in the area of labour relations from the federal jurisdiction to the provincial jurisdiction of Quebec. Partly as a result of that, it would appear that there are no transitional provisions to protect the collective agreement, the benefit plans and the other acquired rights of the employees until certification is granted pursuant to the Quebec Labour Code. At this time the employees are covered under the provisions of the Canada Labour Code. While SNC, the company which is buying Canadian Arsenals, has made commitments to honour all of the contractual obligations between Canadian Arsenals and its employees, it would be far preferable if those commitments were enshrined in the legislation.

As well, there is a problem in this legislation with respect to the grievance and arbitration of rights of the employees of Canadian Arsenals. The sale is adding to the degree of confusion and uncertainty that is involved.

Again, the fundamental question that must be addressed is why is it that the Government believes, in its ideological zeal to pursue the privatization agenda, that Canadian Arsenals will be better run by SNC than it is being run by a board of directors appointed by the Government of Canada? That is a question which no Member on that side of the House has yet addressed, and it is a question which we in this Party believe must be addressed. As I have indicated, it cannot be argued that there has been a failure in the corporate responsibility of this firm to its shareholders who are ultimately the people of Canada or to its employees. After all, it has a good record. I know that other speakers will be talking about the record of Canadian Arsenals in this regard.

• (1440)

I want to note another concern. By far the largest customer of Canadian Arsenals Limited is in fact the Department of National Defence. It has been most beneficial to have that close working relationship between Canadian Arsenals and the Department of National Defence. As it now stands, the privatization process could very well jeopardize that relationship. We have to ask ourselves more fundamental questions in terms of the rights of the employees and of the pension plan. The President of the Treasury Board (Mr. de Cotret)—

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired; I would love to listen to him all day.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise in support of Motion No. 2 which reads as follows:

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

"12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:

(a) choose to remain and continue as a contributor to the federal superannation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or

(b) become a contributor to the pension plan as described in the agreement of the purchase and sale between the government and the new employer."

Mr. Speaker, I should like to draw your attention to the fact that 50 per cent of the employees of Canadian Arsenals Limited are women. Closer scrutiny of the Bill reveals that if ever the Government were to prevent the employees from contributing or maintaining their pension plan, this will have a double impact on women. Since 50 per cent of the employees are women and that, as a rule, women do not have as much seniority as men do because they had to quit working for a while to raise their children, they will be taxed twice as much because they have been unable to accumulate the same number of years of pensionable service.

They will be taxed as well—most of those employees are under 35, or between 35 and 40, and if they are prevented from maintaining their pension plan, because we know that under public service regulations the wife and children are entitled to a pension when the husband dies, and that means that the wives or the female employees of 35, or between 35 and 40, will not be entitled to a pension in case of death. I might simply remind the House that most women are poor, and we have debated the pension issue long enough to know that a woman cannot get 50 per cent of her husband's pension benefits because there is no such provision in the private sector. Therefore, taxes would be imposed on 50 per cent of the wives of men who work for the corporation and they would not be eligible for pension benefits.

Then as employees women would be doubly taxed because they would also lose their retirement pension. That is why I think the Government has to change the procedure related to pensions, and Motion No. 2 must be accepted, otherwise women employees and the wives of male employees will be doubly taxed.

For quite some time now we have been debating Bill C-62 on employment equity. Since the Conservative Government is supposed to do everything right, I was wondering if, during negotiations, someone considered negotiating what is known as the contract compliance issue. Since Bill C-62 on employment equity will eventually become law, did the Government think about including in contract negotiations the question of employment equity with respect to people who will be hired by or who now work for the corporation?

Something else is also very interesting. I am now a member of the committee on daycare. We have had the Katie Cooke report on daycare which was tabled recently in this House. The Government is being asked to encourage companies to provide daycare space or to open daycares centres.

We have also been told that this will be a priority for the Government. In that case, this was the time to do something about it. If this is really a priority, did the Government consider the fact that 50 per cent of these employees are women and a large number of them have children? Did the Government discuss the fact that it would have been possible to create employment equity as well as provide spaces in daycare centres?

If not, this shows that we are dealing with mere amateurs approach, because the contract was prepared hastily and the Government has been remiss in its duty. We are told that all the matters we are now discussing in this House are the result of conservative amendments, but I would like to point out that all this is a result of what the Liberals suggested in committee. That is very important. These are the amendments now under discussion.

I ask the Government to act and not simply to put up a smoke screen. This is one of the first times that we see that this Bill deals with the privatization of a company. Was employment equity discussed as one of the conditions of purchase? Has there been some provision to protect the spouses of the workers? Also, as concerns women, will they be hit by double taxation on their pensions?

I would like the Government to show us that it is being serious for once instead of relying on rhetoric. If indeed it is serious, I must support Motion No. 2.

Mr. Speaker, I do not simply want to have a discussion with my Conservative colleague who says that the Liberal Government did not pass any legislation to achieve employment equity.

The Liberal Government passed some excellent laws on the status of women. Canada has been one of the most progressive countries in this regard.

You always tell us that you are doing a lot for women, for instance that when appointing new board of directors. Well! You appointed 16 men out of 17 members. On another board made up of ten members, you appointed ten men. You should start by practicing what you preach. This is the best proof we could have! You should put this principle in practice in the case of a privatization and show that you are able to protect the rights of women. If the Conservative Government can do so, I shall publicly recognize it, but for the moment, I think that you are making a mistake. Especially in view of what you are doing in Bill C-62, you would have had a chance to do better with this Bill, but the Government continues to use an amateurish approach, as it has been doing all along.

[*English*]

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the question before us today is not one of privatization but one of human rights and employee rights. It is a people or personnel problem rather than a

privatization problem. The employees want to maintain their present status under the Public Service Superannuation Act. They understand quite well that the Government does not want that link between a private company and the Public Service Superannuation Act. Their first request was for the Government to pay both shares. However, there was a counter offer by the Government, that it would make an offer through Order in Council sometime in the future. It was a fairly hollow gesture, one which we could not expect loyal employees who worked for a long time for this important corporation to accept.

We have not really dealt with the link between the Department of National Defence and Canadian Arsenals Limited or how Bill C-87 will affect that long standing relationship. The Government was asking the employees to give it a blank cheque. It said that sometime in the future it would do something for them. It did not know what that would be; it did not even hint at it. In any event, the Government told them that it would do something for them in the future and that they had a year in which to make up their minds on whether they would accept the offer. It was not really a fair way to treat loyal employees who had been working for Canadian Arsenals for a long time.

On the other hand, the people affected said that they would pay both shares if the Government would not do it. They made that offer to the President of the Treasury Board (Mr. de Cotret). He was asked to respond to that most magnanimous offer by the employees, but he has not responded. So we are here today debating an amendment of my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), to do the very things the employees want to do. I think it is incumbent upon the Government to accept the offer. It is a fair and reasonable one and it is magnanimous on the part of the employees to make it.

• (1450)

There is a wider issue here, Mr. Speaker. If we are going to have a sound economy we have to have better employer-employee relations. There has to be a new relationship with labour. If the Government is serious about that it should lead the way by showing that kind of attitude toward its employees. The Government should set the tone in the country by example.

We have seen strikes across the country. We are presently, I hope, in the final stages of one in my own province on the very same issue. The public servants in Newfoundland have virtually brought the province to a standstill and have negotiated directly in public with the Premier. They have forced concessions from the Newfoundland Government. The matter is still not resolved, but it is a case in point. Governments have to set the tone for the new economic reality. There has to be a new relationship with labour. There has to be peace with labour and you cannot do it by confrontation or by walking all over people. You have to sit down and be reasonable with people, particularly those who have served the Government and the people of Canada faithfully for a long, long time.

I say to the Government and to this Parliament that it is incumbent upon us to support the amendment from my colleague from Glengarry-Prescott-Russell. He has worked long and hard for many of the people, many of whom live in this area. Most of the people who are affected, as I understand it, are employees in Montreal and St. Augustin near Quebec City. The employees in question deserve fair treatment. They are making a reasonable proposal and I think it is incumbent upon the Government to accept it.

There is that wider issue, namely, the new relationship with the working people in the country. If the working people are going to be sent a signal, let them be sent a signal on this issue that the Government of Canada and the Parliament of Canada is offering the working people a deal, a fair and equitable place to earn a living, a deal that protects them in the long run. We are facing rapid change. People feel threatened and insecure. Neither politicians nor businessmen—in fact, no one is exempt from that insecurity brought about by the rapid changes in society. We have a chance to do something for these people. We are all in the same boat. It is more important to understand the reality in which we find ourselves. We should act today by supporting this amendment and showing the workers that we are keeping faith with them.

[*Translation*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am opposed to Bill C-87. I oppose this measure as does my party because it will be harmful for the people of Canada as well as for the men and women who work for this corporation.

[*English*]

No good reason has been shown why this company should be sold, Mr. Speaker, no good reason at all. It is a company that has been making a profit. It is a company that stands and ranks well with other Canadian companies. It is a company that provides a vital service. Further, if the company is sold there will be great danger that its employees will lose many of the benefits which they have earned by their service to the Government and the people of Canada as employees of this Crown Corporation.

The sale ought to be delayed until at least the proper interests of the employees can be preserved. I would welcome any possible amendments to serve the interests of the employees of the company and the people before this Bill is passed.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Since Motion No. 3 is consequential to Motion No. 1, a vote on Motion No. 1 will apply as per the Speaker's ruling. A vote on Motion No. 1 will dispose of Motion No. 2.

Motions Nos. 4 and 5 are identical. The Chair will select one.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I believe you also have to take a vote on Motion No. 2 which has not been covered since it is not established whether or not the full House on Monday will support Motion No. 1. As I understand it, since this has not—

The Acting Speaker (Mr. Paproski): Order, please. We will do that when there is a deferred division. The Hon. Member for Ottawa Centre (Mr. Cassidy) should realize that once we have gone through all the debates on Monday, or whenever we are finished with the debate, we will do that.

Mr. Cassidy: Motion No. 2 will be voted on, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Cassidy: May I rise to move—

The Acting Speaker (Mr. Paproski): Order, please.

I have selected Motion No. 4.

Mr. Mike Cassidy (Ottawa Centre) moved:

That Bill C-87, be amended in Clause 12 by striking out lines 35 to 37 at page 5 and substituting the following therefor:

"12. This Act shall come into force after December 31, 1987, on a date to be fixed by proclamation."

He said: Mr. Speaker, the Bill as it stands right now calls for it to come into force on a day to be fixed by proclamation. The Government is saying that there are no problems left with this particular act of privatization that deserve to be resolved. In particular, the Government is saying that despite the protests which have been expressed right up until today by the work force of Canadian Arsenals who unwillingly, find themselves being privatized by this Bill, the Government sees no problem or any problems yet to be resolved. The Parliamentary Secretary is paying some attention. Let me suggest to him that one might be critical and say that a hoist or a deferral until December, 1987 is not particularly fair to SNC, which is, after all, hoping to get going with this new acquisition. The Minister does not look like a real Tory because his suit is not blue.

• (1500)

The problems which exist here are not related to SNC. SNC, to some extent, is an unwilling and hapless victim of the Government's mismanagement of this act of privatization. The Minister and the Government must act differently if they intend to continue with the privatization and get co-operation. After this experience, when employees are affected, rather than looking for ways to co-operate with the Government's intention, which the Government does have the parliamentary majority to put into law, people will drag their heels. In this particular case that was not at issue because there was no effective consultation for the longest time with the workforce and the unions affected.

If anyone wants to complain about delay, as they have to me, they should look at the Government's record on this issue. The announcement of the intention to privatize Canadian Arsenals was made in the Budget on May 23. Bids were submitted and received on August 9. There followed a bidding war in which the Government tried to get the preferred bidders to up the ante, a process from which SNC eventually emerged with the Government's approval. It was not until early December that the Government announced that it intended to act and introduced the privatization Bill in the House of Commons.

I received anxious submissions from SNC last November and December asking what the NDP could do in order to expedite the Bill, as they really wanted to have it passed. I had to tell them that there was nothing I could do because the carriage of the Bill was in the hands of the Government. I suggested that the people from SNC should sit down immediately with the representatives of the workers involved to start to iron out the problems. I warned them that if they could resolve the concerns of the workforce, it would certainly help our Party to be a good deal more co-operative with regard to getting the Bill passed.

That, in fact, did not occur. SNC finally got around to talking with the union, but the Government tried its best to avoid having any meaningful discussions. We have, therefore, the spectacle of legislated amendments on an absolutely essential part of the process. The legislated protection for pension rights, which employees have worked for up to 30 years to gain, came only as an afterthought in an amendment dated April 11, 1986, almost one full year after the original announcement of the Government's intention to sell Canadian Arsenals to the private sector.

If there has been delay, the Government is responsible for it. The reason for the delay is that the Government did not know whether it intended to privatize, or how it intended to do it. Through press leaks we have learned that one group in Cabinet wanted to sell at any price, and another group of the bureaucracy wanted to go through the process and work out the ground rules before proceeding. Fundamental questions have yet to be addressed in the case of Teleglobe. The rates which Teleglobe Canada can charge are part of a regulated environment. If Teleglobe goes into the private sector, its income and, therefore, its profitability, will depend on how the Government intends to administer this regulated environment. If international tariffs for communications are deregulated, or sharply reduced, Teleglobe will no longer be very attractive. It is very difficult to sell it, given that uncertainty.

With regard to Canadian Arsenals, we wondered why we would sell it when it was anticipated that it was going to continue to be more and more profitable. It was one of the fastest growing companies in terms of profit growth in the last five years in the entire *Financial Post* index. We wondered why we would sell a winner, and the Government has never answered that question. The other question we had was with regard to dealing with the employees. This has not been done either.

That is why I have moved this amendment which calls for the Act to come into force after December 31, 1987, on a date to be fixd by proclamation. In the interim I hope it will be possible to resolve the problems which have been raised directly, and quite justly, on behalf of the employees when they came to Parliament Hill two days ago. These problems have also been raised by their unions repeatedly and consistently since the Bill was tabled in December.

If the Government asked whether I would agree to an amendment which would allow the Bill to come into force when all of the outstanding issues which have been raised by the union are resolved, rather than waiting for the entire year and a half, I would not be negatively disposed to that. However, successor rights have not been established, and cannot be established unless there is either legislative action or some more formal agreement between the federal Government and the Quebec Government as these employees are passed from federal jurisdiction into provincial jurisdition.

The employees have only verbal assurances from SNC that the grievance process and the administration of the collective agreement will continue on an informal basis until the employees form a union under Quebec law, either through the alliance or another union which they may choose to replace the alliance. If Motion No. 1 passes on Monday there will be a resolution of the pension issue, albeit not a very good resolution. The fact that there has not been a satisfctory resolution in that area raises questions in my mind.

Another issue is that ammunition produced by Canadian Arsenals has found its way to such places as Contra camps on the borders of Nicaragua. Yet, there has been no insistence with regard to controlling where SNC and its new subsidiary will be able to sell ammunition and other military products once it is no longer publicly owned. These issues ought to be resolved before a sale, rather than after. I very much regret that the Government did not see fit to resolve those problems before passing the Bill.

For those reasons I have moved that this matter be deferred and that the Bill not be proclaimed until after the end of December, 1987, which will allow ample time for the resolution of these problems. If in four months' time the Government says that it has solved these problems and asks for a one hour debate on a short Bill in order to advance the proclamation, I would strongly recommend to my colleagues that, if satisfactory resolution to the issues had been achieved, we pass such a Bill. However, for now I think it is necessary to pass this motion. This amendment should be made law in order to ensure that every Minister of the Government understands that if they insist on privatization, even when it is not warranted, they must follow a legitimate process which answers the concerns of the electorate in general, affected workers, and other people with interest in a particular sale. We will feel compelled to continue to make proposals for delay until these issues are better handled.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? I will recognize the Hon. Member for Glengarry—Presscott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we are almost ready for the question, but we do have a few other points which we must bring to your attention.

[*Translation*]

This House is anxious to hear from Quebec Members who have the honour and privilege of representing those employees here, and we feel it is indeed our duty to speak up in the absence of those Members who have not risen yet. But since they will be doing it shortly, we are making sure in the meantime, as Members, that their views are put forward, the views of those who have not yet done so.

I know, for instance, Mr. Speaker, that the Hon. Member for Terrebonne (Mr. Toupin) would like us to raise those issues on his behalf, being no doubt very busy, and this is why it is impossible right now to raise them himself. I am sure it is the same with the President of the Treasury Board (Mr. de Cotret) who represents a neighbouring constituency, that of Berthier—Maskinongé, and he has many constituants who are employees of—

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

The Acting Speaker (M. Paproski): The Hon. Member for Gatineau.

Mrs. Mailly: I am questioning the relevancy of naming all those Members who are not now in this House, and pretending to speak on their behalf.

Mr. Boudria: I never said they were not present.

• (1510)

[*English*]

The Acting Speaker (Mr. Paproski): It is Friday afternoon. I was paying attention to the Hon. Member's speech and he never mentioned who was or was not in the House. He has been here for close to two years now and I know he realizes that Hon. Members do not mention who is or who is not in the Chamber. We will just leave it at that.

Mr. Boudria: Mr. Speaker, all Members are here. The ones who have not spoken yet are too busy doing constituency work. It is not because they are not here. I really resent the Hon. Member saying that her colleagues are not here. It is just not fair to them and the record should show that she is being unfair towards her colleagues by doing what she just did. Not that I would mention it myself, but now that she has brought it up I cannot really disagree with her. I will leave it at that.

[*Translation*]

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Gatineau.

Mrs. Mailly: Mr. Speaker, I believe the Hon. Member has just said that this Bill was most important. I would therefore particularly like to hear his comments on that, rather than having him play his childish little games.

Mr. Boudria: I am not playing games, you are.

[*English*]

The Acting Speaker (Mr. Paproski): I know the Hon. Member will now get back to the motion.

Mr. Boudria: Mr. Speaker, that is exactly what I was going to do before I was so rudely interrupted. I am glad to hear a contribution from the Hon. Member in this debate, albeit a brief contribution.

Mrs. Mailly: I spoke on it and you know it. We all spoke on it.

Mr. Boudria: Mr. Speaker, I want to refer to a profile of the employees of Canadian Arsenals. I know the Hon. Member is listening very attentively, as she usually does. The average age of employees of Canadian Arsenals is 33.87 years. The reason I bring this to your attention at this time is that a number of these employees are quite young and at the same time they have a fair level of seniority in the company. That means they have contributed significantly to the pension process, yet they are still at an age at which they will be gravely damaged by what the Government is proposing and by what the Government has refused. That is to say, it has refused the amendments I proposed earlier. The delay being proposed here will surely give time to the Government and everyone else to reflect upon what they want to do and hopefully propose something better for the employees.

Let me give you a few examples of just what damage we are talking about regarding loss of benefits for the employees. I know that the Vice-President of the Public Service Alliance of Canada has raised this issue with the President of the Treasury Board (Mr. de Cotret). They met on Wednesday, April 16. There were two meetings, one early in the morning and one a little later in the day. The Minister made a solemn promise. You will recognize and recall, as do I, that a Tory promise is a pretty important thing. That Tory Minister promised he would get back to the Vice-President of the Public Service Alliance of Canada by yesterday at two o'clock. I know this is going to be hard to believe but that Tory cabinet Minister did not respond.

Mr. Bradley: It is in the mail.

Mr. Boudria: No, Mr. Speaker. He broke his promise, as unbelievable as that may sound. The Tories have not broken a promise today, of course, but they have practically every other day since they came into office.

This afternoon the Vice-President of the Public Service Alliance did get a call from the assistant to the Minister who said he was sorry that he did not call yesterday but he decided that he did not want to do anything more for the employees. That is what just happened a few moments ago, just behind the Chamber here. That is a very sad case. I know the Parliamentary Secretary, who is heckling, will take the opportunity to make a profound speech—

Mr. Bradley: Not heckling, just clarifying.

Mr. Boudria: — a little later this afternoon.

An employee aged 29 with 12 years of service with Canadian Arsenals will be losing $17,213.07 a year by the time he or she is pensioned. That is the difference between the two pension plans. The Parliamentary Secretary said earlier today that the SNC pension is comparable to other similar industries. That is a very interesting statement because how many other similar industries are there in Canada? One. Just one.

Mr. Bradley: Five.

Mr. Boudria: There is only one similar industry in Canada and it is known as IVI. Do you know who owns IVI? SNC, the same people buying this company. So what kind of sense does it make to make those kinds of comparisons? I submit that it is probably true that the pension plans are comparable. It is true that SNC is a good employer. That is not the point. It is not SNC that is a bad employer, it is the Government of Canada. It is this Tory Government which is a bad employer by letting down the people who work for it. That is what is wrong.

All the Tory Members in this House, all 211 of them, those who are here right now, every one of them, I am sure, deep down in their hearts agrees with me. If only their Whip or House Leader, or whoever is in charge, and sometimes we wonder if there is anyone in charge, would let them speak their mind in this House on behalf of their constituents. I am sure the Hon. Member who represents that riding would want to

speak on behalf of his constituents. I am sure the Hon. Member for Terrebonne (Mr. Toupin), who the employees of SNC have never been able to speak to on the phone over the last month, when he finishes that important constituency work that he is doing at his seat in the House, he will want to speak to those employees. Or he should. I am sure that the Hon. Member for Joliette (Mr. La Salle), who also represents a large number of these people, would also seize this opportunity, or should, to speak on behalf of his constituents. However, they will not hold their breath because it just may be that the Tory Members I have just described will not seize this occasion to speak on behalf of the people they represent. I am sure all Members seated on this side of the House, all Members of the Liberal caucus seated here right now, if there were an incident in which seven or eight hundred of our constituents were to lose their pensions, they could not have locked the door to that committee room to stop any one of us from entering the place to defend their interests. Why is it we had a hard time getting even a response to a phone call from the employees? I cannot understand that. It is my hope that in the next few moments all Conservative Members of Parliament will seize this opportunity and tell the Government it is time to come to its senses and act in a proper way towards the employees of Canadian Arsenals.

[*Translation*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would also like to speak on the matter, because it is very important for employees of Canadian Arsenals Limited, especially in Quebec, where there are two plants. I remember when I was a boy . . .

Mrs. Mailly: That was a long time ago!

Mr. Waddell: Yes, a long time ago. I used to live in Toronto, in Port Credit, Ontario, in Etobicoke, near Lakeshore, west of Toronto, and we had a CAL plant there. That was after World War II, and I now realize that there were many CAL plants in Canada then because that was an excellent Crown corporation during the war. Many people, many workers worked for Canadian Arsenals Limited.

• (1520)

[*English*]

I understand that it has cut down considerably.

As I was saying in French, this was a great corporation which had many factories that produced a lot of munitions for Canadian soldiers and soldiers of other countries during the war. As a young boy, I remember seeing the plants in my area and talking to some of the older men who worked there. I am afraid that if the Government privatizes Canadian Arsenals it will destroy an excellent Crown corporation. While I am not saying it will happen, the owners could rationalize and we would not see any Canadian Aresenals Limited at all.

Motion No. 4 states:

That Bill C-87, be amended in Clause 12 by striking out lines 35 to 37 at page 5 and substituting the following therefor:

"12. This Act shall come into force after December 31, 1987, on a date to be fixed by proclamation."

This motion was moved by my seat-mate, the Hon. Member for Ottawa Centre (Mr. Cassidy). It postpones the coming into force of the Act. I prefer that Canadian Arsenals not be privatized at all. However, if it is to be sold, surely the Government owes some guarantees to the workers of Canadian Arsenals.

After listening to some government Members, I cannot help but say advisedly that the workers are lucky in a sense because at least we can debate this in Parliament.

My constituency office in Vancouver—Kingsway has an open house on the weekends. I have seen cases of constituents who work in private sector companies that have been bought up or merged with another company. My constituents have told me of the difficulties they have in adjusting to a takeover or sale of a company. Sometimes Members who are lawyers, doctors and businessmen and have many job options forget how tough it is on the workers. We must not forget that there are many workers in places like Canadian Arsenals who have worked for years and believe they have some job security. It is a scary world when one is faced with finding another job, yet this happens often with a lot of companies.

When workers tell me that their company has been taken over as a result of a merger or sale, I say that there are laws for successor rights in trade union legislation. A union can be succeeded by another union so that there is some protection. Occasionally, however, that protection does not exist, and this is a good example.

The Hon. Member for Ottawa Centre is a tireless worker for public servants. He has pointed out some of the problems, including job security, pension and the transition from a company that works under the Canadian Labour Code to a corporation which will be under the Quebec Labour Code. This causes insecurity and is an unsettling situation for these workers who are worried about losing their jobs. They cannot simply go hunting. I see the Hon. Member for Nunatsiaq (Mr. Suluk) taking copious notes about my speech, preparing to reply when I am finished. I understand that he just returned from hunting in the Canadian Arctic. He knows that it is nice to get out and go hunting but we have to work too.

My point is that there must be job security for the workers. It is my understanding that the SNC group of Montreal has already manufactured munitions as part of its other investments. It could give Canadian Arsenals a low priority. This would affect the workers, and they want to know about it. They want to see a corporate plan, and such a plan should be filed with the House, outlining what SNC plans to do with this company. That is the least the Government owes to workers in a Crown corporation which it is privatizing.

One might ask why the New Democratic Party is challenging this legislation and moving these amendments. Quite

frankly, this is perhaps the first of many privatization moves. What will happen when the Government privatizes Petro-Canada which is 100 times bigger than Canadian Arsenals? We want to ensure that there is a procedure that at the very minimum will benefit the workers. We want to know whether there will be a corporate plan. We would like to see successor trade union rights. We want to know what will happen to the pension plans.

The pension plan is a cause for concern in the private sector when there are mergers or takeovers. Problems arise with early retirement plans being carried over from one company to another.

Mr. Bradley: Read the motion.

Mr. Waddell: These matters have to be considered. The Member asks me to read things. I invite him to read the submission made by the Public Service Alliance of Canada to the legislative committee on this Bill.

Mr. Bradley: I was there. Where were you?

Mr. Waddell: Perhaps the Hon. Member will recall this. I invite him to look at Clause 27 concerning mobility rights and Clause 22 concerning the rights of employees. These are matters about which I am concerned.

Mr. Bradley: That is the reason for the amendment.

Mr. Waddell: That is why the Member for Ottawa Centre put forward this particular clause. The Public Service Alliance stated at page 8 of its brief that in Clause 2 in the general area of employee rights, confusion abounds. Bill C-87 is silent on the issue. Despite the fact that the sale requires a justification change for labour relations purposes from Canada to Quebec, there are no transitional provisions to protect the collective agreement. I invite the Hon. Member to speak about this.

Mr. Bradley: I already spoke.

Mr. Waddell: It is a new amendment. He can speak again. I regret that I was not here to have the benefit of his speech.

Mr. Crosbie: You are floundering, Ian.

Mr. Waddell: I know that he is a senior Member of the House.

Mr. Robinson: The Minister of Justice (Mr. Crosbie) wants to speak.

Mr. Crosbie: You are floundering.

Mr. Waddell: I would not let the Minister of Justice speak. Not only would he privatize the corporation, he would move it to Newfoundland.

The Acting Speaker (Mr. Paproski): At this stage, I regret that the Hon. Member's time has expired.

Mr. Waddell: Perhaps I could have unanimous consent of the House for more time.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): What is it the Hon. Member wanted?

Mr. Waddell: I asked for unanimous consent to extend my time, but I heard someone say no.

• (1530)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the motion before us is one with which I fully agree, namely to postpone this measure until December, 1987. First, it seems to me that whenever we decide to privatize a publicly owned company, we should ask ourselves why we are doing so and whether it is in the best interests of the public and the employees of the company. In that sense I am not convinced that this Bill has been the subject of a thorough and thoughtful analysis. In the case of Canadian Arsenals, as I understand it, the competitive situation in the market-place would be reduced because Canadian Arsenals would be purchased by a similar company thereby reducing competition in the market-place. Second, I cannot understand why the Canadian Government cannot own a successful company where the returns go back to Canadian taxpayers.

Petro-Canada has done extremely well and is perhaps a good example of how companies owned by the public sector can be competitive with the private sector. It can do that very effectively. That view has been expressed by a lot of Liberals before me.

The suggestion to put off this decision until 1987 has merit from the point of view of the people affected. There is a fundamental principle at stake. We cannot decide to sell a public asset and in the process divest the employees of their hard-earned social security programs and, in this case, the pension benefits which the employees of Canadian Arsenals were planning to enjoy at retirement had the company not changed hands. It seems to me, therefore, that a clause needs to be inserted in the Bill which deals with the management and treatment of the social security enjoyed by employers of Canadian Arsenals until the point of sale. I would challenge any Tory back-bencher in this House to say that there should not be the continuation of the same benefits to employees of Canadian Arsenals once it changes ownership. I am sure they could not say it. That leads me to believe that this Bill was hastily drafted and certain considerations were not examined before it was introduced in this House. We should not do that to the employees of any company.

The element of protection of social security benefits which accrue to the employees of Canadian Arsenals is crucial for two reasons; first, because otherwise the employees would lose them and, second, because it sets a precedent. While we are all in favour of positive precedents, this one is negative. It would set a precedent for similar losses to be incurred by employees

of other Crown-owned agencies or companies like Teleglobe, for example. I am sure Teleglobe has been mentioned by speakers before me. Should the time come, perish the thought, that the Government sells Teleglobe to the private sector, the employees of that company would have the same fate. The Government could say: "The precedent has been set. We did it with Canadian Arsenals' employees. Why can we not do it now? It was accepted at that time and we will roll along on the same route". It is important, therefore, to ensure that these considerations are made part of this Bill.

The social considerations which affect the employees' right now have been raised by the unions. They ask how this will affect employees of other Crown corporations which may come under the process of privatization. As I said earlier, I am not a great believer in this process at all. I think Canadians have been served well by Teleglobe, Canadian Arsenals and Petro-Canada in public ownwership. There is nothing wrong with these Crown corporations being owned by Canadians. There is actually much to be gained from that approach. It provides a balance in a particular sector between public and private ownership, which is very healthy and adds to the competitive spirit. What the Government is inadvertently doing, I suspect, is reducing the competitiveness in this particular field.

One can ask why the Hon. Member for Davenport would put forward such a notion without really basing it upon his own experience. But I am told that there are cases where privatization of a publicly owned institution has been accomplished in a thoughtful manner and not at the expense of the social security coverage and protection of its employees. First, it happened at Deer Lodge Hospital in Manitoba, a hospital in New Westminster, British Columbia and a hospital in Halifax, Nova Scotia.

Mr. Bradley: They are different cases.

Mr. Caccia: Yes, I can see they are different cases in different provinces, but it tells me that there is the political will at the provincial level. I notice one case involved the Province of British Columbia which is not famous for being one of the most socialistic inclined Governments in this country, and if it was possible in British Columbia, surely an approach of this nature with the same considerations could be developed by the Progressive Conservative Government of Canada. It is only a question of political will. It is only a question of giving these considerations to the Bill at a time when it is to be introduced.

In conclusion, I must say that I support the motion to postpone this decision. The impression I have is that the Government did not think about the implications. It did not have, perhaps, the experience to include these types of clauses to protect the benefits of the existing employees. The Government still can do so, however, and ought to do so in consideration of the fact that it would set a precedent for other corporations which the Government, perish the thought, may intend to sell.

I see that you are indicating that my time is up, but I have only spoken for 10 minutes. I have been very sober in my intervention but I know that my colleague would like to speak at this point and I will give the floor to him.

The Acting Speaker (Mr. Paproski): I regret that I have to call the Hon. Member to order. I love to listen to him but he only has 10 minutes in this particular debate.

Mr. Sergio Marchi (York West): It is always a challenge, of course, to follow the Hon. Member for Davenport (Mr. Caccia), Mr. Speaker.

• (1540)

Mr. Robinson: I rise on a point of order. I seek clarification in terms of the speaking order. I know that my colleague, the Hon. Member for Spadina (Mr. Heap), sought to speak at this point.

The Acting Speaker (Mr. Paproski): Since the Hon. Member did not rise, I recognized the Hon. Member for York West (Mr. Marchi).

Mr. Heap: I was rising.

Mr. Marchi: If the Hon. member for Spadina (Mr. Heap) wishes to participate in the debate, then I would yield the floor to him and speak after he has finished.

The Acting Speaker (Mr. Paproski): I regret that I did not see the Hon. Member for Spadina rise. If he wants to speak, then I will recognize him, if that is all right with the Hon. Member for York West. I do not think the practice of yielding the floor to another Member should be a practice to follow. However, we will do it today. The Hon. Member for Spadina (Mr. Heap), on debate.

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Hon. Member for York West (Mr. Marchi) for yielding the floor to me.

The problem with the Bill, as I was mentioning a little while ago, and the problem which requires the putting of the motion to extend the proclamation time, is that the interests of this company and the interests of the workers in the company are not well served. There must be more time to give it proper consideration and, perhaps, even to come back for certain amendments which might be quickly dealt with once they have been properly discussed.

The respect in which the interests of the country are not well served is that there has been no clear reason shown why the company needs to be sold or why it should be sold. It is a healthy firm. It employs a total of about 800 people near Quebec City and at Ville Le Gardeur near Montreal. It has been successful. Their jobs are about as secure as any jobs can be in the country. To start changing ownership without giving a clear reason for it does not make very much sense, especially in this day and age when companies which acquire their competitors often shut down one or the other of their plants.

Even if these plants are not shut down, the company which is buying it might shut down its other plant. That is not in the interests of the country.

This company also sells a vital product to the country. If it is taken over by another company and that company decides to cut back production, for whatever reason, perhaps even to dismantle the plant, then if there is a desire to expand, the Government will be in a much less favourable situation than it is at the present time.

Furthermore, it has been pointed out that the likelihood of the sale of this company to its only sizeable competitor will result in a near monopoly for that company. There will be less control of its operations by our Government. There will be less opportunity and less practical readiness for the Government to exercise its control over the export of weapons to countries such as Central American countries, and to groups there such as the American-backed Contras who have already, by some means or other, been able to obtain ammunition from Canada. It is much easier for the Government to exercise its responsibility over control of a Crown corporation than it is to exercise that same control over a near monopoly, if the Government sells a Crown corporation to its competitor.

I am concerned about the fact that the rights of the employees are inadequately protected and poorly considered by this legislation. The pension arrangement has not been clarified. There has been some effort to do so, but it has not been clarified to the satisfaction of the workers in the plant or to that of the union which represents them. That can be done. There is precedent, in legislation, for providing the workers with a choice. Once they have made their choice of whether or not they will stay with the old system or enter a new one, then the matter will be resolved.

However, this is not the case now. The matter has been left in some confusion, which is simply not fair. The practice of dumping a union or a pension plan by changing ownership is a practice which is growing to be much too common in Canada. This morning we heard that the rate of mergers in Canada in the last few years has more than trebled. The effect of these mergers is very often not only to eliminate jobs but also very often to undermine or even to destroy the bargaining rights of the employees who, without proper legislative protection, have no recourse. In fact, they do have recourse in terms of a wildcat strike.

There are many other matters besides the pension matter which these workers have negotiated over the years. There have been many examples of what happens during a transitional period from federal labour jurisdiction, as in this case, to provincial labour jurisdiction, from one owner to another. There will be the question of whether the same union will have successor rights. There will be the question of the administration of grievances throughout a period which may be many months, or even a year or more, if there are legislative hang-ups. There will be the question of the whole administration of the labour contract. Even if the new company acts in good faith, which we are told it is doing, experience with many such companies raises the question, even if the Government of Quebec is acting in good faith—it is very new and we do not really know what it is like—of the procedural problems of transferring from a federal company, under federal law, to a private company, under provincial law, which may very well gum things up for the better part of a year.

I have had experience in a factory where I worked for 18 years as a union officer, as a grievance officer and as secretary of my local. I know how important it is that grievances be handled promptly. They should be taken up within a day or two of the time the matter arises, the time when it is grieved. The settlement of them has to move within certain time limits, according to the contract, in nearly all cases. This is a matter of general labour law. If it is delayed because it is not known who the official responsible is or under what labour law they are operating, then there can be an immense amount of hardship and bad feeling created. This is unnecessary. It could be avoided by the proper interim legislation. Having the verbal assurance of SNC that it will recognize successor rights, even if that intention is good, does not come anywhere close to providing a firm with the legal framework under the whole operation of these two plants in relation to their employer relations.

The hoist of a year and a half implies that the proclamation would be at the end of that time. That need not seriously hinder the transition, and it need not hinder the profitability of these two plants. It gives time to work out these pension arrangements for the employees. Perhaps it would even give time to ensure that certain safeguards be written into the agreement. This would ensure that the industry, which is a necessary industry to any country, remains effectively under Canadian control. It would ensure that neither will Canada lack its services when they are needed nor will its services be put to a use that is contrary to government policy. Therefore, I hope that Hon. Members will support this amendment unanimously.

• (1550)

Mr. Sergio Marchi (York West): Mr. Speaker, once again I am pleased to participate in debate on report stage of this Bill and to address the amendment that would have the effect of delaying for up to a year and a half the legislation we are debating this afternoon and have been debating for some months, the Bill which provides for the privatization of Canadian Arsenals Limited. I believe the amendment speaks not necessarily to delay for the sake of delay. Rather, its purpose is to tell the Government that it needs to go back to the drawing-board and to be more precise.

If this legislation were delayed, it would be strengthened, and that is what we were elected to do. If we were elected to ratify holus-bolus whatever the Government intended to do in quick and short order, then we would not be fulfilling the major responsibility inherent in the position of a Member of Parliament, in particular a back-bench Member of Parliament. We were elected to ensure that the legislation that flows from

this Chamber to the Senate is legislation that will protect the rights of Canadians from coast to coast.

That kind of protection should exist in this piece of legislation because the shareholders of Canadian Arsenals Limited are some 25 million Canadians: you and I, Mr. Speaker, and every other Canadian. By its very definition, a shareholder of a corporation dictates policy and should also have information at his or her fingertips. In this case, we in this Party, the workers and the Public Service Alliance are trying to explain to the Government that those Canadian shareholders are not completely satisfied with this legislation.

This afternoon, speakers from both opposition Parties have spoken to the essential concern of the union and the workers, which is that workers' pension contributions not be undermined. They are saying to the Government that if it has made the poltiical decision and has the political will to make this company private, then so be it, but they want the guarantee that what they have invested throughout the years will be safeguarded and that if they move to a private corporation owned by this engineering firm from Quebec, that pension package will be protected. If it is not protected, they want to be the ones who will choose the package. Let us give them that choice because they deserve it.

These individuals will be working for a new company. They will be doing the same jobs, probably for the same salaries. Is it not only logical then that the contibutions they have made over the years to the pension plan should also be brought with them with some degree of security so that those individuals will know that they and their families will not suffer for the change? It is logical and I would think that every Member of the House would agree with that principle. I think I can safely assume that that is so, because it is only just and fair, but we on this side of the House wonder why the Government would not clarify the situation for those 800 workers.

The Government cannot, simply because it is the Government, change the rules of the game after the game has already begun. It might be different if the Government were to describe the type of package that would be given to new workers. However, the Government simply cannot expect to treat employees, who have been working for this firm for years and years, in a very undignified manner. That is exactly the manner in which the Government is proceeding.

The Government has decided, through a Government amendment, that it will bring in the kind of pension plan that it thinks is right. It cannot do that. The Government is privatizing this company so it should do everything all at once. It should pay attention to each and every aspect of this deal.

What the Government is doing is wrong. There is the suggestion that the Government is interested in some aspects of the deal more than in others. We see that the Government is not concerned with the welfare of 800 families. The Government is not concerned with the investment made by 800 employees. To a certain degree, that is not surprising because we know what the Government thought of pensioners some months ago. The Government was prepared, despite the social contract signed by individuals across the country, to undermine and deindex their pensions to a partial degree. The Government was stopped in its effort by the pensioners in conjunction with the opposition Parties. Today the Government is not moving against the pensions of senior citizens but, rather, the pensions of individuals who are still in the prime of their lives. The Government is now attacking working families, and that is wrong. That is why members of my Party can see some merit in the proposal to delay this legislation.

I am not necessarily concerned with the length of time this legislation may be delayed. It could be one year, two years or a month. I am concerned that there be an opportunity for more consideration to be given to this Bill. We want there to be enough time given to this legislation to ensure that the workers and not the multinationals or large engineering firms be protected, because it is the workers who have made the firm attractive to the private sector. That leads me to another point.

The 25 million Canadian shareholders also wish to know the philosophy of the Conservative administration as it concerns Crown corporations. The people are receiving conflicting signals. Only a few short months ago during the de Havilland debate, many Hon. Members rose to say that we needed to sell that Crown corporation, and when they had to scramble for a reason for that because they could not find a very good one, they said that it was somehow losing money. It is not that I agree with that narrow view or that narrow thinking, but if that was their reason for selling de Havilland, a Crown corporation, to private interests, I would think that with some degree of consistency they would look through the same eyeglasses at other Crown corporations. Why is there this double standard?

• (1600)

Canadian Arsenals Limited has consistently shown profits from 1980 to 1985. In 1984-85 it showed profits of $11.3 million. It has assets of over $126.4 million and has a cumulative total of $36 million in profits over the last three years. It also has $200 million in backlogged orders. The Conservatives have a philosophy which says that they only sell companies that are losing money, as they preached with regard to de Havilland. They did not look at every other issue at which Canadians wanted them to look. They looked at Canadian Arsenals Limited and said that they wanted to sell it. It is a profitable organization and a proud Canadian entity, yet they saw fit to privatize it. The shareholders are basically saying: "Hold on, we want to know what the chief executive officer is thinking and how you will handle such deals in the future".

I see Mr. Speaker signalling that my time is up. I ask Hon. Members to extend my speaking time because I am really getting into the issue and enjoying it.

An Hon. Member: No.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, once again I am pleased to have an opportunity so soon to participate in

the very important debate on Bill C-87 which is before the House at report stage. The motion before us would require that the House give some time for contemplation, deliberation and reconsideration by the Government before the Act comes into effect.

I should like to seek some guidance from you, Mr. Speaker, in respect of the possibility of moving an amendment to the motion. Motion No. 4 reads:

This Act shall come into force after December 31, 1987, on a date to be fixed by proclamation.

I should like to amend the motion in such a manner as to ensure that when the NDP forms the federal Government, we will have an opportunity to review this carefully and to ensure that it will not be considered a *fait accompli*. Would it be in order to change 1987 to 1989? I would so move, seconded by the Hon. Member for Spadina (Mr. Heap), if that motion is in order. Would such a motion be in order?

The Acting Speaker (Mr. Paproski): If the Hon. Member would like to move that type of motion, I would be glad to receive it in writing. Would he like to do it today or would he like to do it on Monday?

Mr. Robinson: I am sorry. What did you say, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I am talking about your motion. Did you want to present me with a motion at this time?

Mr. Robinson: I would be pleased to write out the motion and present it.

Mr. Gauthier: In both official languages, please.

Mr. Robinson: I move:

That the motion be amended to change "1987" to "1989".

The Acting Speaker (Mr. Paproski): I will accept it. Debate.

Mr. Robinson: Mr. Speaker, I am very pleased to rise on this amendment which would change—

The Acting Speaker (Mr. Paproski): The Hon. Member cannot speak now that he has moved the motion. I am afraid he is not allowed to speak.

Mr. Robinson: Why is that?

The Acting Speaker (Mr. Paproski): You just moved the motion, therefore you are not allowed to speak on it.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I intend to deal briefly with the amendment which our colleague from Burnaby (Mr. Robinson) has just moved.

In fact, several of our colleagues who rose before me claimed that the Government needed a period of reflection in order to rectify some of the Bill's shortcomings. The Hon. Member who suggested to give the Government until December 31, 1987 to think this thing over was certainly looking in the right direction.

However, according to the Hon. Member for Burnaby, it would seem that the Hon. Member would need two additional years to understand some of the problems—

Mr. Gauthier: They are slow on the uptake on the other side—

Mr. Guilbault (Saint-Jacques): —of this Bill.

Mr. Speaker, one of the main problems that the Government is having a hard time to understand is that the Canadian State may, as it pleases, sell off a Crown corporation. However, it does not seem fair to me for it to sell off at the same time the employees of the said Crown corporation. Yet, in a sense, that is what is happening.

The workers presently employed by Canadian Arsenals Limited have agreed under this Bill to concessions that are almost incredible in the labour movement. They have agreed to work for Surveyer, Nenniger & Chênevert (SNC), a firm, I am pleased to say, which has its head office in my riding, without being allowed to take along with them the union privileges they enjoy now. That is already a lot, and I suggest it is a major concession.

However, it seems to me that the Government is going too far in asking them to surrender also their established rights for a pension plan to protect their future financially.

That is why my colleague has moved an amendment, which may seem ridiculous at first sight, to replace 1987 with 1989. I understand that my honourable colleagues are saying: They want to stretch the debate. Let us be honest: Surely we want to stretch the debate.

I will say outright that it is not right what the Government is doing. Let us say it: it is downright unfair! That is why we oppose this and we will stretch the debate as much as we possibly can this afternoon. I give notice that we are going to stretch it until 5 p.m. That is what is taking place. Let us stop this peek-a-boo game. The Government should not treat this way the human beings who are working there.

Because this Crown corporation is sold to the private sector, something I do not oppose in principle—the State is not there to manufacture ammunitions—these people will be at the mercy of a boss working in the private sector, without any union protection. That is already a dramatic change. For the Government to ask these people to surrender their pension plan, I think, is going too far.

One of the amendments we discussed earlier was introduced by my colleague for Glengarry-Prescott-Russell (Mr. Boudria). That was a reasonable amendment. However, it was not accepted, Mr. Speaker. We have trouble making the Government understand that, while we agree with the principle of privatization, there are certain things should be considered. We believe that certain aspects are unacceptable. I do not

want to preach and pretend that all the Hon. Members will agree with me, but certain things are unacceptable.

The Government is saying: We do not want to be unfair with these people. We are going to improve their situation and accommodate them. However, we are going to do it by order in council. The public might not understand what this means, but I do as I have been a Member of this House for a long time. It means: Give us a free hand and trust us. To do something by order in council means: We shall see to it later; we shall refer this to Cabinet once the Bill is passed.

As for me, I want to know exactly how the Government would proceed, right now while this matter is before the House. Let us face the facts. If you want to take part in the debate, please do so because this will help us to keep going until 5 o'clock. There is no need to do that. Let us talk frankly. If you want to act by order in council, this is what I say: Bring your plan to the House this afternoon and we shall look at it. If we can have an explanation from a Minister, even if it is not a formal amendment, I would be willing to take the word of this Minister this afternoon and to give you a free hand to settle the issue of the pension fund by order in council.

However, we are still being told: You have to trust us; agree to this purchase and we shall take care of the employees. To be frank, I am still not convinced, especially as I know that SNC supports the amendement moved by my colleague for Glengarry—Prescott—Russell (Mr. Boudria), which would give the employees the option—

Mr. Bernier: The people who watch you on television.

Mr. Guilbault (Saint-Jacques): Yes, I am happy that people can see me on television and I am also anxious for them to hear you, from the Beauce region. I want to see whether you will support the cause of organized workers as much as I do. I am sorry, Mr. Speaker, but I should address my comments to you.

The amendment proposed by my colleague gave a choice to the employees. They would have been able either to continue contributing to their present pension plan with a few changes for transfers, or else to join the pension plan set up by SNC. This seems logical to me. What I do not want to do is to vote blindly. Do you understand?

An Hon. Member: For a change?

Mr. Guilbault (Saint-Jacques): Yes. For a change. It would make a change for me because, usually, I look—

An Hon. Member: What do you mean by voting blindly?

Mr. Guilbault (Saint-Jacques): For heaven's sake! It is strange to hear a Government Member speak about voting blindly, Mr. Speaker.

• (1610)

[*English*]

Did you hear that, Mr. Speaker? I remember something being said in this House years ago that some of us were voting like trained seals. Now someone on the Government side is telling me that for a change we are looking at the content of a motion before voting. That is a precious admonition coming from Members on the Government side.

[*Translation*]

Mr. Speaker, I would ask my colleagues opposite—because I said earlier, indeed, that we intended to have the debate go on until 5 o'clock. That is not really our intention. As far as I am concerned, I am ready to let it pass immediately.

An Hon. Member: Hear, hear!

Mr. Guilbault (Saint-Jacques): Well, now I hear somebody say hear, hear! Very well, we are beginning to agree. If we can discuss a little, we are going to agree.

I simply want clarifications on how those employees will have their pension plan protected. If we could get that, the Bill would go through rapidly, the sale would take place. Not only are SNC employees concerned, but SNC itself is also getting impatient. The company is ready to reach an agreement with the Government, they want to buy the facilities, they want to operate them. We also have contacts with that company. They are getting somewhat impatient. They themselves made an offer to the employees, to the union members who will no longer be. But that does not work. The Government is not agreeing to that. The Government says: Let us proceed with the sale. After that, we will provide for a sensible pension plan. I am saying "Alright, but let us see it now. Let us look at it beforehand".

Because the employees know what they have now, a pension plan which provides for full indexation, and that is very, very unusual in the private sector. It would be amazing were they to retain that easily. Those people are aware of that fact. Moreover, this allows for benefits to their dependents, with respect to inheritance rights. This is not something that is always provided for in private pension plans either, and there is no assurance that they will get that if they are left unprotected, if they are simply delivered bound and gagged to private enterprise.

Will they be able to get a full pension at age 55 as they may do now? There is no assurance of that. Those are some of the assurances we want to have, rather than the vague promise that will be dealt with by way of an order in council. If we could agree to deal with that, the Bill would proceed quite rapidly.

To sum it up, I am asking the Government to be a little less of an amateur in that area—

Mrs. Mailly: That will be some change.

Mr. Guilbault (Saint-Jacques): No, I am quite serious. I see the Hon. Member over there who is doing that. I find this to be amateurish, but let me explain. In the first place, this is not the first privatization. There was de Havilland before, and it is not the last one indeed, because that is the Government's vowed intention. That is policy.

Let us therefore beware. Will that be a precedent? Are we going to find that every time there is a Crown corporation to be privatized, employees will be just about sold, I mean dropped just like that, without any union protection, without any assurance as to their pension plan. Those are the questions we are raising. We had no clarification on that. This is a serious matter. I think we are getting to understand each other.

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt but the Hon. Member's time has expired. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops—Shuswap): Once again it is a pleasure to be recognized by you, Mr. Speaker, and to have the opportunity to participate in today's debate. This motion moved by my colleague, the Hon. Member for Burnaby (Mr. Robinson) is in recognition of the fact that there will be an election probably in 1988 and that the Government will be replaced by the New Democratic Party as the governing Party of Canada. It is an appropriate motion. It provides us an opportunity ask some fundamental questions regarding the motivation behind the selling of a Crown Corporation.

Unlike my friend who has just spoken who is not against the principle involved in this Bill, the question is whether private enterprise is inherently more efficient than public enterprise. It is a fair question to ask, particularly with this Crown Corporation. I say that while recalling the collapse of two banks in Canada and the fact that business bankruptcies are up over last year in the 13 per cent to 14 per cent range and recognizing that thousands and thousands of businesses collapse each year for a variety of reasons.

In my estimation, in the Canadian context, the main reason for business collapses is inefficient or inappropriate management. The same can be said of many Government Departments. There are Departments inefficiently run because of an inefficient poorly trained management staff and peculiar practices in some cases. But in this instance we are talking about a Crown Corporation, Canadian Arsenals, that does very well for itself.

The company had profits in its last fiscal year of $11.3 million. It is not the largest company in Canada. As a matter of fact, it hardly ranks among the top 500 in Canada. It is actually in the 470 range, yet the company was ranked third in Canada for its five-year profit growth by *The Financial Post*. This is an incredible statement. It is an extremely profitable company which has shown considerable growth over the last five years. By all projections, the next five years would look to be equally lucrative. Projections are that profits will increase significantly in the next horizon as presented by firms that have evaluated the company's performance.

• (1620)

One must ask why we are selling one of the most profitable Crown corporations in Canada when the Government could certainly use the revenue. These days, $11.3 million in cold hard cash would go a long way toward assisting young people through job creation, assisting small businesses to expand, assisting hard-pressed farmers, providing day care facilities or social housing, or reducing the debt of the country. The Government could put this $11.3 million to whatever positive use it determines, but is, instead, throwing it away. The sales of Canadian Arsenals are expected to double in the next five years. I am not certain that that would translate into doubled profits in the next five years, but there would obviously be significant increases in the profit margin.

The Government has decided to sell Canadian Arsenals, which is a 100 per cent Crown-owned corporation, to the SNC group of Montreal. The SNC group of Montreal happens to own another munitions company called IVI. There are only two major munition companies in Canada, those being Canadian Arsenals Limited and IVI. The Government is creating a monopoly. The Canadian Armed Forces will now be required to purchase its munitions from a monopoly. The requirement for munitions will obviously increase in the future, and we will have to pay the price set by SNC and it will reap the profits. The present shareholders of Canadian Arsenals are the people of Canada and they have been doing very well by the profits of Canadian Arsenals Limited.

We must recognize that we are creating a virtual monopoly in the munitions business. We are selling a source of revenue for the federal Government and are adding to the creeping cancer in our society called corporate concentration. More and more power is being put into fewer and fewer hands. I am willing to bet that there is not another western industrialized nation which would stand idly by, as we are today, while more and more of its economy is controlled by fewer and fewer people. The other day I noticed a headline in the *New York Times* warning of the takeover wave in Canada. The Americans are observing what is happening north of the border in Canada and seeing a business trend, the usefulness of which they question with regard to Canada's future. As we discuss this Bill, the Government is contributing to further corporate concentration.

It is interesting to note the return on equity of Canadian Arsenals. That is the best way to evaluate a company. In 1984-85, Canadian Arsenals had a return on equity of 21.4 per cent. There are not many companies in the country today which had a 21.4 per cent return on equity in the past fiscal year This is one of the highest returns on equity to be found in the Canadian economy. Let us recognize that the champions of business are wilfully selling off a very lucrative business, the development and manufacturing of munitions for our Armed Forces.

In conclusion, Mr. Speaker, the many unanswered questions still outstanding with regard to the treatment of employees of Canadian Arsenals Limited and their futures in terms of pensions, plus a variety of other unanswered questions with regard to the transfer of control from a Crown corporation to a private corporation, encourage us to speak in favour of this amendment which will postpone this transaction until some time in the future. That will give us an opportunity for some clear second thoughts about what we are doing. Hopefully, saner heads will prevail in the end.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to comment on the sub-amendment to Clause 12, which is aimed at giving the Government time to reflect and suggests that this Act come into force after December 31, 1989, on a date to be fixed by proclamation.

Mr. Speaker, this obviously gives the Government enough time to reconsider the Bill and add a measure of sensitivity to the needs of its employees. Mr. Speaker, I am not saying I don't trust this Government, but I can tell you that in my riding of Ottawa—Vanier, that trust is relatively limited, especially considering the reputation this government has among its public servants, and I am referring to the fact that it has cut 15,000 jobs and is talking about cutting 15,000 more very shortly. And we all know that as far as job security goes, this Government is unreliable, to say the least, and personally, I am defending the interests of Canadian Arsenals employees, and I say right now, in no uncertain terms, that we are going to expect this Government to clean up its act and treat its employees more generously in terms of pensions and the formula proposed in the sale contract. I could go on for hours, Mr. Speaker, reading the agreements concluded by the Government and SNC, on what basic formulas are to be used, age of retirement and conditions for pension eligibility, survival benefits, and pension fund contributions.

What it all boils down to, Mr. Speaker, is that we are dealing with the worst kind of amateurism.

We have a Government that has decided to privatize a company and other companies as well, but especially this one, a company that has shown a profit during the last five years, a company that was built up and made profitable again through the efforts of its employees and the support of its Board of Directors, and because it is making money, because it is a profitable business, the Government has decided to get rid of it, for reasons it tried to explain but failed at second reading and it has failed even more miserably at the report stage.

Mr. Speaker, we may recall that Canadian Arsenals manufactures medium and large calibre munitions. So they don't have a wide range of customers, aside from the Government or perhaps other governments, that could buy their products. There are 750 employees at Le Gardeur near Montreal and there is another plant at Saint-Augustin near Quebec City, with 50 employees. Ninety per cent of the company's production is sold to the Government, Mr. Speaker, and we know that the transaction involves making calls for tenders. We asked what the criteria were. We were told: the price only.

Mr. Speaker, it is later on that people realized all of a sudden that other considerations had to be reviewed seriously. For instance, the pension plan of the employees had to be taken into account, as well as the indexation of this pension plan, because it is important to have a pension plan which keeps its purchasing power. Just as is now the case for civil servants, they wanted, I suppose, to continue the benefits they had paid for and perhaps to maintain their pension entitlements in the future, by paying their share in the contract and the indexation which is standard among civil servants.

Mr. Speaker, if we consider the background of this sale . . . And when I say amateurish, I really mean amateurish. The Government did not take the trouble of consulting the union. It could have learned something! It did this thing unilaterally, something it should never have done.

The union representatives question the logic of the Government's sale of a profit-making corporation—and they said so in committee. They do not think it is politically wise to treat employees as it is trying to do. That is why we introduced a series of amendments in an attempt—the Minister was here, but he is gone—I saw the Minister in the House and I thought that perhaps he would rise in the debate and give us the assurance that when using his discretionary power, because discretionary power is what he will get under Government amendment No. 1 which will probably be passed by the House today, he will maintain the pension benefits which the employees now have.

This is not a precedent. Hon. Members know it was done in the case of nearly 20,000 Canada Post employees. It was done, a company under Treasury Board jurisdiction was privatized, so to speak, and turned into a Crown corporation. Those people put in the position where they could continue paying their pension contributions and transfer. In other words, they were sure they could change jobs. It means that if a Canada Post employee was not satisfied after three years he had the option of going to the Public Service Commission and ask them to find him a new job. That was fair. But there is no such option in this contract, it is nontransferable.

Mr. Speaker, I would like to refer to some of the comments and get back to my theme of amateurism. I am not the only one who said that, a lot of people came to the same conclusion, particularly those who made offers and who, during the auction, asked the public service departments what the terms of the sale were. We heard interesting comments from these people. Even the senior department officials might have interesting remarks to make. I will simply read some of the comments made by Mr. O'Toole. As we know, Mr. O'Toole—

• (1630)

[*English*]

He is the head of the privatization secretariat of Treasury Board. He is also assisted by a Mr. Basil Beneteau who recently retired as Vice-Chairman of Northern Telecom after a career in telecommunications. I want to quote those gentlemen because they say some interesting things about the sale of Canadian Arsenals. One quote reads:

"It was a horse race to keep up with the transactions in progress and build a strategic framework," says O'Toole.

I am quoting from the *Report On Business* magazine of December 14, 1985. It goes on to say:

"I thought I was going to go nuts about August with the fifth round." For the potential buyers, every bid revision added to their costs, simply because the Government had not done its homework before putting Canadian Arsenals on the block. If the Tories had either adopted the approach recommended by their own task force or the one developed by the Treasury Board secretariat, such problems could have been easily avoided.

That is what I mean when I talk about amateurism. The Tories simply had not done their homework. They had not thought about the employees' benefits. They did not even give a thought to them. You would think that an employer, someone who cared for his employees, would at least think of the conditions into which he is going to be putting those employees if he sells the company. The Government did not do that. It is the same thing over and over with members of this Government. They do not do their homework. They state the facts in the House—they did that on takeovers and on privatization—but it is time they started to get their act together and get this thing going on the right track. Otherwise, the first thing they know they will be in opposition again. God bless them all, they are good at that and I wish them very well.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have a further opportunity to consider this Bill and speak on the motion of my hon. friend which would extend the proclamation date until 1989. That might seem excessive to a few people on the opposite side of the House who wish to comment on the need for better consideration. However, this Bill is likely to be a model or precedent to be followed if this Government is hell-bent on its plan for privatizing everything it can lay its hands on, everything the Canadian people have created through Government action over the past years. Therefore, it should be well considered. We should look at the issues underlying it.

There are broadly two issues. They cannot be handled in a hurry, without better public consideration than has been given. The most important issue has barely been addressed by this Government or this legislation. That issue is the question of who created the company. Who created the wealth of the company? Who made it a viable, profitable operation? Who made it worth selling or worth buying?

Mr. Bradley: NATO.

Mr. Heap: In my mind it was not NATO, as one of the clowns opposite has suggested. It was the working people in those factories who made that company viable. I worked in a factory for 19 years and I know that, in a pinch, the manager of the factory had to acknowledge that if production was to be brought up and kept up to a standard, it was a matter of the morale of the workers involved. Management could have all kinds of schemes and plans and spend all kinds of money, but efficient production depended on the workforce in the factory. Whether it is the immedate workforce currently producing, the equipment, material and power resources provided, or whether you take it back a step further to those who produced the plant, the power resources and the materials, it is the workers involved who made the company viable. Management did not get out there with a hammer and saw and build it. The owner did not get out there with his hammer and saw and build it. It was the workers who produced the plant and it is the workers who produce the products from that plant. This is a point which is commonly ignored. It is a point which is becoming more and more of concern to working people in Canada. They produce this wealth which is then traded and traded and traded in these high-level financial deals which make absolutely no sense of the work the workers are doing. Very often it even destroys their work. Certainly it very often destroys their opportunity to go on working. That is why there should be full consideration given to the people who in fact produced the wealth that made this plant worth talking about and worth buying or selling.

• (1640)

On the other side of the coin, the other consideration deals with the finagling that was done in the process of selling this plant. Some questions have been raised, but I do not think adequate answers have been given.

It may take time to dig out these answers to the questions that have been raised about the process that the Department of Supply and Services used in arranging the sale. I admit that the Department of Supply and Services is not as used to selling as it is to buying. Previous Members have said that the Department was probably an amateur at selling. That is the Government's problem. If it has decided to embark on a reverse process and disperse the wealth that has been built up by the Canadian people through the action of Canadian Governments, it should consider very well not only why it will do it, but how it will do it.

We are told, for example, that dozens of companies expressed an interest in buying Canadian Arsenals, but only six of them were asked to submit final money offers by a deadline of November 19. What we are not told is why all the others were dropped. We are told that those who did submit bids were pressured into submitting revised bids not once, twice but three times between July and November 19. The Department of Supply and Services kept dickering with them and changing the story.

That is not a normal bidding procedure. As part of the city council of Toronto, I obtained some familiarity with the normal tendering and bidding procedure and that is a very

strange way for a public body to do business. I will come back to that point later.

We are also told that the Director General of Aerospace and Armaments, Stanley Kerr, who was a senior official of the Department of Supply and Services, left the Department of Supply and Services on November 1 to work for CFN Consultants, which was lobbying DSS on behalf of SNC, the company that is purchasing Canadian Arsenals. Mr. Kerr has signed an affidavit saying that he did not deal with any aspect of the CAL deal, but it still raises a question. It is the kind of question which Government Members would have screamed blue murder about when they were in opposition, screaming about conflict of interest.

I come to one interesting point, which relates to the rather strange bidding procedures that resulted in this one company being selected. We find in the Toronto *Sun* that SNC paid to a certain Member, who is the Minister responsible for regional development, a campaign fund donation directly, and that the company and the officers of the company have paid additional money to other Tory campaign funds, the central fund.

According to *La Presse*, they have paid $10,000 to the Tory campaign. Of course, ever politician seeks election donations, but when the election donations come to the people who have particular responsibility for a deal like this, from the people who turn out to be the beneficiaries of a deal like this, the public is entitled to ask some questions and get some answers. We want to know just who influenced the deal and who influenced this rather unusual procedure in the bidding. What was going on in the back rooms that influenced the way the value of money changed hands? The value of the work of the workers in that plant was being tossed around like a football.

As I said, it is the workers who created the value of that plant and the value of the products of that plant by their work. It is not the money wheelers and dealers who created that value but it is the money wheelers and dealers who want to scoop up the value. When some of them have made a point of providing election contributions to certain people who now have attained a high position in the Conservative Government, it is important to find out who, as a result of that, is scooping up the value that is created by people working in that plant. It may not be worth it to the Government, but it is well worth it to the people of Canada to take some time to look into these questions.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to elaborate again on some of the points that were made earlier by—

An Hon. Member: The same points you made last time.

Mr. Marchi: —myself and my colleagues. There are some Members opposite who, in the dying minutes of another parliamentary debate, do not like seeing members of the Opposition rising to make their points of view known. I have been sitting here since two o'clock carrying out my responsibilities and I believe I have earned my pay. I do not know what Members opposite have been doing other than reading *The Toronto Star* and seeing that the polls are showing them down once again.

This is the national forum for debate and where political careers are made and broken. This is where we find out who can articulate concerns on behalf of their constituents. I am learning that it is simply a case of Members of Parliament from the Liberal Party and the New Democratic Party who have any interest in or any sense of obligation and compassion for the representations we are receiving. Most important, those Members opposite are receiving the same representations, but the difference is that they are sitting on their representations while we are bringing them forth in the House of Commons, as is the intention of this forum.

My hon. friend and colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), quoted from an April edition of *Business Magazine*.

Some Hon. Members: More.

Mr. Marchi: He quoted a number of interesting paragraphs from that magazine, and Hon. Members opposite are saying "more". The Hon. Member for Ottawa—Vanier forgot to include in his quote that Mr. O'Toole from the privatization section of the Treasury Board said that the Government probably did not invest enough time in the entire stage.

When one considers that quote in conjunction with the subamendment, it gives credibility and life to that particular subamendment.

I will not stand here and suggest that I agree completely that we should delay this decision even though I disagree with the decision itself. If that decision has been made, I think we should inevitably come forth with it in the proper way. I am not prepared to suggest that it should be put off until 1989, because if we are serious about this issue and take into account why this particular firm is in business, we should have the responsibility of dealing with the situation in a responsible and forthright way.

That is why I would not support delaying this until 1989 simply for the sake of delay or waiting until the New Democratic Party is elected to Government, as suggested by the Member from the NDP. If that is the purpose, then it will not be 1989, but probably 3089.

Our purpose in rising is not to delay or procrastinate, but to allow the Government ample—I suggest that word wisely—opportunity to go back once again, as the magazine outlines, and do its homework correctly. The Government should do its homework on behalf of average Canadians, for a change. I say "a change" because it seems that this Conservative administration is concerned with everything else but the lot of the average Canadian.

• (1650)

It is fine for those Hon. Members to stand up and tell us that this is such a proud and profitable organization, but I do

not know why they are saying those things at a time when the Government is selling the corporation. If the Government is prepared to admit that it is such a good corporation, then it should admit as well that it is partially its 800 workers who have made Canadian Arsenals a profitable, effective and proud Canadian entity which has triggered interest within the private sector. If the Government is prepared to admit that is so because of the diligence and responsibility of those 800 workers, it should feel at least a little obligated to give them what is rightfully theirs. When we are discussing the future of this corporation we should discuss the future of those 800 employees. They have invested their lives. They have their pension contributions locked up. But what the Government is prepared to say is: "Forget about that for a moment. We will bring forward a motion in future to deal with it. Right now just trust us". That is not good enough. It is not good business, good management, nor is it fair. It is not fair to the families of those workers who have a future with that particular company, whether it is under Government control or under the control of the private sector. They will continue to labour for that company and, therefore, it is incumbent upon the Government to allow them the opportunities which should be theirs. The Government should allow them to continue to place with the Government of Canada their pension contributions if they so desire. The choice should be theirs.

The union disagrees with the Government's policy, the workers disagree, the media disagrees, the two Opposition Parties disagree, and most fair-minded Canadians disagree. Their question and ours is, how can the Government proceed on this basis? We thought the Government learned a lesson a few short months ago when it was prepared to deindex senior citizens' pensions because it thought that they were unorganized, poorly financed and would not protest. But the Government was rightfully shocked to see the mobilization of senior citizens. The Government is thinking in the same narrow way with the same kind of "don't worry, we know what it is all about" attitude with respect to this pension issue facing the 800 employees of Canadian Arsenals. That is why we are asking for time. We are asking the Government to go back and look at itself in the mirror and ask itself if it is approaching the issue on behalf of Canadians as it ought to. As the Prime Minister said so often, this is supposed to be a Government for the people, by the people. We do not see that here and we have not seen it thus far on any other issue. The other question is on the Government's whole philosophy—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

The Hon. Member for Gander-Twillingate (Mr. Baker).

Some Hon. Members: Hear, hear!

Mr. George Baker (Gander-Twillingate): Mr. Speaker, one would think that with a reception like that, those Hon. Members would agree unanimously to let me go on for the rest of the evening.

Some Hon. Members: Sure.

Mr. Baker: Please don't.

There are perhaps two reasons why the New Democratic Party moved this particular motion; first, it cannot comprehend the legislation, and I do not believe anyone in Canada could comprehend the position of the Government in relation to Crown corporations. It is a very confusing position. On the one hand, the Government wants to get rid of Crown corporations which are profitable and, on the other hand, we see the creation of Crown corporations to save money. For example, I refer to the creation just this year of the Crown corporation CN Marine. It is very difficult to really understand the policy of the Government. Only today, I understand, CN sold CN Route to a private firm, so I presume this House will be considering very shortly the fate of those employees and their pensions.

The Opposition is also concerned about the attitude of the Treasury Board towards employees. You might find this somewhat incredible, Mr. Speaker, but in the present negotiations going on with Treasury Board, for example, employees in the general labour and trades groups in Edmonton—with which city the Speaker is familiar—will, in certain categories, be making less than workers who work outside of Edmonton. The Government says that this only covers 18,000 or 19,000 employees. It is a bit confusing to have salary ranges differ according to whether one works in Ottawa or Toronto, but it is even more confusing when the unions are told the Government will pay different wages in Edmonton from those paid in areas outside of Edmonton.

With respect to crewmen on ships, there is a line called the 102nd parallel which goes up through Saskatchewan. If one is sailing a ship to the east of that line, one will make $200 a month less than if one were sailing a ship to the west of that line. Hon. Members opposite might be interested to check with the President of the Treasury Board (Mr. de Cotret) to find out what happens when a ship actually crosses the line. Is it any wonder that the New Democratic and the Liberal Parties are asking to have another look at this Bill? We want to examine Government policy. The Government obviously does not know what it is doing with Crown corporations. For sure, it does not know what the attitude of Treasury Board is towards its employees. There are about 3,000 or 4,000 employees in the negotiating group of ships crews—but I see my time has expired.

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

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being 5 o'clock p.m., this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.